

QUEENSLAND.

Legislative Assembly.

OCEAN POSTAL COMMUNICATION.

(PAPERS CONNECTED WITH THE SUBJECT OF)

*(Ordered by the Legislative Assembly to be Printed, 15th May, 1867.)*Chief Secretary's Office,
Melbourne, 21st November, 1866.

SIR,

The Lords Commissioners of Her Majesty's Treasury having intimated by Minute, dated the 4th September, 1866, the intention of the Imperial Government to direct that the necessary steps should be taken for terminating the existing contract for the conveyance of mails between Great Britain and India, and Point de Galle and Sydney; and their Lordships having also expressed a strong desire that any new contract for the Branch Service, by which the Australian mails may be forwarded, should be under the joint control of the colonies interested in the service,—I have the honor, by direction of His Excellency Sir J. H. T. Manners Sutton, to state that this intelligence appears to the Government of Victoria to afford an additional reason to those already urged in the correspondence that has taken place on the subject, in favor of a meeting of delegates from the several colonies, for the full discussion of all matters connected with Steam Postal Communication, in order that the whole question may be settled on equitable grounds for the common good.

I have, therefore, the honor to suggest that such a meeting should be arranged to take place on an early date; and that the gentlemen who may be appointed to the duty may be invested with full powers, as it is of the highest importance that the decision of Colonies on the question remitted to them by Lord Carnarvon should be arrived at, and communicated with the least possible delay.

I would also suggest that Melbourne would, on account of its central position, be the most eligible place of meeting.

A similar communication has been addressed to the Governments of New South Wales, New Zealand, South Australia, Tasmania, and Western Australia.

I have, &c.,

JAMES McCULLOCH.

The Honorable the Colonial Secretary, Queensland.

Victoria, Chief Secretary's Office,
Melbourne, 1st February, 1867.

SIR,

Adverting to previous correspondence on the subject of a Postal Conference, I have now the honor to acquaint you that, with the concurrence of the Delegates from New South Wales and South Australia, at present in Melbourne, it has been decided to hold the Conference in Melbourne on the 4th March next.

I have, &c.,

J. MOORE,

(For Chief Secretary.)

The Honorable the Colonial Secretary, Queensland.

THE SECRETARY OF STATE FOR THE COLONIES to HIS EXCELLENCY THE GOVERNOR.
(Queensland.)
No. 10.
Downing Street,
28th February, 1867.

SIR,

I have the honor to transmit to you for your information, and for that of your advisers, with reference to my predecessor's despatch No. 28, of the 26th May, 1865, a copy of a letter from the Foreign Office, with its enclosures, from which you will learn that the Government of the Netherlands is prepared to contribute towards the proposed establishment of a line of packets between Queensland and Singapore, calling at the Dutch possessions in the Indian Archipelago.

I have, &c.,

CARNARVON.

Governor Sir G. F. Bowen, G.C.M.G.,
&c., &c., &c.

[Enclosure in the Above.]

Foreign Office,
February 19, 1867.

SIR,

With reference to your letter of the 15th of April, 1865, I am directed by Lord Stanley to transmit to you, to be laid before the Earl of Carnarvon, a copy of a despatch as marked in the margin, on the subject of the proposed establishment of a line of packets between the Colony of Queensland and Singapore, calling at the Dutch possessions in the Indian Archipelago.

I am, &c.,
(Signed)

E. EGERTON.

The Under Secretary of State, &c., &c., &c.,
Colonial Office.

The Hague,
15th February, 1867.

MY LORD,

I shall have the honor to enclose herewith a copy of a note addressed to me by the Count de Zuylen, replying to the communication made to the Netherlands Government in the month of April, last year (by Sir J. Millbanke Huskisson, in obedience to the instructions of Earl Russell's despatch No. 17, of the 19th April), of the desire of Her Majesty's Government to know whether the Netherlands Government would be disposed to contribute towards the establishment of a line of packets between the Colony of Queensland and Singapore, calling at the Dutch possessions in the Indian Archipelago.

The Count de Zuylen, in expressing the satisfaction of his Government at the prospect of opening a communication with the Australian settlements, mentions that a sum of one hundred thousand florins (£8,340) has been appropriated in the Indian Estimates as a subsidy for a line of steamers between Java and Australia. His Excellency accordingly proposes that the conditions of this enterprise should be arranged at Batavia, by commissioners to be appointed on behalf of the Netherlands and of the several Australian Governments disposed to join in it, subject to the ratification of the Central Government, and the approval of the Netherlands Legislature of the grant of money for the service.

I have, &c.,
(Signed)

WILLIAM R. WARD.

THE SECRETARY OF STATE FOR THE COLONIES to HIS EXCELLENCY THE GOVERNOR.
[CIRCULAR.]

(Queensland.)

Downing Street,
22nd September, 1866.

SIR,

I have the honor to transmit to you a copy of a letter from the Board of Treasury, enclosing a minute of their Lordships' upon the subject of the postal communications between this country and the East Indies, China, Japan, and the Australian Colonies.

I also annex a copy of the report referred to by their Lordships from the Select Committee on East India Communications, which has been laid before Parliament, and of the

19 February,
1867.

Mc Ward, No. 2

Original in
French.

6 September,
1866.

the report addressed to the Postmaster-General by Captain Tyler, R.E., of his recent inspection of the railways and ports of Italy, with reference to the use of the Italian route for the conveyance of the Eastern mails.

I request that you will lay these papers before your Responsible Advisers, in order that they may make known their wishes and views on the several questions raised in their Lordships' minute so far as they affect the arrangements to be made for the conduct and maintenance of the postal service between this country and the Australian Colonies.

I have, &c.,

CARNARVON.

Governor Sir G. F. Bowen, G.C.M.G.,

&c., &c., &c.

MR. HUNT to SIR F. ROGERS, BART.

Treasury Chambers,
6th September, 1866.

SIR,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, for the information of the Earl of Carnarvon, copy of a minute of their Lordships, dated 4th instant, upon the subject of the postal communications between this country and the East Indies, China, Japan, and the Australian Colonies, and I am to request that you will move his Lordship to cause the communications therein suggested to be made to the Governments of the several Colonies adverted to therein.

I am, &c.,

(Signed)

GEORGE WARD HUNT.

Sir F. Rogers, Bart.

Copy of Treasury Minute, dated 4th September, 1866.

My Lords have before them the Report of the Select Committee of the House of Commons appointed during the last Session of Parliament, "to inquire into the practical working of the present system of telegraphic and postal communication between this country and the East Indies, and who are instructed to extend their inquiry to China, Japan, Australia, and Mauritius," and also a report from the Postmaster-General, dated 9th August (made in pursuance of directions contained in their minute of the 2nd August) on the whole subject of the postal communication between this country and the East Indies, China, Japan, and the Australian Colonies.

The following are the services by which, at the present time, the postal communication between this country and the East Indies, China, Japan, the Australian Colonies, and Mauritius is maintained.

They consist, firstly, of four services per calendar month between this country and Alexandria *via* Marseilles, with four corresponding services *via* Southampton;

Secondly, of four services through Egypt in connection with the foregoing, between Alexandria and Suez;

Thirdly, of two services per calendar month between Suez and Bombay;

Fourthly, of two services per calendar month between Suez and Galle, within each case a packet between Galle and Calcutta, and another between Bombay and Galle, and onwards to China and Japan;

Fifthly, of one service per calendar month between Galle and Sydney (touching at King George's Sound and Melbourne, and with branches to South Australia, Tasmania, Queensland, and New Zealand); and

Sixthly, of one service per calendar month (maintained at the sole expense of the Mauritius Government) between Galle and Port Louis.

Except the branches in Australia and the packet between Galle and Mauritius, the above services, so far as they are sea services, are performed by the Peninsular and Oriental Steam Navigation Company, and at the following annual cost:—

Services to India and China and so much of the Australian service as lies between this country and Galle	£230,125
Australian service between Galle and Sydney	119,500
	£349,625

To this sum must be added £19,550 for the branches in Australia, £12,000 for conveyance through Egypt, and £14,765 for miscellaneous expenses, but nothing at present for the service between China and Japan, that service having hitherto been performed by the Peninsular and Oriental Company gratuitously.

It thus appears that, exclusively of the expense of conveying a portion of the mails between Dover and Calais, and through France (for the latter of which an additional charge is made in the rate of postage) and exclusively of the expense of the Inland service at each end, the present cost of the conveyance of the Indian, China, and Australian Mails, and of the Mauritius Mails (between this country and Galle) is nearly £396,000 per annum.

If from this sum be deducted the estimated amount of sea postage (about £236,000 per annum) it will be seen that the services in question are attended with an annual loss of £160,000, of which it may be roughly said one half is borne by India and the different Colonies concerned, and the other half by the mother country.

With

With the exception of Australia, the contracts under which the services are performed are terminable at any time on one year's notice; and on a notice of two years the Australian contract may also be terminated.

The postage on letters *via* Southampton, between India and this country, and Australia and this country, is sixpence the half-ounce letter; and it has, with a view of diminishing the great loss before referred to occasioned by the expense of the Packet Service, been proposed at different times to the Government of India, and to those of the Australian Colonies, to double the postage on letters, but those Governments have hitherto, with the exception of New South Wales, declined to accede to the proposals made.

My Lords now proceed to consider the recommendation of the Select Committee with regard to the establishment of a weekly communication with India *via* Bombay, and the discontinuance thereupon of the separate postal service between this country and Madras and Calcutta.

Adverting to the facilities which will be afforded by the early completion of the main lines of railway communication between the port of Bombay and Calcutta, Madras, the North-western Provinces, and the Punjaub, my Lords entirely concur in opinion with the Select Committee that Bombay should be the port of arrival and departure of the mails to and from India, and that the time has arrived for the establishment of a weekly service to and from that country, and they will, on learning from the Secretary of State for India in Council that his Lordship concurs in these views, take the necessary steps for carrying them into effect.

Before, however, a final decision is arrived at, it may be well to consider whether, with a view of obtaining the best route through Europe towards Alexandria and Suez, and thereby expediting the conveyance of the mails between this country and India, it may not be advisable to substitute the port of Brindisi in the south of Italy for the port of Marseilles, from which port the mail *via* France is now sent.

It appears from the able report of Captain Tyler, of the Royal Engineers, to the Postmaster-General, which my Lords have perused with much interest, that if the Brindisi route were made use of, instead of that by Marseilles, there would be a saving in the time occupied in the conveyance of the mails between this country and Alexandria of 35½ hours previous to the construction of the Mount Cenis Summit Railway, of 39½ hours after the construction of that railway, and 42½ hours after the completion of the permanent tunnel line from St. Michel to Susa.

The great saving of time thus effected affords in the opinion of my Lords a conclusive reason for the adoption of the port of Brindisi as the port of communication with Alexandria instead of Marseilles; the more so, as it appears that the Italian Government are willing and anxious to make every necessary arrangement for facilitating the conveyance of the British Mails through Italy.

It will be, therefore, necessary to give notice to the Peninsular and Oriental Steam Navigation Company of the intention of the Government to put an end to the contracts at present existing for the conveyance four times a month of the mails between Southampton and Alexandria, and Marseilles and Alexandria, and to call for tenders for a *weekly* service between Southampton and Alexandria, and Brindisi and Alexandria. It will, also, be necessary to give notice for the discontinuance of the two services *per calendar month* between Suez and Bombay, and of the two services *per calendar month* between Suez and Galle within each case, the packet between Galle and Calcutta, and the other packet between Bombay and Galle, and from thence to China.

With regard to the conveyance of mails to China and Japan, my Lords are of opinion that the service to be constituted for the conveyance of the Indian mails should be made use of as far as Aden; and with this view, it will be necessary, instead of the mails for these countries being despatched twice a month as at present, that the service should be converted into one, once every fortnight; and tenders will, therefore, have to be called for a fortnightly service between Aden and Japan, touching at Galle, Penang, Singapore, Hong Kong, and Shanghai, the parties tendering to state for what additional subsidy they would be willing to continue the service from Aden to Suez.

As respects the time to be allowed in each instance for the performance of the new service, the Postmaster-General proposes to act on the plan which has for some time been in use, *viz.*, to ascertain what would be the charge, both at the present rate of sailing and at a higher rate, so as to enable this Board to decide whether or not the increased speed would warrant the increased expense. My Lords, adverting to the recommendation of the Select Committee, "that the time table should be based on a prescribed speed of not less than eleven nautical miles per hour on the voyage between Marseilles and Alexandria, and ten miles per hour between Suez and Bombay; but that the tenders be required to state also terms in each case for higher rates of speed, of not less than one additional half mile per hour," are of opinion that the proposed course of proceeding by the Duke of Montrose should be adopted.

As it is probable that the expense of the proposed weekly service to and from Bombay, and the fortnightly service to and from China and Japan, will considerably exceed the amount of the postage which will be received on the correspondence forwarded by these services, it is necessary that some arrangement should be made as to how the excess in these cases is to be met.

With regard to the India service, there can be no question but that, as at present, it should be made good in equal proportions by the Indian and Home Governments; but with respect to the China service, adverting to the opinion expressed by the Select Committee, that "the arrangements under which India now defrays a moiety of the net cost of the

China service, after deducting the postal receipts, will not, under the proposed arrangements, be equitable as regards that Government, and should be modified," it is necessary to consider what modification it will be expedient to make. The contract packet from Bombay to Galle, and thence on to China, by which line my Lords presume the correspondence between India and China has been hitherto conveyed, being about to be discontinued, it appears to my Lords that it will be necessary for the India Government itself to provide fortnightly the means of conveying the correspondence between India and China, at any rate as far as Singapore, in which case the only claim which could fairly be made on the Indian Government on account of the China mail service would be for the conveyance of its correspondence between Singapore and China and Japan by the contract packet from Point de Galle.

It is reasonable to expect that great expense will be imposed by these services on the British and Indian exchequer; and my Lords propose to reserve for future consideration whether it would be expedient to reduce such expense by raising the postage of letters between this country and India; and they propose, in the meantime, to call the attention of the Secretary of State for India to this question.

The large and important island of Ceylon has hitherto not contributed towards the loss incurred by the packet service by which its correspondence with this country has been conveyed. My Lords are of opinion that the time has now arrived when it may fairly be called upon to contribute towards the loss in question in proportion to its correspondence, at any rate so long as the postage on letters to and from Ceylon continues at the moderate rate of 6d. the half-ounce letter; and my Lords would be glad if the Secretary of State for the Colonies will make an intimation to this effect to the Government of that island.

With respect to the postal communication *via* Suez with the Australian Colonies, it is at present a monthly service, the mails being despatched to Alexandria on the 20th of each month *via* Southampton, and on the 26th *via* Marseilles. From Suez the mails are conveyed as far as Point de Galle by the Calcutta packet, corresponding with that leaving Southampton on the 20th of the month; and from Point de Galle they are carried by vessels of the Peninsular and Oriental Company, under a contract recently entered into with that company, but which is terminable on a notice of twenty-four months being given by either party.

Various complaints having reached this Board from the Australian Colonies of the manner in which the Peninsular and Oriental Steam Navigation Company have hitherto carried on the service, and the Colony of New South Wales having gone so far as to give notice of their intention to withdraw from their share in the contract, it appears to my Lords (although they do not think there are sufficient grounds for these complaints, and are of opinion that on the whole the service has been well performed) that it would be advisable also to serve notice on the company, that at the termination of twenty-four months the present contract for the conveyance of the mails between Point de Galle and Sydney will be discontinued.

As the mails to India will hereafter be carried weekly instead of four times a month, and those to China fortnightly instead of twice a month, it will be necessary, unless a service expressly for the conveyance of the Australian mails between this country and Alexandria, and Brindisi and Alexandria, is provided, that the Australian mail service should also be altered from a service once a month to a service once every four weeks, so as to render the packets conveying the India and China mails to Alexandria, and the China mails to Point de Galle, available for the conveyance of the Australian mails as far as Point de Galle. It is true that it might be possible to make use of the vessels of the Messageries Impériales, which are under contract with the French Government for the conveyance of mails *monthly* between France and China, for the carriage of the Australian mails as far as Point de Galle; but my Lords are given to understand that the expense of making use of these vessels would amount to very considerably more than the extra expense which would be incurred by the conversion of the service to those colonies from a monthly to a service once every four weeks.

It now becomes necessary to consider in what manner the service between Point de Galle and the Australian Colonies is to be provided for, on the discontinuance of the present contract with the Peninsular and Oriental Steam Navigation Company. My Lords would be glad if the Australian Colonies would themselves in combination undertake to provide this service, in which case they would, as at present, be prepared on behalf of the Imperial Government to defray one half of the reasonable cost of such service; and they would suggest that the Secretary of State for the Colonies should communicate with the different Colonial Governments with a view to such an arrangement being carried out. If, however, the several Colonial Governments should find it impossible to come to a common understanding on the subject, and to adopt a practicable arrangement, the Home Government will not refuse to undertake to make the necessary contract for providing the service between Point de Galle and Sydney; it must be, however, on the distinct understanding that they shall agree each and all to whatever arrangements the Home Government may consider most conducive to the interests of the mother country and of the Colonies collectively. My Lords, however, would much prefer that the Colonies themselves should, in combination, make the contract or contracts for the service in question.

As regards the services between this country and Mauritius, my Lords regret that the future fortnightly service to Galle will not work in altogether with the monthly service which the Colonial Government has organized between Mauritius and Galle.

My Lords, however, trusts that the Colonial authorities will be able to make arrangements which will obviate this inconvenience.

It now remains merely to recapitulate the steps which will require to be taken.

Firstly.

Firstly. Notice will have to be given to the Peninsular and Oriental Steam Navigation Company of the intention of Her Majesty's Government to put an end, at the proper periods, to all the contracts they have with that company for the conveyance of the mails both on this side and on the other side of the Isthmus of Suez, and

Secondly. Tenders will have to be called for the several services adverted to in this minute, such services being divided into five parts. (Parties tendering to be at liberty to tender for any one or more of such services), viz :

1st. A weekly service between Brindisi and Alexandria.

2nd. A weekly service between Southampton and Alexandria.

3rd. A weekly service between Suez and Bombay.

4th. A fortnightly service between Aden and Japan, touching at Galle, Penang, Singapore, Hong Kong, and Shanghai.

The parties tendering for this service to state for what additional subsidy they will be prepared to extend the service to Suez.

NOTE.—By the terms of the present contract with the Peninsular and Oriental Steam Navigation Company, they are bound to provide a communication once every four weeks for an additional subsidy of £10,000 a year.

5th. A service as at present from Galle to Sydney, with a provision that the contract for this service may be accepted either by the Home Government or the Colonies.

Adverting to the opinion expressed by the Select Committee "that in consideration of the outlay which must necessarily be incurred in the construction of new vessels or adapting those now employed for the efficient performance of the future service to India, it is expedient that the new contracts shall be for a term of years certain, subject to a subsequent notice of two years on either side," my Lords would propose that so far as respects the first four services above adverted to, the tenders should be for a term of six years certain, and thenceforth subject to a notice of two years at the end of the first four or any subsequent year.

As regards the 5th service, however, viz., that between Galle and Sydney, although the necessary twenty-four month's notice should immediately be given to the Peninsular and Oriental Steam Navigation Company for the discontinuance of the present contract, it appears to my Lords that it would be inexpedient to call at once for tenders for a new service, or to fix a period for such service until they have before them the views of the respective Colonies on this subject, which my Lords trust the Earl of Carnarvon will take the earliest opportunity of eliciting.

REPORT FROM THE SELECT COMMITTEE ON EAST INDIA COMMUNICATIONS; WITH THE PROCEEDINGS OF THE COMMITTEE.

THE SELECT COMMITTEE appointed to inquire into the practical working of the present System of TELEGRAPHIC and POSTAL COMMUNICATIONS between this Country and the *East Indies*, and who were instructed to extend their inquiry to *China, Japan, Australia, and the Mauritius*, have considered the matters to them referred, and have agreed to the following Report:—

1. It appears from a table laid before your Committee by Mr. Valpy, of the Board of Trade, that the total value of imports into the United Kingdom, and of British produce exported therefrom, and total tonnage of vessels entered and cleared at ports in the United Kingdom, in the year 1865, were as follows:—

	£
Value of Imports	271,134,967
Value of Exports (British produce and manufacture) ...	165,862,402
Tonnage of Vessels—	
Entered	14,317,886
Cleared	14,579,206

Of these quantities, British India, Singapore, Ceylon, Mauritius, China, China (Hong Kong), Egypt, the Dutch Possessions in India (Java, Sumatra, &c.), the Philippine Islands, Japan, and Australia, contributed the following proportions:—

COUNTRIES.	Imports.	Exports.	Tonnage of Vessels.	
			Entered.	Cleared.
	£	£	Tons.	Tons.
British India	37,395,372	18,254,570	664,391	671,856
Singapore	2,169,056	1,442,450	77,835	50,292
Ceylon	3,707,615	685,308	52,197	50,400
Mauritius	1,246,299	596,848	41,029	30,805
China	10,673,960	3,609,301	91,606	80,375
China (Hong Kong)	773,068	1,561,851	14,408	42,848
Egypt	21,773,250	5,985,087	361,419	488,268
Dutch Possessions in India (Java, Sumatra, &c.)	226	928,642	Nil	29,349
Philippine Islands	1,253,904	945,624	23,207	18,055
Japan	614,743	1,520,895	9,361	19,602
Australia*	10,283,113	13,352,357	156,649	387,239
Total for the above-named Countries	68,117,356	42,897,846	1,492,102	1,869,090

* Not including in any case precious metals.

2 It will thus be seen that upwards of 25 per cent. of the whole of the external commerce of the United Kingdom is transacted with the several countries above enumerated. The great importance of rapid and regular systems of communications between countries transacting business of such magnitude and importance can hardly therefore be over-rated.

3. Many merchants, bankers, and others engaged in carrying on these vast operations, having complained of the insufficiency of the existing postal and telegraphic arrangements, your Committee have inquired into their allegations on both points, and carefully considered the circumstances in their several bearings.

"AS REGARDS THE POSTAL SERVICE."

Existing Postal Contracts.

4. The now subsisting contracts between Her Majesty's Government and the Peninsular and Oriental Steam Navigation Company for the conveyance of mails between England and India, Ceylon, Mauritius, China, and Australia, are four in number. The first contract under which the India and China mails are conveyed is dated the 1st January, 1853, and is now terminable at one year's notice. Under this contract the mails were to be conveyed twice each way in every calendar month, between England and Alexandria, *via* Southampton and Marseilles; and twice each way in every month between Suez, Calcutta, and Hong Kong. The vessels so employed were to be of not less than 1,100 tons burden, and were to maintain an average speed of not less than ten knots an hour. The Company also engaged to carry mails between Singapore and Sydney, once each way, in every alternate month, in vessels of not less than 600 tons burden, which should maintain an average speed of $8\frac{1}{2}$ knots an hour. The payment to the Company in respect of the India and China services was to be £199,600, with a proviso that it was to be reduced to £179,600 per annum six months after the opening of the railway across Egypt. In consequence of that proviso, and of certain other modifications, which have since been introduced in the contract, the amount in respect of the services in question is reduced this year to £162,125, of which £86,567 have been voted in Committee of Supply, leaving £75,558 to be provided from other sources.

10 May, 1865.
No. 276.

India and China
Mails.

5. By a contract dated 7th July, 1854, the mails were to be carried twice each way, every calendar month, between Bombay and Aden, in vessels of not less than 800 tons burden, and to maintain an average speed of ten knots an hour. This service has since been extended from Aden to Suez. The payment to the Company in respect of these services was to be £24,700 per annum; but only £22,000 has been voted in Committee of Supply this year on account of them. This contract is also terminable at one year's notice.

Bombay and
Aden.

6. Besides the above stated sums, £65,500 have been voted for "additional services," making the entire vote of the present year, in respect of the India and China mail services, after deductions, and contributions from other sources, £174,067.

7. The Australian mails are now carried under a contract, dated the 17th day of November, 1865, between the Postmaster-General and the Peninsular and Oriental Company. The Company undertake to convey the mails from Point de Galle, *via* King George's Sound and Melbourne, to Sydney in 516 hours; and from Sydney, *via* Melbourne and King George's Sound, to Point de Galle in 564 hours, on the following conditions:

Australian Mails
See Appendix.

That a sum after the rate of £120,000 per annum shall be paid to the Company, so long as it shall, upon the requisition of the Postmaster-General, cause to be performed one such voyage each way in every calendar month:

Or, a sum after the rate of £130,000 per annum if and so long as the said Company shall, upon the requisition of the Postmaster-General, cause to be performed one such voyage each way in every lunar month of four weeks:

Or, a sum after the rate of £170,000 per annum if and so long as the said Company shall, upon the requisition of the Postmaster-General, cause to be performed two such voyages each way in every calendar month:

Or, a sum after the rate of £184,166 per annum if and so long as the said Company shall, upon the requisition of the Postmaster-General, cause to be performed two such voyages each way in every lunar month of four weeks.

This contract is to be terminable at twenty-four calendar months' notice. The sum to be asked in Committee of Supply in respect of this service, is £59,750, being one moiety of the contract payment, after allowance of £500 for discontinuance of Admiralty surveys.

8. The Mauritius mails are carried under a contract dated the 16th day of April, 1861, by which the above-mentioned company undertook to convey mails once each way in every month between Suez and Mauritius, calling at the Seychelle Islands, for the purpose of landing and embarking mails on each of the homeward voyages, and on each of the outward voyages, except during the months of June, July, and August. The vessels so employed to be of not less than 850 tons burden, and to arrive and depart from Suez and Mauritius on certain days in each month, specified in a table inserted in the contract; but under a new contract, for a line between Mauritius and Point de Galle, entered into provisionally, the payment is reduced to £18,000. The payment for such services was £30,000 per annum, to be paid by the Colony. Notice has been given by the company to terminate the contract, and the last voyage under it was to be made in the month of June last past.

Mauritius Mails,
10 May, 1865, No.
276.

Japan Mails.

9. The mails to Japan are carried every fortnight in vessels belonging to the Peninsular and Oriental Company, but for so much of the service as lies between Shanghai

1376.

Shanghai and Japan no subsidy is paid. The company are now claiming a subsidy, as there are seasons of the year when the services may be discontinued for commercial purposes.

Appendix No. 1,
page 20, par. 9.

10. By an agreement made between the abovenamed company and the Postmaster-General, dated the 27th February, 1866, amongst other matters to which it is not necessary to refer, it was agreed, that instead of the mails between England, India, and China, being carried at a nominal average speed of ten knots an hour, with the necessary latitude for divergence from a direct line, according to the contracts of 1st January, 1853, and 7th July, 1854, they shall henceforth be conveyed between the several ports in the same number of hours as were provided in the time tables appended to their contracts, this being equivalent to an average speed of nine and a half knots in a direct line. The object of this modification was to establish the means of carrying out the system of penalties and premiums provided by the new agreement.

1446.

169.

11. The Peninsular and Oriental Company possess a fleet of fifty-seven steam vessels, of the aggregate tonnage of 84,176 tons, and of 19,230 horse power. Your Committee are of opinion that the services under the several contracts to which reference has been made, have been well performed, and the Assistant Secretary of the Post Office stated that no mail that was entrusted to this company for conveyance was ever lost.

Bombay, the Port for Indian Mails.

12. When the contract was made in 1853 for the conveyance of the mails by sea to Madras and Calcutta, such an arrangement was due to the political and commercial importance of those cities, and was also the most convenient method that could then have been adopted as regarded the distribution of letters in India, but circumstances have since happened which render a re-consideration and re-arrangement of the postal service between this country and India a matter of urgent necessity.

Appendix No. 1,
page 22.

Par. 2.

13. Mr. Riddle, the Director-General of the Post Office of India, addressed a letter to the Secretary to the Government of India, on the 24th April, 1860, in which he called attention to the fact, that the contract with the Peninsular and Oriental Company would expire in the following year, and mentioned some of the inconveniences which occurred under the existing system. He said:—"At present four mails are despatched from England and from India every month; two from and to Bombay; and two from and to Calcutta. According to the time table, thirty-five days are occupied between London and Calcutta, *via* Marseilles; twenty-four days between London and Bombay. The mail of the 10th January, should reach Calcutta on the 13th February; while that of the 18th January should reach Bombay on the 10th February. It is clear that all places within three days post of Bombay would receive the mail of the 18th January, *via* Bombay, before the mail of the 10th January reached Calcutta. At a place situated as Benares, the mail of the 10th January, *via* Calcutta, would be delivered on the morning of the 16th February. A mail of the same date, if sent *via* Bombay, would reach Bombay on the 2nd February, and would be delivered at Benares on the 7th or 8th February. The mail which left London on the 18th January, *via* Bombay, would be delivered at Benares on the 15th or 16th February at the same time, or before the mail of the 10th January arrived, *via* Calcutta. Benares is about 1,000 miles from Bombay, and 422 miles from Calcutta.

Par. 3.

"The mail which left London on the 10th January is due at Calcutta on the 13th February; if it were sent *via* Bombay it would be due at Bombay on the 2nd February, and, according to present rates of speed, and even with the existing means of transport, the letters would all be delivered in Calcutta on the 9th or 10th, and all Southampton newspapers by the 12th or 13th.

Par. 4.

"The case as regards Madras is similar. The mail leaving London on the 10th January is due at Madras, *via* Galle, on the 9th February; if sent by Bombay, it would be due on 6th February, having reached Bombay on the 2nd *idem*."

20 to 38.

14. Since the date of the above letter, great progress has been made in the completion of the railway system in India. It appears, from the evidence of the officers of the East Indian, the great Indian Peninsula, and the Madras Railway Companies, that in the spring of 1868 there will be continuous railway communication between Bombay, Calcutta, and the North-western Provinces of India; and that Madras also will be connected with Bombay by railway in July, 1869.

Appendix No. 15
page 8, par. 2.

15. In a despatch addressed to the Secretary of State for India, on the 23rd November, 1865, by the Governor-General in Council of India, it was stated that,—"The Nagpore extension of the Great Indian Peninsula Railway will be opened to Wurdah, within sixty miles of Nagpore, in January next, and will be completed to Nagpore, it is believed, in January, 1867. Between Nagpore and Mirzapore, the whole distance can be traversed by mail carts throughout the year. Even now, it will be seen from the dates for closing the mails, the mails *via* Galle have become for letters quite useless. The mail which left Calcutta this morning by the Galle route is due in London on or about the 27th proximo, while the mail which closes this evening for the Bombay route, and by which this despatch will be transmitted, should, it is believed, reach London on or about the 21st."

Appendix No. 1,
page 75, par. 2.

16. That Bombay should be the port for arrival and departure of mails between this country and India, is the opinion of Her Majesty's Postmaster-General. In a letter dated 14th July, 1865, written by the Assistant Secretary of the Post Office, to Mr. Merivale at the India Office, it was said: "The Postmaster-General fully agrees with Sir C. Wood and the Government of India, in the opinion expressed in your letter, of the advantage of substituting for the present postal service with India a weekly service, and in thinking that such service should be exclusively with Bombay." And Mr. Hill also informed

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informed your Committee, that letters sent to Bombay would arrive at the best possible point in India for their speedy distribution, and that the gain to the public would be very great indeed.

As to Weekly Mail to India.

17. Mr. Riddell, in his letter to the Government of India of the 24th April, 1860, having strongly recommended the establishment of a weekly mail, *via* Bombay, the Governor-General in Council, in sending that letter to the Home Government, said: "In forwarding the Director-General's letter for the consideration of Her Majesty's Government, we beg to express our concurrence in his views of the expediency of providing, as soon as possible, for a weekly postal communication with Bombay, whereby the whole of India would receive letters by every mail. At present only a very small part of India has the benefit of four mails in the month; the whole of the North-western Provinces, the Punjab, Scinde, and Bombay, and a great portion of the Madras Presidency receiving no benefit whatever from the two mails which are sent *via* Galle."

Appendix No. 22.

18. The Assistant Secretary to the Post Office stated to your Committee that the Post Office had long desired to see a weekly mail established. That it would be much more convenient to them, and, what they regarded with greater interest, that they believed it would be very advantageous to the two countries.

19. In January, 1865, a memorial, signed by most of the principal merchants and bankers in London, engaged in commercial and monetary transactions with India, was presented to the Postmaster-General, praying that a weekly mail might be established between London and Bombay, to leave London on Friday in every week. The East India and China Association of Liverpool, the Chamber of Commerce at Manchester, the merchants and bankers of Madras, the Bombay Chamber of Commerce, and the Bengal Chamber of Commerce, have also approved of such an arrangement.

Appendix No. 1, pages 66, 68, 74.

20. The Assistant Secretary to the Post Office stated to your Committee that, regarding the question of the charge for carrying the mails from a profit and loss point of view, which consideration is in the opinion of the Post Office of great moment, the present loss on the Indian service amounts to £48,000 a year, and on the China service to £34,000, a total loss of £82,000, the half of which is borne by the Indian Government. He estimates that by sending fifty-two mails a year each way, between London and Bombay, instead of twenty-four mails each way between London and Bombay, and twenty-four mails each way between London and Calcutta, an additional expense would be incurred, amounting to about £30,000 a year; and Mr. Hill had previously stated that, in the opinion of the Postmaster-General, the weekly mail might have been established if the Indian Government would have consented to allow an extra charge of 6d. on all letters which now pay 6d. and 10d.; but that the Indian Government having declined to concur in the expediency of such an increase in the rates of postage, it had been the view of the Post Office, whatever additional expense might be entailed by the establishment of a weekly mail to Bombay ought to be borne exclusively by that Government.

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205.

21. Your Committee cannot assent to the doctrine, that interests so important from every point of view, whether political, social, or commercial, as those which connect the United Kingdom with the largest and most valuable possessions of the Crown, should be prejudiced by an insufficient postal service, because the establishment of an efficient service might leave an apparent loss of no great magnitude to be borne by the two countries. They submit that a question of profit or loss, within reasonable bounds, is a consideration entitled to little weight in the case of so important a postal service as that between England and India. They concur in the views expressed on this subject, in a letter addressed by the India Office to the Assistant Secretary to the Post Office, on the 5th October, 1865, in which it was said, "Sir Charles Wood cannot, however, regard the question as one merely affecting the charge on the Imperial revenues. It has been the perception of the bearing of increased postal communication on the wealth and progress of a country that has induced statesmen of late years to consent to fiscal sacrifices for the purpose of obtaining it. There can be no doubt that increased postal communication with India implies increased relations with that country, increased commerce, increased investment of English capital, increased settlement of energetic middle-class Englishmen; and from all these sources the wealth and prosperity of England are more greatly increased than that of India."

Appendix No. 1, page 76, par. 4 and 5.

22. It appears from a despatch from the Governor-General in Council of India to the Secretary of State for India, dated the 22nd February, 1866, that the Indian Government is willing to forward the establishment of a weekly mail, by accepting the responsibility of any loss that may thereby be incurred. In offering, however, to incur such risk, it points out the unfairness of such an arrangement in the following terms:—"But we do not consider such an arrangement to be altogether unobjectionable. It would apparently be based on the explanation that the service must be carried on at a loss, and if so, we venture to suggest that it would hardly be desired by England that the whole of that loss should fall upon the Indian revenue."

Appendix No. 5, page 1, par. 4.

"It has been well pointed out, in Mr. Merivale's letter to the Post Office, of the 5th October, that the interests of England and India are jointly concerned in this matter. There are no doubt thousands in the former country, to whom increased facilities for postal communication with India are just as important as they are to their countrymen living in India, and whether we look to the interest of this latter class only, or to the millions from whom Indian revenue is mainly drawn, and who have no direct interest in the matter at all, it would scarcely be generous for England to stipulate that the loss which might arise from the establishment of a proper and efficient postal service between the two countries should be borne by the Indian taxpayers"

Par. 5.

Separate.

Separate Service to India.

23. It has long been a source of dissatisfaction to the Indian public, as well as to the Government, that, from being associated with the China postal service from this country, the Indian Government has been made to contribute one half of the loss incurred in that service.

203. 24. The principle upon which such charge was imposed on the Indian revenue was stated in a Treasury minute, dated the 21st August, 1854, and will be found in the evidence of the Assistant Secretary to the Post Office. It says—"That so far as the 'commercial and political relations with China went, the latter existing exclusively for 'the former, it was laid down that the interests of England and India were equal."

Appendix No. 16, par. 4.
25. The Court of Directors of the East India Company by no means acquiesced in the propriety and justice of the statement. In a letter addressed by their Deputy Secretary to Sir J. N. Redington, K.C.B., on the 7th September, 1854, it was said:—"The Court are unable to admit the validity of the reasoning upon which the Lords of 'the Treasury appear to base their opinion, that the interests of this country and of India 'are equal as respects some portions of these contracts. Whilst the Court are from far under- 'estimating the importance to India of the trade with China, they cannot refrain from 'adverting to the facts, that the Indian trade with China is now carried on principally by 'British shipping, and that, by the commercial and fiscal policy of England, the manufac- 'tures of India, which had been superseded in India itself by those of the United 'Kingdom, have been in like manner driven out of China. The Court think that, upon 'reconsideration, and a reference to these points, the Lords of Her Majesty's Treasury will 'admit that the value of steam communication with China is far greater to the people of 'Great Britain than it is to the people of India."

Appendix No. 15, page 1. par. 2.
26. In the despatch from the Governor-General in Council of India, dated the 22nd February, 1866, addressed to the Secretary of State for India, a protest is urged against the Indian revenue being in any way chargeable with the loss incurred on the China service between England and Galle. It is said, "If it is admitted, as it is by the 'Postmaster General in England (and the point is too clear to leave any room for question 'about it), that the postal service with India should in future be exclusively to Bombay, 'it is difficult to understand upon what ground it can be seriously maintained that the 'Indian Post Office should continue to be charged with a portion of the cost of a postal 'subsidy given to steamers on the line between Suez and Galle, for the conveyance of 'China and Australian mails, or why any subsidy should be given to steamers running 'between Galle and Calcutta."

"Speed of Mail Packets."

2070
2996 and 2997.
2084.
27. The Indian public have long complained of the low rate of speed attained by the vessels which convey the mails to and from England to India, and it was stated to your Committee by a witness of great experience (J. D'Aguiar Samuda, Esquire, a member of this House), that in the present state of nautical science the contract speed of $9\frac{1}{2}$ knots an hour for the service between Suez and India is too low. He remarked, that the contract speed obtained by the West India Mail Company is $10\frac{1}{2}$ knots an hour; and he suggested that, with some modifications, some of the vessels now employed by the Peninsular and Oriental Company could be made to attain a knot an hour more than they now make; but he was of opinion that, in order to insure a satisfactory rate of speed, vessels of not less than 2,000 tons burden should be employed.

3600.
28. It is only fair to the Peninsular and Oriental Company to say that they have been, and still are, endeavoring to accomplish a better rate of speed. Mr. Howell, the secretary of the company, stated that their ships had not come up to their own expectations and wishes upon the Bombay line. They had sought to produce a great improvement in the consumption of coal, and also an increase of speed, and alterations with these ends in view were now being made.

The Australian and China Mails.

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29. As the separation of the Indian postal service from those mails which now proceed to Point de Galle will necessitate the reconstruction of the China service, and probably to its combination between Suez and Point de Galle with that to Sydney, your Committee invite attention to the efficient service between Europe, Point de Galle, and China every calendar month, performed by the Messageries Impériales, from Marseilles.

The Italian Route.

30. Your Committee have taken evidence to ascertain whether the Indian mails could be carried with advantage to the public over the Mount Ceniz Railway, and through Italy to Brindisi, or some Italian port, instead of through France to Marseilles, but they are not able to recommend that any steps should at present be taken to accomplish that object, although the contingency of that route becoming available at some future time should be provided for in any contract extending over a series of years.

"AS REGARDS THE TELEGRAPH SERVICE."

31. The political and commercial importance of possessing permanent means of communication with the several countries before referred to, by a telegraphic service at all times available and to be depended upon, is even greater in degree than the necessity for an efficient postal service; indeed, with regard to the bulk of commercial transactions between the merchants and manufacturers of this country and producers and consumers abroad, the Post Office has now become, in a great measure, subsidiary to the telegraph. Nor are the benefits derived from telegraphic communication confined to the mercantile community alone; the public in general are equally interested in the rapid transmission of authentic mercantile intelligence; for, if the effect be, as has been stated by witnesses of authority, to enable merchants and manufacturers to obtain with greater certainty and

economy a regular and adequate supply of the commodities they require in the English market, it is the consumer in the end to whom the ultimate advantage is brought home by the process of competition.

The Telegraph to India.

32. The Indian and Home Governments have long been sensible of the extreme importance of possessing an efficient telegraph service between England and India, and have made great efforts and pecuniary sacrifices to obtain it; and if a full measure of success has not yet attended their exertions, the imperfections now complained of have arisen in a considerable degree from difficulties hitherto beyond their control.

33. A message intended for India is delivered to one of the two companies in London having telegraphic communication with the Continent, "The Electric and International Telegraph Company," and "The Submarine Telegraph Company," and is forwarded by one of two principal alternative routes, the Turkish or the Russian route. To reach Constantinople the lines principally used are through Vienna, or Turin. From Vienna messages are transmitted to their destination chiefly through Servia, and occasionally through Wallachia. From Turin they proceed by the Italian coast line, and the submarine cable across the Lower Adriatic, and arrive at Constantinople by way of Salonica, and the shores of the Sea of Marmora. A telegram may, therefore, be dealt with by French, Belgian, Dutch, Prussian, Austrian, Bavarian, Minor German, Italian, Servian, or Wallachian administrations. After the message reaches Constantinople, it is forwarded under the terms of the "Indo-Ottoman" Convention, by an exclusive wire to Bagdad, and thence, either to Fao at the head of the Persian Gulf, where it is received by British officers for despatch to Kurrachee by the Persian Gulf line, or, as an alternative, over the internal Persian system, by way of Teheran, Ispahan, and Shiraz to Bushire, where it again falls in with the main line. From Fao to Bushire and Kurrachee, the line is exclusively under the control of the Government of India. This line is submarine, with an alternative land line between Gwadel, on the Meekran coast, and Kurrachee, and with the exception of two or three interruptions in traffic, owing to temporary breaks in the cable, is shown to work admirably well.

34. A telegram by the Russian route proceeds *via* the Hague to Berlin, and from thence crosses the Russian frontier, passing through Myslowitz and Tiflis to Tulpha on the Arras, and from that place over the Persian system above described to Bushire. It must therefore be resorted to through the agency of the Dutch, Prussian, Russian, and Persian administrations, before it reaches any officer who is responsible to the British Government.

35. There is, therefore, an alternative route to India as far as the head of the Persian Gulf; but, in the case of an accident to the submarine cable to Kurrachee, all telegraphic communication with India must necessarily be interrupted.

36. From the returns for the month of January last, it appears that the messages between this country and India took the following routes to and from Constantinople:—

	Outward.	Homeward.
<i>Via</i> the Hague, Berlin, Vienna, Belgrade and Nissa (in Servia)	64 per cent.	54 per cent.
<i>Via</i> the Hague, Berlin, Vienna, Bucharest, and Varna	3 per cent.	44 per cent.
<i>Via</i> Paris, Turin, Valona, and Salonica	29 per cent.	2 per cent.
Not specified... ..	4 per cent.	—
	100 per cent.	100 per cent.

37. The whole of the service is well described in a despatch, dated Teheran, 4th November, 1865, from Lieutenant-Colonel Goldsmid, the Superintendent of the Indo-European Telegraph to the Secretary to the Government of Bombay, and another dated Constantinople, 12th April last, from Major John U. Champain, R.E., of the Indo-European Telegraph Department, to Mr. Thornton, of the India Office, copy of which will be found at length in the Appendix.

38. The messages are forwarded to Constantinople by the telegraphic office on the Continent to which they have been addressed from London, by the route most convenient at the time; in some instances, and not unfrequently, they have been forwarded by way of Russia, to the great disadvantage of the parties interested in the speedy and correct transmission of the message.

39. The number of messages which passed over the Persian Gulf line, from its opening in February, 1865, to the end of the year, appears to have been as follows:—

Eastward:		E	s.	d.
<i>Via</i> Turkey and Fao	9,175	} Earning	37,841	10 0
<i>Via</i> Bushire (Persian line)	3,362			
Westward:				
<i>Via</i> Fao and Turkey	7,552	} "	31,929	5 0
<i>Via</i> Bushire (Persian line)	1,894			
Total	21,983	Total	69,770	15 0

or, on the average, £3 3s. 5d. per message.

40. During

40. During the months of January, February, March, and April of the present year, the total number of messages so carried is stated to have been (without distinction as to other routes in connection) 10,995, earning £34,590 10s., or, on the average, £3 2s. 11d. per message.

41. Your Committee have been unable to obtain official information as to the cost of the Persian Gulf line, but the working expenses are stated by Colonel Goldsmid to amount to about £30,000 per annum.

42. The sum of £5 1s. is charged, in all cases, for a message not exceeding twenty words. Out of that sum about 3s. 6d. is retained by the Electric and International Company, and 2s. 6d. by the Submarine Company, the balance in each case being paid over to the authorities of the continental system to whose care the message is committed. They account, in like manner, to their successors in the chain of communication until the Persian Gulf line is reached, in respect of which the Government of India receives £2 10s. for the transmission of the message from Fao, and £2 from Bushire to Kurrachee, with 9s. additional for its distribution in India.

43. Under a system such as this, where no continuous responsibility exists, much difficulty is necessarily experienced in tracing where the numerous delays and imperfections in the rendering of messages, of which so many complaints have been made, have taken place; and in very few instances have the public been successful in obtaining compensation for the disappointments they have met with.

44. The service under Russian control is stated to be working with regularity, the messages reaching Tabreez occasionally in the space of twelve hours. The ill success which has hitherto attended the transmission of messages to India by this route is attributed to the imperfect management of the Persian service between Julpha on the Georgian frontier and Teheran; the exceeding rigour of the climate, also, during the winter months, especially on the line between Ispahan and Bushire, has presented many obstacles during the last winter.

45. A proposition has been submitted to your Committee for the establishment of an alternative line connecting Bunder Abbas, in the lower part of the Persian Gulf, with Ispahan, by way of Kerman and Yezd. This line, if practicable, with reference to political considerations, would present many advantages.

46. Lastly, a line constructed by the Turkish Government between Gaza on the Egyptian frontier, and Diarbekir on the main line of telegraph between Constantinople and Bagdad, has recently been opened for public traffic in connection with the Malta and Alexandria line. This line may present many recommendations as an additional useful alternative line, in the event of interruption to the direct lines to Constantinople through the continent of Europe; but at present it cannot be said to be available to the public generally, in consequence of the refusal of the Turkish authorities to receive messages of origin or destination, otherwise than Egyptian, for transmission by the line.

47. With respect to the service through Turkey, there is a general concurrence of testimony that, as a rule, it is very defective. In a letter addressed to the Under Secretary of State for India, by Major Champain, on the 31st August, 1865, it was stated,—“There is no doubt that the messages to and from India are unnecessarily and vexatiously delayed, and public confidence in the undertaking is being shaken. The organization of the Turkish lines is defective, and, in my opinion, will continue so, unless some decided step, such as the establishment of an opposition route, be taken. Mr. Courtenay invariably writes that either the Turkish Asiatic, or the Turkish European lines are working badly, and it does not seem that Colonel Goldsmid's suggestions have yet been complied with. I know that the insulators we proposed for the new wires between Constantinople and Diarbekir were rejected as too expensive, and cheap inferior wires were ordered from Belgium. In some measure, however, I can account for delays of late in consequence of the cholera panic, which frightened the telegraph clerks from their posts. Still, I maintain that blame is due to the Turks, and I much fear that they are really unable to work up to our standard of efficiency. Mr. Walton, the director of the cable, writes to me that ‘our messages from Kurrachee to Fao, and *vice versa*, averaged seventy-four minutes for the last three months, and that the Bagdad men report seventy or eighty messages on hand, send twelve or fifteen, and then smoke hookahs, or say their prayers, for two or three hours, during which time Fao hears nothing of them.’ Our cable, therefore, is working admirably; for months past there has been no interruption on the Persian line, and yet all our endeavors are nullified by the bad arrangements in Turkey. On the other hand, the Russians are naturally anxious to help our thorough communication, and have now offered to place their line, from St. Petersburg to the Persian frontier, entirely in the hands of a well-known London firm. Mr. Siemens, the head of that firm, spoke to me lately on that subject, and would, I believe, be willing to accept the offer, if there were any probability of his obtaining the control of the Persian line, from the Tabreez frontier to our telegraphic centre at Taberan. I am convinced that, supported by Russian influence in Persia, and not opposed by us, he would succeed; and then we should, without having taken any active steps in the matter, obtain a second and a really reliable line of communication between England and the Persian Gulf. Such an arrangement would also do more to render the Constantinople line efficient than remonstrances we may make, now the Turks know that we are entirely dependent on them.”

48. In Colonel Goldsmid's report of the 4th November, 1865, it is stated,—“I see no remedy for the state of telegraphic correspondence in Turkey, but associating Englishmen with the native *employés* in the higher as in the inferior duties of the line, making at once the principal stations ‘Anglo-Ottoman,’ as at Fao; or else giving the whole line to a company or firm competent to work and supervise it—such, for instance, as Messrs. Bright and

and Clark, who have, moreover, a kind of vested interest in the cable from old association. The first of these remedies I had the honor of suggesting to the Home Government in May, but the question involved political considerations, and the re-opening of or supplementing a lately ratified convention, one intended to be final. There is manifestly no better chance at this moment available for successful telegraphy in Turkey than competition. We have a convention with Turkey to enable us to keep open telegraphic communication with India through her dominions. She has gone to expense and taken pains to carry out the terms of this convention. We are therefore desirous to avail ourselves of her lines as much as possible. It is found, however, in practice, that the Turkish route is more or less a failure. Turkey has not earned the whole blame, but she certainly earned the lion's share. Our companies (that is, the British public by their agents) learn that an opposition line is available through Russia. They take supposed advantage of this eagerly to transmit hundreds of telegrams, but the rush was premature. The Russian line had not then reached good working order. They revert again to Turkey, but not in regard to conventions. The convention was to give the public a desideratum, not to bind them to a particular mode of correspondence. Now, however, the Ottoman telegraph lags, and the Russian telegraph gains strength. As a rule, we are not using the latter yet; it has just given us a commercial message in Teheran in seventy-two and a half hours, while its rival cannot force on its burden in less than nine days. Here success may, perhaps, be spasmodic; but time will show. On the other hand, the failure is becoming chronic. Turkey must bestir herself, or the competition will be fatal to her. I say nothing of the difference of rates, except that the difference is favorable to traffic through Russia."

49. It appears, however, according to a letter from Major Champain, dated the 10th April, 1866, and addressed by him to W. J. Thornton, Esquire, the Secretary of the Public Works Department in the India Office, that considerable improvement had then lately been made in working the lines in Turkey, but that owing to a heavy fall of snow in Persia the working of the Persian lines had been very unsatisfactory.

50. Your Committee are of opinion that the cause of the complaints so generally and justly made as to the manner in which the telegraphic service between this country and India has been performed, as a rule, since the line by the Persian Gulf was opened for public traffic in February, 1865, is to be found in the imperfect administration of the Turkish system, and the neglect of the authorities in India to make adequate provision for the distribution from Kurrachee of the immense amount of business in connection with Europe, which it might have been foreseen would follow immediately upon the opening of the Persian Gulf line to the use of the public.

51. In the former case the imperfection of the service is not more than might have been expected on the first introduction of a method of communication so novel to the habits of business of the people of Turkey; but, apart from natural adverse causes, such as the severity of the climate in the winter months in some districts of the route through Asia Minor and Armenia, there is no reason to doubt that by strict compliance with the terms of the convention, in regard to the reservation of one wire at least for the purposes of messages to and from the eastward, the employment of an adequate number of European officers and signallers well acquainted with the English language, and careful attention to the condition of the line itself, the service may in time become satisfactory in its working.

Telegraphs in India.

52. There are now about 14,500 miles of Government telegraph lines in India, connecting the chief cities in the different Presidencies, and they are completed towards Singapore as far as Rangoon. They have been constructed at a cost amounting to £1,146,861 14s. 3d., on 30th April, 1864. There are, besides, 3,141 miles of lines erected by the different railway companies, at a cost of £411,924 12s. 8d., on 31st December, 1864, and which are maintained at an expense of £41,888 18s. 5d. per annum.

53. That the working of the Government lines of telegraph in India has been very unsatisfactory, is admitted. Colonel Robinson, the Director-General of the Indian Telegraph Department, has ascribed the defects in a great measure to the fact that the officers of the department have been underpaid, their emoluments not being commensurate with those given in other establishments, and also to the circumstance that the lines—having been destroyed in the war times—had been re-erected in haste for military purposes, and since then had been gradually, but very slowly, re-constructed. Colonel Robinson is, however, of opinion that the working is much improved, and that merchants in Calcutta now receive their messages—even if sent in cypher—very accurately. He adds, that although the telegraph in India was originally established for the purposes of speedy communication between different military stations, it is now looked upon almost in the light of a post-office.

54. Your committee were informed on the same authority, that efficacious measures have been taken for the establishment of a second line of wire, to connect Kurrachee with the internal system of India, and otherwise to redeem that part of the service from the reproach which has been cast upon it.

55. A suggestion was made in 1862, that the Government lines of telegraph should be made over to a private company for administration; but the Governor-General in Council declined to acquiesce in the proposal.

56. With reference to the establishment of independent lines of telegraph by private companies, Lieutenant-Colonel C. Douglas, lately the Officiating Director-General

of Telegraphs in India, in a letter addressed to the Indian Government in 1861, said—"There are already several lines of telegraph in private hands. I allude to those of the several railway companies which have power to transmit private messages in all cases where the Government have no co-ordinate lines. Should, however, other private companies desire to undertake telegraph management, there is no line which could be so conveniently made over to them as that connecting Calcutta with Rangoon, and the local lines in that province. These lines connecting three very important places of commerce—Calcutta, Akyab, and Rangoon—with the advantages of possible extension to the port of Moulmein, appear to hold out every prospect of being remunerative; and the fact of the telegraph lines in Pegu being very largely used in official correspondence, owing to the tardiness of postal communication, offers additional prospect of profit."

57. In 1863, with a view to utilise, as far as possible, the heavy expenditure already referred to as having been incurred by the railway companies in India, in establishing telegraphs by the side of their lines, it was proposed to lease them to a responsible company then about to be formed, under the title of—"The Oriental Telegraph Company"—for the purpose of carrying out a system of commercial telegraphs in India, and an application was made to the Secretary of State for India to sanction the arrangement. But, for reasons which do not appear to your committee to be very clear, an unfavorable answer was returned to the application.

Telegraph to China and Australia.

58. Proposals have been made at various times, to Her Majesty's Government, for the establishment of a telegraphic service to connect Australia with the Indian system at Rangoon; but no arrangement has as yet been found practicable, notwithstanding the willingness of the colonies (as appears by the evidence of Sir C. Nicholson, Bart., formerly Speaker of the Legislative Council, at Sydney), to contribute a guarantee to the extent of £35,000 per annum, towards securing an interest on the capital required for the purpose. The Government of Holland has expressed its readiness to afford material aid in the construction of a line which will bring their dependencies in the East into communication with Europe; whilst the French Government also is stated to be willing to assist in the formation of a line which will connect their establishments at Saigon with a main line at Singapore.

59. According to the best information attainable, neither the depths of water, nor the distances between one station and another, present any difficulty as regards the construction of a line between Rangoon, Singapore, and the Australian colonies.

Proposed New Service to India by way of Egypt.

60. A scheme for an independent line of telegraph to India, to be continued hereafter to Australia and China, under the charge of English officials, and an undivided responsibility throughout, excepting in its passage through France, has been submitted to your committee.

61. The intention of the promoters of this scheme is to form a company for the transmission of messages under one control and management, as far as may be practicable, between England, Egypt, India, China, and the Australian Colonies, by means of a line of wire, which passing through Italy (under a concession already granted by the Italian Government) to the Island of Sicily, will thence be carried to the African Coast, joining the existing Malta and Alexandria Cable at Benghazi, from whence, in order to convey the large through traffic that will then be concentrated on this line, a second or duplicate line will be laid to Alexandria. Under arrangements made with the "Telegraph to India Company," the new company will acquire possession of their concession as well as their lines between Alexandria, Cairo, and Suez. From Alexandria two distinct lines will branch off to India. One proceeding from Suez to Cossier and Suakim on the western shore of the Red Sea, or by land lines up the Valley of the Nile, by permission of his Highness the Viceroy of Egypt, to Suakim or Massowah, and thence by submarine cables *via* Aden and the southern coast of Arabia, to Kurrachee and Bombay. The other, or alternative line, will be the Syrian line from Gaza to Diarbekir already referred to. Arrangements will be made to secure independent wires between Bombay, Calcutta, and Rangoon, and to carry out (with concurrence of the Indian authorities in this country) the conditions of the agreement before mentioned with the East Indian, the Great Peninsular, and other Indian railway companies, for placing separate commercial wires on their posts from Bombay to Calcutta, Madras, Allahabad, Benares, Delhi, &c. From Rangoon, the eastern terminus of the Indian land lines, a cable will be laid to Singapore, whence submarine lines will diverge in two directions; one branch proceeding *via* Saigon, to Hong Kong and Shanghai; and the other passing through Java to the Australian Colonies. With a view of embracing the entire system of telegraphy to the East, it is proposed to undertake, if approved by the Secretary of State for India in Council, and the Government of India, a lease of, and eventually to purchase on equitable terms, the Persian Gulf line, under such arrangements with the Ottoman Government as will secure to the public the same accuracy and rapidity in the transaction of messages as obtains by way of Egypt, thereby providing the public with a double or alternate route to all parts of the East.

62. As evidence favoring this proposition, your committee refer to the testimony of several mercantile witnesses, and also of the chairman of the Electric and International Telegraph Company, and the chairman of the Submarine Telegraph Company, to the effect, that in the case of the constantly recurring irregularities in the transmission of messages through the Continent, the greatest difficulty is met with in obtaining satisfactory redress, owing to the great number of different administrations through which they have to pass, and the possibility, as is stated, of identifying the locality of the mistake.

RECOMMENDATIONS.

63. Your Committee, having carefully considered the circumstances above stated, are of opinion,—

As regards the Postal Question.

1st. That, whilst it has not been expedient hitherto to add to the expense of the postal communications with India, by establishing a more frequent service to Bombay, in addition to the existing services to Madras and Calcutta, yet having regard to the facilities already afforded by the railways under construction in India, and to the prospect of the early completion of the main lines of communication connecting the port of Bombay with the Presidencies of Calcutta and Madras, the North-west Provinces, and the Punjab, the time has arrived when tenders should be invited for a weekly service to Bombay alone, and the separate postal service between this country and Madras and Calcutta should be discontinued.

2nd. That such service should be on the footing of an express service, entirely unconnected, to the eastward of Suez, with any other mail services.

3rd. That the tenders should be either for the entire service to and from Bombay, or for the sections to the east and west of Egypt separately, the parties having the option to tender for either weekly or fortnightly services.

4th. That the time table should be based on a prescribed speed of not less than eleven nautical miles per hour, on the voyage between Marseilles and Alexandria, and ten miles per hour between Suez and Bombay; but that the tenders be required to state also terms in each case for higher rates of speed of not less than one additional half-mile per hour.

5th. That in consideration of the outlay which must necessarily be incurred in the construction of new vessels, or adapting those now employed, for the efficient performance of the future service to India, it is expedient that the new contracts shall be for a term of years certain, subject to a subsequent notice of two years on either side.

6th. That Her Majesty's Government should take into their early consideration the arrangements to be made, in consequence of the proposed separation of the Indian service, for maintaining a fortnightly or half-monthly service to China, and a monthly or four-weekly service to Australia, having regard to any facilities which may be afforded by the monthly service to China now performed by the Messageries Impériales from Marseilles.

7th. That, in the opinion of your Committee, the arrangements under which India now defrays a moiety of the net cost of the China service, after deducting the postal receipts, will not, under the proposed arrangements, be equitable as regards that Government, and should be modified.

As regards the Telegraphic Question.

1st. That having regard to the magnitude of the interests, political, commercial, and social, involved in the connection between this country and India, it is not expedient that the means of intercommunication by telegraph should be dependent upon any single line, or any single system of wires, in the hands of several foreign governments, and under several distinct responsibilities, however well such services may be conducted, as a whole, in time of peace.

2nd. That the establishment of separate lines, entirely or partially independent of the present line through Turkey, is therefore desirable; and in that view, that means should be taken for improving the condition and facilitating the use of the lines of telegraph which connect the Persian system with Europe, by way of the Georgian lines of the Russian Government, and for bringing, if possible, within the Turkish convention the line recently established through Syria, for connecting Alexandria with the main line to India at Diarbekir.

3rd. That, with the view to better security against accident in time to come, the communication by way of the Persian Gulf should be doubled, either by the laying of a second submarine cable, or by continuing the land line from Kurrachee and Gwadel to Bunder Abbas, and thence, under arrangements with the Government of Persia, to Ispahan, by way of Kerman and Yezd.

4th. That a proposition made to your Committee for the establishment of a direct communication between Alexandria and Bombay, by way of Aden, on the principle of a line practically under one management and responsibility, between London and the Indian Presidencies in the first instance, and afterwards with China and the Australian Colonies, is deserving of serious consideration, and such reasonable support as the influence of Her Majesty's Government may be able to bring to its aid.

5th. That considering the great outlay of guaranteed railway capital already incurred in the establishment of the telegraph on the several lines of railway in India, it is expedient that means should be taken for affording the public the utmost benefit attainable from that expenditure, either by the Government of India sanctioning the use of the wires of the companies by a public company willing to rent the privilege on equitable terms, or by such an organization of the several independent companies as will establish an unity of system, and bring the use of the lines fairly within the reach of the public.

6th. That the magnitude of the interests involved in the trade of this country with China and Australia, and the rapidly increasing development of the colonies in population, in commerce, and in the various elements of national greatness, render it desirable that arrangements should be made to bring these communities within the reach of telegraphic communication with Europe.

20 July, 1866.

PROCEEDINGS OF THE COMMITTEE.

TUESDAY, 13 MARCH, 1866.

MEMBERS PRESENT :

Mr. Turner	Mr. Schreiber
Sir Charles Bright	Admiral Seymour
Sir Henry Rawlinson	Lord Robert Montagu
Lord Stanley	Mr. Weguelin.
Mr. Crawford	

Mr. Crawford was called to the Chair.

The Committee deliberated.

[Adjourned to Friday, 23rd March, at One o'clock.]

FRIDAY, 23 MARCH, 1866.

MEMBERS PRESENT :

Mr. Crawford, in the Chair.

Mr. Baillie	Lord Robert Montagu
Sir Charles Bright	Mr. Schreiber
Mr. Laird	Admiral Seymour
Mr. Moffatt	Mr. Stansfeld.

Mr. Frederic Hill, Mr. W. H. Thornton, Mr. Richard John Randall, and Mr. Richard Valpy, were severally examined.

[Adjourned to Friday, 13th April, at Twelve o'clock.]

FRIDAY, 13 APRIL, 1866.

MEMBERS PRESENT :

Mr. Crawford, in the Chair.

Mr. Childers	Mr. Weguelin
Sir Charles Bright	Mr. Laird
Admiral Seymour	Mr. Stansfeld
Lord Stanley	Mr. Schreiber
Mr. Baillie	Mr. Turner.
Sir Henry Rawlinson	

Mr. Thomas Taylor, and Mr. William Edwards, were severally examined.

The Committee deliberated.

Mr. Frederic Hill, further examined.

Captain James Rennie, Mr. Richard Randall, and Mr. Robert Knight, were severally examined.

[Adjourned to Tuesday next, at Twelve o'clock.]

TUESDAY, 17 APRIL, 1866.

MEMBERS PRESENT :

Mr. Crawford, in the Chair.

Mr. Turner	Mr. Laird
Sir Charles Bright	Mr. Moffatt
Mr. Ayrton	Mr. Stansfeld
Sir Henry Rawlinson	Mr. Childers
Admiral Seymour	Mr. Weguelin.

Mr. Robert Grimston, Sir Macdonald Stephenson, Mr. Latimer Clarke, Sir James Carmichael, Mr. Henry Nelson, Mr. William Hamilton Craik, and Mr. Charles Shand, were severally examined.

[Adjourned to Friday next, at Twelve o'clock.]

FRIDAY,

FRIDAY, 20 APRIL, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Sir Charles Bright	Mr. Turner
Mr. Weguelin	Mr. Laird
Lord Robert Montagu	Mr. Schreiber
Mr. Moffatt	Mr. Childers
Admiral Seymour	Mr. Ayrton.
Sir Henry Rawlinson	

The Committee deliberated. Motion made and Question, "That the Chairman be instructed to move the House that the inquiry by this Committee be extended to China and Japan, Australia, and the Mauritius—(*Mr. Moffatt*)—put and agreed to.

Mr. Patrick Campbell, Mr. Robert Gladstone, Mr. Gilbert McMicking, Mr. Charles James Robinson, Mr. John Green, and Mr. Charles Wellington Howell, were severally examined.

[Adjourned to Tuesday next, at Twelve o'clock.]

TUESDAY, 24 APRIL, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Mr. Ayrton	Admiral Seymour
Sir Charles Bright	Sir Henry Rawlinson
Mr. Childers	Mr. Moffatt
Lord Robert Montagu	Mr. Weguelin
Mr. Laird	Mr. Stansfeld
Mr. Marsh	Mr. Turner.

Mr. C. W. Howell, further examined.

Mr. Richard Attwood Glasse, Mr. Henry Charles Forde, Mr. Fleming Jenkyn, and Mr. James Russell, were severally examined.

Sir James Carmichael, further examined.

[Adjourned to Friday next, at Twelve o'clock.]

FRIDAY, 27 APRIL, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Sir Charles Bright	Mr. Weguelin
Mr. Stansfeld	Mr. Moffatt
Lord Robert Montagu	Mr. Turner
Sir Henry Rawlinson	Mr. Schreiber
Admiral Seymour	Mr. Childers
Mr. Marsh	Mr. Baillie.
Mr. Laird	

Mr. George W. Chetwynd, Mr. Henry Charles Forde, Mr. John Henry Greener, Mr. Henry Walton, and Mr. Charles Adley, were severally examined.

[Adjourned to Tuesday, 8th May, at Twelve o'clock.]

TUESDAY, 8 MAY, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Sir Charles Bright	Admiral Seymour
Mr. Marsh	Mr. Childers
Mr. Ayrton	Mr. Laird
Mr. Henry Baillie	Mr. Moffatt
Mr. Stansfeld	Mr. Brooks.

Sir Macdonald Stephenson further examined; Mr. Charles E. Stronge, examined.

Mr. Robert Knight, further examined.

Mr. Edmund D. Bourdillon, and Colonel Richard Strachey, were severally examined.

[Adjourned to Friday next at Twelve o'clock.]

FRIDAY, 11 MAY, 1866.

No Quorum formed.

[Committee to meet on Tuesday next, at Twelve o'clock.]

TUESDAY 15 MAY, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Admiral Seymour
Mr. Ayrton
Mr. Marsh
Sir Charles Bright
Mr. Brooks

Mr. Stansfeld
Mr. Moffatt
Mr. Weguelin
Sir Henry Rawlinson
Mr. Turner.

Mr. John Downing examined.

Colonel Richard Strachey, and Mr. William Thomas Thornton, were severally further examined.

Colonel Daniel George Robinson, examined.

[Adjourned to Friday next, at Twelve o'clock.]

FRIDAY, 18 MAY, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Sir Charles Bright
Sir Henry Rawlinson
Admiral Seymour
Mr. Marsh
Mr. Stansfeld

Mr. Laird
Mr. Weguelin
Mr. Moffatt
Mr. Brooks
Mr. Childers.

Mr. J. D. Samuda, a Member of the House, examined.

Mr. C. W. Howell, and Mr. Robert Knight, were severally further examined.

Mr. H. J. Walton, examined.

The Committee deliberated.

[Adjourned to Friday next, at Twelve o'clock.]

FRIDAY, 25 MAY, 1866

MEMBERS PRESENT:

Mr. Moffatt, in the Chair.

Admiral Seymour
Mr. Marsh
Mr. Brooks

Mr. Stansfeld
Mr. Baillie
Mr. Childers.

Mr. Charles Stronge, further examined.

Sir Charles Nicholson and Mr. Francis Gisborne, were severally examined.

Mr. C. W. Howell and Mr. Henry C. Forde, were severally further examined.

Mr. Charles William Siemans and Mr. Robert Brooks (a Member of the Committee), were severally examined.

[Adjourned]

TUESDAY, 27 JULY, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Sir Charles Bright
Mr. Childers
Mr. Laird
Mr. Stansfeld

Sir James Ferguson
Sir Henry Rawlinson
Mr. Schreiber.

Mr. Lewis Wells, Colonel Goldsmid, and Mr. Edward P. A. Thompson, were severally examined.

Mr. C. W. Howell, further examined.

[Adjourned to Friday next, at Twelve o'clock.]

FRIDAY,

FRIDAY, 20 JULY, 1866.

MEMBERS PRESENT:

Mr. Crawford, in the Chair.

Mr. Marsh
Mr. Childers
Sir Henry Rawlinson
Sir Charles Bright
Mr. Weguelin

Mr. Moffatt.
Mr. Stansfeld
Mr. Hunt
Mr. Schreiber
Mr. Laird.

Mr. Frederick Hill and Mr. Edmund Bourdillon were severally further examined.
Room cleared.

The Committee deliberated.

Draft Report proposed by the Chairman read a first time, as follows:—

“THE SELECT COMMITTEE appointed to inquire into the practical working of the present System of TELEGRAPHIC and POSTAL COMMUNICATIONS between this country and the East Indies, China, Mauritius, Australia, and Japan, have considered the matters to them referred, and have agreed to the following Report:—

“1. It appears from a table laid before your Committee by Mr. Valpy, of the Board of Trade, that the total value of imports into the United Kingdom, and of British produce exported therefrom, and total tonnage of vessels entered and cleared at ports in the United Kingdom, in the year 1865, were as follows:—

	£
Value of Imports	271,134,967
Value of Exports (British produce and manufacture)	165,862,402
Tonnage of Vessels:—	
Entered	14,317,886
Cleared	14,579,206

“Of these quantities, British India, Singapore, Ceylon, Mauritius, China, China (Hong Kong), Egypt, the Dutch possessions in India (Java, Sumatra, &c.), the Philippine Islands, Japan, and Australia, contributed the following proportions:—

COUNTRIES.	IMPORTS.	EXPORTS.	TONNAGE OF VESSELS.	
			Entered.	Cleared.
	£	£	Tons.	Tons.
British India	37,395,372	18,254,570	664,391	671,856
Singapore	2,169,056	1,442,450	77,835	50,292
Ceylon	3,707,615	685,308	52,197	50,400
Mauritius	1,246,299	596,848	41,029	30,805
China	10,673,960	3,609,301	91,606	80,375
China (Hong Kong)	773,068	1,561,851	14,408	42,848
Egypt	21,773,250	5,985,087	361,419	488,268
Dutch Possessions in India (Java, Sumatra, &c.)	226	928,642	Nil	29,349
Philippine Islands	1,253,904	945,624	23,207	18,055
Japan	614,743	1,520,895	9,361	19,602
Australia	10,283,113	13,352,357	156,649	387,239
Total for the above-named countries	68,117,356	42,897,846	1,492,102	1,869,090

“2. It will thus be seen that upwards of 25 per cent. of the whole of the external commerce of the United Kingdom is transacted with the several countries above enumerated. The great importance of rapid and regular systems of communications between countries transacting business of such magnitude and importance can hardly, therefore, be overrated.

“3. Many merchants, bankers, and others engaged in carrying on these vast operations, having complained of the insufficiency of the existing postal and telegraphic arrangements, your Committee have inquired into their allegations on both points, and carefully considered the circumstances in their several bearings,—

“AS REGARDS THE POSTAL SERVICE

“Existing Postal Contracts.

“4. The now subsisting contracts between Her Majesty's Government and the Peninsular and Oriental Steam Navigation Company for the conveyance of mails between England and India, Ceylon, Mauritius, China, and Australia, are four in number. The first contract under which the India and China mails are conveyed, is dated the 1st January, 1853, and is now terminable at one year's notice. Under this contract the mails were to be conveyed twice each way in every calendar month, between England and Alexandria *via* Southampton and Marseilles; and twice each way in every month between Suez, Calcutta, and Hong Kong. The vessels so employed were to be of not less than 1,100 tons burden, and were to maintain an average speed of not less than 10 knots an hour. The company also engaged to carry mails between Singapore and Sydney, once each way, in every alternate month, in vessels of not less 600 tons burden, which should maintain an average speed of 8½ knots an hour. The payment to the company in respect to the India and China services was to be £190,600, with a proviso that it was to be reduced to £179,600 per annum, six months after the opening of the railway across Egypt. In consequence of

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No. 276.

India and China
mails.

that