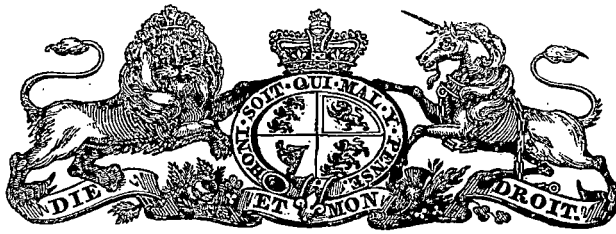


(No. 28.)



1858.

T A S M A N I A.

STEAM POSTAL COMMUNICATION.

Laid upon the Table by Mr. Colonial Treasurer, and ordered by the House to be printed, 21 September, 1858.



*Colonial Secretary's Office, Sydney, New South Wales,
11th September, 1858.*

Sir,

WITH reference to my letter of the 27th of February last, on the subject of Steam Postal Service between the United Kingdom and the Australasian Colonies, and to a communication of the 15th March from the Colonial Treasurer of Tasmania, I have now the honor to transmit for your information copies of the Minutes of the Proceedings of the Executive Council of this Colony, in consequence of an Address presented to the Governor-General by the Legislative Assembly on the 6th ultimo, and of the receipt of intelligence that the present Contract with the European and Australian Royal Mail Company has been dissolved, and that a temporary arrangement only has been made for carrying on the Australian Mail Service, which will not extend beyond the end of 1858; and I also enclose copies of Resolutions which have been since adopted by the Assembly, which indicate fully the arrangements by which it seems to this Government that the future Postal Service may be most effectually provided for.

2. It will be observed that it is proposed that there should be two lines of communication, one by way of Panama, and the other by Ceylon; the cost of the former being defrayed by New South Wales, and the latter by Victoria, in concert in both cases with the Imperial Government,—but that the adjoining Colonies should be invited to co-operate by undertaking to pay an equitable contribution, calculated on the principle laid down in the Minutes of the Executive Council, for the advantages which they will derive from the Contracts which may be entered into.

3. I have therefore the honor to request that you will favour me by stating how far the Government of Tasmania will be prepared to co-operate with New South Wales in the establishment, in the manner proposed, of a Postal Service by way of Panama.

4. I have addressed a communication to the Government of Victoria on the general question discussed in the accompanying papers, as well as with respect to the arrangements for the establishment of the line by way of Ceylon, which it has been suggested should be arranged by that Colony and the Imperial Government.

I have the honor to be,
Sir,

Your most obedient Servant,

CHARLES COWPER.

*The Hon. the Colonial Secretary,
Tasmania.*

EXTRACT from Votes and Proceedings of the Legislative Council, No. 90.

The Chairman obtained leave to sit again so soon as the seventh Order on the Paper of Government Business for to-day shall have been disposed of, and reported the following Resolutions:—

This Committee having taken into consideration the Governor-General's Message of 27 August, 1858, No. 26, respecting Steam Postal Communication, Resolves,—

- (1.) That a sum not exceeding £50,000 per annum be appropriated for ten years towards defraying the cost of establishing Steam Postal Communication, monthly, between Sydney and Panama, under a Contract to be entered into by the Imperial Government and the Government of New South Wales, with parties willing and competent to undertake the service.
- (2.) That application be made to the Imperial Government to authorise the conveyance of the Mails for the Australasian Colonies, under the Contract already entered into for Steam Postal Communication between London and Aspinwall.

- (3.) That the Imperial Government be also requested to take the necessary steps for securing the conveyance of the Australian Mails by the Railway from Aspinwall to Panama.
- (4.) That the Colonies of Victoria, Tasmania, South Australia, and New Zealand be also requested to co-operate with the Government of New South Wales, in undertaking to pay an equitable contribution for the advantages which may be afforded to them respectively by the establishment of such means of communication.
- (5.) That the Government of Victoria be invited to contract in a similar way for the establishment of a monthly Steam Postal Communication between Melbourne and Suez, or Point de Galle.
- (6.) That, in the event of Victoria co-operating with New South Wales in defraying the cost of the Mail Contract *via* Panama, this Colony ought to co-operate with the Government of Victoria in paying an equitable amount for the conveyance of letters by the Point de Galle route.
- (7.) That the expense which may be incurred in establishing either or both of these Postal Services should be borne in equal proportions by the Imperial Government and the Australian Colonies.
- (8.) That letters brought by either the Panama or Galle mail routes be conveyed by each Colony for which they are directed by such arrangement as may be respectively determined.

Message No. 26.

W. DENISON,
Governor-General.

WITH reference to the Address of the Legislative Assembly on the 6th of this month respecting Steam Postal Communication with England, and the Governor-General's reply thereto of the 10th instant, His Excellency now transmits, for the information of the Assembly, Copies of the Minutes of Proceedings of the Executive Council upon the subject.

2. In accordance with the opinion expressed by the Council, the Governor-General invites the Legislative Assembly to appropriate any sum not exceeding £50,000 a year, for a period of either seven or ten years, for the establishment of a Steam Postal Communication with England by way of Panama.

Government House, Sydney, 27th August, 1858.

PROCEEDINGS of the Executive Council with respect to an Address from the Legislative Assembly relative to Steam Postal Communication with England.

[Extract from Minute No. 58-32, dated 9th August, 1858.]

Present.

HIS EXCELLENCY THE GOVERNOR-GENERAL,
THE HONORABLE THE VICE-PRESIDENT OF THE COUNCIL,
THE HONORABLE THE COLONIAL TREASURER,
THE HONORABLE THE SOLICITOR-GENERAL,
THE HONORABLE THE SECRETARY FOR LANDS AND PUBLIC WORKS.

His Excellency the Governor-General lays before the Council an Address which has been presented to him by the Honorable the Speaker, embodying certain Resolutions adopted by the Legislative Assembly, on the 6th instant, with reference to the existing Steam Postal Communication with England *via* India, and a proposed communication *via* Panama; and, in deference to the wish expressed in the concluding paragraph of this Address, His Excellency now submits the subject for the consideration of the Council.

2. The Council accordingly proceed to consider the several matters touched upon in the Address, a copy of which is hereto annexed; and, after a lengthened deliberation, advise that His Excellency should, by the Mail which will leave Sydney on the 11th instant, forward a copy of the Resolutions to the Right Honorable the Secretary of State for the Colonies, and especially urge upon the attention of Her Majesty's Government the principle affirmed in the 6th Resolution, viz. "That, in any future contract for the Mail Service, it is not for the interests of New South Wales that the Imperial Government should make any arrangement binding on this Colony without previous reference thereto."

3. Having further deliberated, the Council defer their decision as to what other steps it would be expedient to adopt in the matter until their next meeting.

EDWARD C. MEREWETHER, *Clerk of the Council.*

PROCEEDINGS of the Executive Council with respect to Steam Postal Communication with England.

[Extract from Minute No. 58-33, dated 16th August, 1858.]

Present.

HIS EXCELLENCY THE GOVERNOR-GENERAL,
THE HONORABLE THE VICE-PRESIDENT OF THE COUNCIL,
THE HONORABLE THE ATTORNEY-GENERAL,
THE HONORABLE THE COLONIAL TREASURER,
THE HONORABLE THE SECRETARY FOR LANDS AND PUBLIC WORKS.

UPON the invitation of His Excellency the Governor-General, the Council resume the consideration of the question of Steam Postal Communication with India, submitted to them at their last meeting, and then only partially proceeded with.

2. On the present occasion the Council have before them, in addition to the Resolution adopted by the Legislative Assembly on the 6th instant, a Minute in which His Excellency explains his own views upon the subject; and having again given to the consideration of the question that full and earnest attention which its importance demands, the Council desire that the result of their deliberations be recorded as follows:—

1st. They are clearly of opinion that the Steam Postal Communication with England *via* India has been conducted under the existing contract with the European and Australian Steam Navigation Company in a most unsatisfactory manner. But, in dealing with the question with reference to the future, it is proper to consider whether the conditions of that contract were such as could be fulfilled with any degree of regularity. It may be urged, it is true, that the practicability of the undertaking was a matter for the consideration of the parties who engaged to perform it, and they, it may fairly be presumed, proportioned the amount of their demand upon the Government to the character of the work they had to do; but, in such a wide scheme as that which was grafted upon the original proposition, it is evident that there were many risks to be run, upon which it was difficult, if not impossible to calculate.

2nd. The Government of New South Wales never contemplated the establishment of a separate and distinct line all the way from England to Australia; all the calculations were based upon the assumption that advantage would be taken of the existing line to India, so far as that could be made available; and the difficulties which have been encountered are due, in great measure, to the attempt which has been made to establish with insufficient means an independent line from Australia to Suez. The Council believe that the experience of the working of this line for the last eighteen months has shown that it is too long to admit of being worked with any probability of regularity by vessels sailing from Sydney, making the voyage to Suez, and returning at once. Such a voyage would take 89 days, and no time would be given for such ordinary repairs to machinery as must always be required from time to time.

3rd. It is by no means certain that the work could be done with regularity were the vessels to sail from Suez and Sydney independently of each other; the voyage of each would still be from 44 to 46 days, and this is no longer than a steamer can be fairly expected to work without a thorough inspection of her machinery. The Council are therefore of opinion that it would very much conduce to the regularity of the Mail Service to and from England if the different stages or portions of the voyage were shortened, as might be done were Ceylon made the termination of the direct voyage from the Colonies instead of Suez.

4th. Should the Company who at present hold the contract altogether fail either to carry on the Mail Service, or to induce other parties to undertake it, or should Her Majesty's Government determine the contract, the whole question will then be open for reconsideration, and it will be in the power of the Australian Colonies to propose new arrangements. It is desirable, therefore, that some determination should be arrived at by this Colony as to what those arrangements should be.

5th. In dealing with the question, the Council assume that the advantage of a rapid, frequent, and regular Steam Communication with Europe, Asia, and America are great enough to justify the Colony in paying to persons, who will undertake to provide the necessary means for this, a much larger sum than can be possibly received by the Government in the shape of postage.

6th. It may also be laid down as an axiom, or, at all events, as a fact deduced from experience, that it does not conduce to the satisfactory working of a contract to have too many persons or bodies parties to it; and that if the parties interested in the due performance of the work are, as is the case with the present Mail Contract, at the two extremities of a line of some 12,000 miles in length, differences of opinion and heart-burnings are nearly certain to occur.

7th. The object of a frequent and regular communication with all the civilized parts of the globe would, it appears to the Council, be best attained by maintaining a line to Ceylon, and from thence to England and India, on the one hand,—and another to Panama, and from thence to England and North

and South America, on the other; and should it be found, after a fair estimate of the cost of these lines, that it would be advisable to carry them out by entering into contracts for their execution, it would be as well to avoid, as much as possible, the multiplication of parties to the contracts. This result, it appears to the Council, might be secured by the following arrangement:—

The Imperial Government, in consideration of the receipt of the postage paid in England, would engage to deliver the Australian letters at Point de Galle on the first line, and at Panama on the second line. This would add in a very trifling degree to the amount of the subsidies already paid by the Home Government to the Peninsular and Oriental Company, and the Royal West Indian Mail Company, and would be productive, on the other hand, of a saving of the share of the subsidy now paid to the English and Australian Mail Company. In consideration, however, of the greater distance and cost of the conveyance of the Mail between Panama and Sydney, a proportion of the subsidy to be paid to the Company, or individuals working this line, might fairly be chargeable to the Home Government: this, however, would be a matter for future consideration.

8th. The Australian Colonies would, on their part, undertake to convey the Mails between Australia and Point de Galle and Panama, each Colony receiving, as at present, the postage charged upon its letters, and contributing to the expense of the undertaking in proportion to the number of letters sent from each.

9th. In order, however, to avoid the difficulties arising, or likely to arise, from having too many parties to these contracts, it would be advisable that the contract for the line *viâ* Ceylon should be made by the Government of Victoria, and that for the Panama line by the Government of New South Wales; the cost of the two lines being divided between the Australian Colonies, as before stated, in proportion to the number of letters dispatched from each.

10th. A special agreement should also be entered into with the Colony of New Zealand, with reference to the amount of its contribution towards the Panama line.

11th. In conclusion, the Council consider it desirable that these views should be communicated to the Governments of the adjacent Colonies, and their concurrence therein invited; and advise accordingly that the Honorable the Colonial Secretary should adopt this step without delay.

EDWARD C. MEREWETHER, *Clerk of the Council.*

MINUTE OF THE GOVERNOR-GENERAL.

The Resolutions adopted by the Legislative Assembly, on the 6th August, relative to the Steam Postal Communication with England, open up a very wide question, and one which is deserving of the most serious consideration of the Government.

The mode in which the Steam Postal Communication has been conducted, under the present contract with the English and Australian Steam Navigation Company, has been most unsatisfactory there is no doubt; but, in considering the question with reference to the future, and not to the past, it behoves the Government to consider whether the conditions of the contract were such as could be fulfilled with any degree of regularity. It may be said, it is true, that the practicability of the undertaking was a matter of consideration of the parties who undertook to perform it, and who, it is to be supposed, proportioned the amount of their claim upon the Government to the character of the work they had to do; but in such a wide scheme as was grafted upon the original proposition it is evident that there were many risks to be run, upon which it was difficult, if not impossible, to calculate. The Government of New South Wales never contemplated the establishment of a separate and distinct line all the way from England to Australia. All the calculations were based upon the assumption that advantage would be taken of the existing line so far as that could be made available; and the difficulties which have been encountered are due, in great measure, to the attempt which has been made to establish an independent line from Australia to Suez with insufficient means.

I believe that the experience of the working of this line for the last 18 months has shown that it is too long to admit of being worked with any probability of regularity by vessels sailing from Sydney making the voyage to Suez and returning at once. Such a voyage would take 89 days, and no time would be given for such ordinary repairs to machinery as must always be required from time to time. I am by no means certain that the work could be done with regularity were the vessels to sail from Suez and Sydney independently of each other—the voyage of each would then be from 44 to 46 days, and this is longer than a steamer can be fairly expected to work without a thorough inspection of her machinery. My opinion, therefore, is, that it would very much conduce to the regularity of the Mail Service to and from England and these Colonies if the different stages or portions of the voyage were shortened, as might be done were Ceylon made the termination of the direct voyage from these Colonies, instead of Suez. Looking to the difficulties which the Company has had to encounter, I do not think it would be fair or reasonable to deal hardly with it, or to press for greater punctuality than is fairly attainable. The Colonies, however, have a right to demand that vessels in good order, and competent, under ordinary circumstances, to perform their work, should be alone

employed; and I decidedly object to the employment of the *Victoria*, which it is evident is not capable, looking to her power and to the state of her machinery, to make the voyage in any reasonable time.

Should, then, the present Company propose to continue its contract, or should it, as it has power to do with the assent of the Lords Commissioners of the Admiralty, transfer the contract to any other Company, I should be disposed to recommend such reasonable concessions as would ensure regularity. Should, however, the Company fail altogether either in carrying on the Mail Service itself, or inducing other parties to undertake it, the whole question will then be open for consideration; and I will now proceed to consider the mode in which it would be desirable to deal with it.

I may premise that the advantages of a rapid, frequent, and regular Steam communication with Europe, Asia, and America are great enough to justify the payment, by the Colony, to persons who will undertake to provide the necessary means for this, of a much larger sum than can be possibly received by the Government in the shape of postage. I may also, I think, lay down as an axiom, or, at all events, as a fact deduced from experience, that it does not conduce to the satisfactory working of a contract to have too many persons or bodies parties to it; and that if the parties interested in the due performance of the work are, as is the case with the present Mail contract, at the two extremities of a line of some 12,000 miles in length, differences of opinion and heart-burnings are nearly certain to occur. The object of a frequent and regular communication with all the civilised parts of the globe would, as it seems to me, be best attained by maintaining a line to Ceylon, and from thence to England and India, on the one hand,—and another to Panama, and from thence to England and North and South America, on the other; and should it be found, after a fair estimate of the cost of these lines, that it would be advisable to carry them out by entering into contracts for their execution, it would be as well to avoid as much as possible the multiplication of parties to the contracts, and this it appears to me might be secured by the following arrangement:—The Imperial Government, in consideration of the receipt of the postage paid in England, would engage to deliver the Australian letters at Point de Galle on the first line, and at Panama on the second line. This would add in a very trifling degree to the amount of the subsidies already paid by the Home Government to the Peninsular and Oriental Company, and the Royal West Indian Mail Company; and would be productive, on the other hand, of a saving of the share of the subsidy now paid to the English and Australian Mail Company. In consideration, however, of the greater distance and cost of conveyance of the Mail between Panama and Sydney, a proportion of the subsidy to be paid to the Company, or individuals working this line, might fairly be chargeable to the Home Government: this, however, would be a matter for future consideration.

The Australian Colonies would on their part undertake to convey the Mails between Australia and Point de Galle and Panama, each Colony receiving, as at present, the postage charged upon its letters, and contributions to the expense of the undertaking in proportion to the number of letters sent from each.

In order, however, to avoid the difficulties arising, or likely to arise, from having too many parties to these contracts, it would be advisable that the contract for the line *via* Ceylon should be made by the Government of Victoria, and that for the Panama line by the Government of New South Wales; the cost of the two lines being divided between the Australian Colonies, as before stated, in proportion to the number of letters despatched from each.

A special agreement should be entered into with the Colony of New Zealand with reference to the amount of its contribution towards the Panama line. Should these views coincide with those of the Members of the Executive Council, it would be desirable that a special reference should be made to the Governments of the adjacent Colonies, and their concurrence requested. Should they express their willingness to adopt the scheme thus sketched out, I shall then be in a position to communicate on the subject with the Secretary of State, and to seek the concurrence of the Imperial Government.

W. DENISON.

PROCEEDINGS of the Executive Council with respect to Steam Postal Communication with England.

[Extract from Minute No. 58-34, dated 23rd August, 1858.]

Present.

HIS EXCELLENCY THE GOVERNOR-GENERAL,
THE HONORABLE THE VICE-PRESIDENT OF THE COUNCIL,
THE HONORABLE THE COLONIAL TREASURER,
THE HONORABLE THE SECRETARY FOR LANDS AND PUBLIC WORKS.

IN reference to the Proceedings of the Council at their last two meetings on the subject of Steam Postal Communication with England, His Excellency the Governor-General now lays before the Council a Despatch which he has received by the "European" from the Right Honorable the Secretary of State for the Colonies, transmitting the copy of a letter from the Secretary to the Treasury announcing the dissolution of the present contract with the European and Australian

Royal Mail Company, and reporting the temporary arrangement which it is proposed to make for carrying on the Mail Service with Australia, until a new contract can be entered into of a more permanent character.

2. His Excellency at the same time lays before the Council a letter from Champion Wetton, Esquire, the Agent of the said Company, to a somewhat similar effect, but stating that an arrangement had actually been entered into with the Royal Mail Steam Packet Company to carry on the service for six months from the 1st July last.

3. In their previous deliberations upon this question, the possibility of a dissolution of the contract was not unforeseen by the Council; and the practical effect of the present communication is simply to place them in a position to take more decided action towards carrying out the views recorded at their last meeting, which were in fact based upon, and intended to meet, such a contingency as that which has now arisen.

4. There is one point, however, yet untouched by the Council, upon which it appears to the Governor-General very desirable that some determination should be arrived at without delay; viz.,—whether the Government in making a contract for the conveyance of the Mails is bound, or indeed entitled, to mix up this question with that of the conveyance of passengers and goods; and in a Minute reviewing the whole subject, His Excellency now submits this point for the consideration of the Council, and also suggests that, in lieu of communicating the result of their deliberations to the adjacent Colonies in writing, as previously recommended, a special envoy should be accredited for the purpose, and dispatched to Melbourne with full instructions as to the course which he is to adopt, should the views of the Government of Victoria coincide with those of the Government of New South Wales, or be such as can be acceded to.

5. With regard to the first matter, the Council concur with His Excellency in thinking that all that the Government are called upon to consider is, how to get the Mails conveyed in the most rapid and effective manner, consistent with a proper economy; and they therefore record their deliberate opinion that in any new contract or contracts for the conveyance of the Mails, either by Suez or Panama, a Postal Service only should be provided for, as it would not, they believe, be wise on the part of the Government to make any stipulation as to the size of the vessels or the amount of accommodation. These are points for the determination of the contractors, who will, if they consider the passenger and goods' traffic likely to prove remunerative, make the necessary arrangements for its accommodation.

6. With regard to the second matter referred to in His Excellency's Minute, the Council are disposed to adhere to their former recommendation,—that the general views of this Government upon the whole subject should be communicated to the adjacent Colonies by the Honorable the Colonial Secretary; and as the provisional arrangement for the conveyance of the Mails is to cease in six months from the 1st July, they are of opinion that no time should be lost in adopting this step, and such other decided measures for the establishment of a Postal Communication by Panama as may be deemed expedient.

What those measures should be the Council now proceed to consider.

7. In the first place, it is absolutely necessary that the Government should be in a position to carry out the specific arrangement for this line, recommended at their last meeting; and with this view they advise that His Excellency the Governor-General should at once submit to the Legislature the whole of the propositions then agreed to, and invite the Assembly to appropriate, by an Act, any sum not exceeding £50,000 a year, for seven or ten years, for the purpose of initiating the said line.

8. In the next place it is also necessary that the co-operation of the Imperial Government should be secured to the scheme; and the Council accordingly recommend that His Excellency should transmit to the Secretary of State, by next Mail, a Despatch fully explaining the views of the Government of this Colony upon the whole subject, and the steps already taken to carry out those views, which Despatch should be accompanied by a copy of the Bill above referred to, either as submitted to, or passed by the Assembly, as the state of the case will allow.

9. Finally, it appears to the Council very desirable that some steps should also be taken to ascertain on what terms contracts for the establishment of the line by Panama would be entered into; and to this end they advise that an advertisement be prepared inviting negotiation, and even calling for tenders for the performance of the service.

This advertisement should be forwarded to the Secretary of State for the Colonies, with a request that if Her Majesty's Government are prepared to co-operate in the matter with the Government of this Colony, that the same may be extensively published in England and America.

EDWARD C. MEREWETHER, *Clerk of the Council.*

MINUTE OF THE GOVERNOR-GENERAL.

The termination of the contract with the European and Australian Mail Company places the Australian Colonies in a different position altogether from that in which they were last week, when I wrote my former Minute on the subject of Steam Postal Communication. It is now no longer a question of the maintenance, or non-maintenance, of a particular contract, but the whole question of the best mode of communicating with different parts of the world is virtually thrown open; and it will be for the Australian Colonies to consider whether, without sacrificing any of the advantages which they at present possess, or, at all events, any of those advantages for which the whole community should be called upon to pay, they might not secure for themselves a far more frequent communication with England and other parts of the world, at a cost but little greater than that which they have hitherto had to pay for a Monthly Mail.

In order to facilitate the consideration of this important subject, it would be as well to determine at once whether the Government in making a contract for the conveyance of the Mails is bound, or indeed entitled, to mix up this question with that of the conveyance of passengers and goods.

In my opinion, all that the Government is called upon to consider is, how to get the Mails conveyed in the most rapid and effective manner, consistent, of course, with a proper economy. I do not think that it would be wise on the part of the Government to make any stipulations as to the size of the vessels, the amount of accommodation, &c., &c.; these are points for the consideration of the contractors, who will, if they consider the passengers and goods' traffic likely to prove remunerative, make the necessary arrangements for its accommodation. I have laid much stress upon the preliminary consideration of this question; for upon the view taken by the Governments of the different Australian Colonies with relation to it must depend very much the amount of expense which will be incurred, and the character of the contract or contracts which will have to be entered into. Should it be thought advisable to consider the comfort and convenience of passengers, then it may be necessary to maintain a distinct and separate line, at all events to Suez, if not to England; but should the conveyance of the Mails be the sole matter for consideration, then all that we should have to determine would be, the speediest and best mode of conveying the Mails to and from such points as have, by existing arrangements, the benefit of Steam communication directly with England. Upon the latter supposition, it appears to me that there are three courses open for adoption:—

1st. To combine, as at present, with the Imperial Government, leaving the arrangements to be made and the contracts entered into by the Lords Commissioners of the Admiralty, as heretofore, under some distinct stipulations as to the amount of payment to be made by the Colonies, and the facilities to be given to their correspondence.

2nd. That the Colonies should submit to the Imperial Government a proposal that the Mail should be carried between England and Ceylon under existing arrangements with the Peninsular and Oriental Company, or under such agreement as may be made by the Postmaster-General in England—while the Australian Colonies, either jointly or by some special arrangement among themselves, should contract for the conveyance of the Mails between Australia and Ceylon.

3rd. That provision should be made for a Monthly Mail *viâ* Panama, as well as *viâ* Suez,—an interval of fourteen days elapsing between the starting of these Mails.

The third scheme may be considered under two points of view.

It may be carried out by the Australian Colonies jointly, forming a part of one great scheme of Postal Communication with all parts of the world, or it may be a separate undertaking on the part of the Government of New South Wales: in either case the Imperial Government must be a party to the scheme, as the conveyance of the Mails to Suez and Panama, respectively, must be provided for under existing arrangements, or under other contracts entered into by the Postmaster-General in England.

Should the whole of the Colonies agree to combine for the purpose of carrying out the scheme of a double communication with England, monthly, the expense will be a joint charge upon the revenue of the different Colonies, towards which each will contribute, according to the aggregate of letters dispatched annually by both routes. Should the Colony of New South Wales undertake to carry out the Panama line separately, on the refusal of the other Colonies to engage in the scheme, then it will be for the Government to charge upon the correspondence of the other Colonies a fair amount of postage, to cover the expense to which it would be subjected in maintaining the line. In order to avoid the difficulties which would be certain to arise were the several Governments to be parties to one contract, it would be as well, perhaps, that the Victoria Government should make the contract for the Ceylon line, and that of New South Wales for the Panama line. As the provisional arrangement for the conveyance of the Mails is to cease in six months from the 1st July, no time should be lost in communicating with the Governments of the other Australian Colonies, as soon as the Government of New South Wales has decided upon its course of action; and the best course to adopt would probably be that of dispatching a special envoy to Melbourne, with instructions to communicate with the Government there; and should their views coincide with those of the Government of New South Wales, or be such as can be acceded to, the envoy can then proceed to Tasmania, while the Government of Victoria can send one to South Australia, for the purpose of seeking the concurrence of those Colonies, to the Governors of whom I can, in the meantime, address Despatches, embodying the propositions which, after a careful consideration, we may here determine upon.

W. DENISON.