

the Government of Victoria are prepared to join in guaranteeing the necessary subsidy in the proportion of £50,000 by New South Wales and £30,000 by New Zealand; and if not, whether they will agree to apply to the Colonial contribution towards the expense of this line, when fixed, the same rule of apportionment as at present obtains with respect to the route *via* Point de Galle and Suez.

In reply, I have the honor to inform you that after having given your communication their consideration, the Government of this Colony are not prepared to join New South Wales and New Zealand in guaranteeing the necessary subsidy in the proportion of £50,000 by the former and £30,000 by the latter, which is understood to mean that Victoria should become responsible for, say, in round numbers, £142,000, this being the same proportion to £50,000 as the percentage paid by Victoria under present circumstances bears to the percentage paid by New South Wales.

With regard to the second enquiry, I have to state, that until the practicability of the Panama route is proved, and the facilities it would afford to the correspondence of this Colony are made apparent, this Government must decline to enter into any engagement on this subject, preferring, should the line be opened, to leave it to such of the public of Victoria as are desirous of availing themselves of the new Service to pay any additional postage the Governments of New South Wales and New Zealand may think proper to charge.

I have, &c.,

JOHN O'SHANNASSY.

The Honourable Crosbie Ward,  
&c., &c., &c.

No. 9.

S. S. 'Madras,'

King George's Sound,

2nd December, 1862.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 26th November, which reached me on board this vessel as she was about to leave the Port of Melbourne. You do me the honor therein to inform me that the Government of Victoria are not prepared to join New South Wales and New Zealand in guaranteeing the necessary subsidy for the proposed Mail Service *via* Panama, in the proportion of £50,000 by New South Wales and £30,000 by New Zealand; and further, that until the practicability of the Panama route is proved, the Government must decline to enter into any engagement on the subject of a contribution in proportion to the correspondence carried for the Colony by that route.

In reply, I have the honor to state that the Government of New South Wales or that of New Zealand will probably communicate with your Government with a view to ascertain more exactly the conditions of co-operation referred to by you.

I have, &c.,

CROSBIE WARD.

The Honorable the Chief Secretary,  
Victoria.

No. 10.

3, Adelaide Place,

King William Street, 5th March, 1863.

SIR,—

I have the honor to inform you that I have been instructed by the Government of New Zealand to represent that Colony in this country, and as such Representative to take measures, amongst other matters, for the establishment of a Steam Postal Communication between Great Britain and New Zealand by way of the isthmus of Panama.

His Grace the Duke of Newcastle has been informed of the authority under which I act, by a Despatch from His Excellency Sir George Grey, dated 31st October, 1862.

The Legislature of New Zealand has lately granted a sum not exceeding Thirty thousand pounds per annum for five years from 1st January, 1864, to be applied by way of subsidy for the construction and maintenance of a Monthly Steam Postal Service *via* Panama.

The Government of the Colony of New South Wales having at its disposal for the same object a grant formerly made by the Legislature of that Colony not exceeding Fifty thousand Pounds per annum, has expressed its desire to co-operate with the Government of New Zealand, and has authorised Mr. Edward Hamilton, the Representative of that Colony in this country, to act together with myself for the furtherance of the common object.

In proceeding to carry out the work with which we are charged, we desire to explain to Her Majesty's Government the principal facts which in the opinion of the Colonial Governments render the establishment of such a Postal line a matter of present importance, with the view of seeking the co-operation of Her Majesty's Government in the undertaking. I therefore beg most