

9. The Company undertake to commence the amended and extended services as early as practicable, and the same to be considered as commencing on the day upon which the second Inter-Colonial Steamer to be provided by the Company shall sail from Sydney for Auckland, or *vice versa*.

10. That the original Contract shall remain in full force and virtue, save and except so far as the service may be altered, affected, or amended by this agreement.

In assenting, on behalf of the Company, to the foregoing terms for the settlement of the long pending question of the Steam route, I trust I may be pardoned for expressing the hope that the Government will readily acknowledge that the Company has evinced an earnest desire to meet, in a liberal spirit, the views and wishes of the Government, and the increasing requirements of these important Colonies.

I have, &c.,  
(Signed) EDWARD COLEMAN,  
Manager for the Colonies.

To the Honorable  
The Postmaster-General of New Zealand.

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POSTMASTER-GENERAL TO MR. COLEMAN.

General Post Office,  
Auckland, 7th April, 1859.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 2nd instant, transmitting a proposal for altering the route at present laid down for the Royal Mail Steam Packet Company's Steamers by the Contract now in force.

In reply, I have to state that the Government are willing to accept the proposals therein made, subject to the following conditions:—

1. That the Auckland and Sydney boat shall, if practicable, without requiring the employment of another boat, extend its voyage to Napier and back, the Government guaranteeing a sum sufficient to cover the extra cost for coals and for reasonable wear and tear incurred by this addition, and undertaking, in case of the traffic on this part of the line not paying, to reimburse the company the deficiency.

2. The service to commence in Sydney on the 8th July next, in order to afford time for all four of the boats to be on the line, as well as for the necessary alterations to be made in the cabin accommodation of the "Lord Ashley" and "Lord Worsley."

3. The Government to be at liberty to substitute Melbourne for Sydney as the Port of arrival and departure for one of the Inter-Colonial boats, the Government increasing the subsidy payable to the Company by six thousand pounds (£6,000).

I have, &c.,  
(Signed) HENRY JOHN TANCRED.

Edward Coleman, Esq.,  
Inter-Colonial R. M. S. S. Company,  
Queen-street.

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MR. COLEMAN TO POSTMASTER-GENERAL.

Inter-Colonial Royal Mail Steam Packet Company (Limited),  
Auckland, April 9th, 1859.

SIR,—

I have the honor to acknowledge the receipt of your communication, dated 7th inst., stating in reply to the proposal made on behalf of this Company, in my letter dated 2nd inst., addressed to yourself, "that the Government are willing to accept the proposals therein made, subject to the following conditions:—

"1. That the Auckland and Sydney boat, shall, if practicable, without requiring the employment of another boat, extend its voyage to Napier and back, the Government guaranteeing a sum sufficient to cover the extra cost for coals and for reasonable wear and tear incurred by this addition, and undertaking in case of the traffic on this part of the line not paying, to reimburse the Company the deficiency.

"2. The service to commence in Sydney on the 8th July next.

"3. The Government to be at liberty to substitute Melbourne for Sydney as the Port of arrival and departure for one of the Inter-Colonial boats; the Government increasing the subsidy payable to the Company by £6000 per annum."

On behalf the Company I beg to state their willingness to accept the foregoing conditions.

I have, &c.,  
(Signed) EDWARD COLEMAN,  
Manager for the Colonies.

The Honorable Henry John Tancred,  
Postmaster-General of New Zealand,  
&c., &c., &c.