

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

15 May, 1865,
No. 276.

India and China
mails.

that

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.

Bombay and
Aden.

"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 10 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.

"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. 1

Australian mails
See Appendix.

"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:—

"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.

"The contract is to be terminable at 24 calendar months' notice. The sum to be asked in Committee of Supply in respect of this service is £59,750, being once moiety of the contract payment, after allowance of £500 for discontinuance of Admiralty surveys.

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

"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.

1378.

Japan mails.

1378.

"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 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 above-named 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 10 knots an hour, according to the contracts of 1st January, 1853, and 7th July, 1854, they shall henceforth be conveyed between the several ports in a certain number of hours, the practical effect of the arrangement being to reduce the rate of speed on a large proportion of the distance to 9½ knots an hour.

"11. The Peninsular and Oriental Company possess a fleet of 57 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 was ever lost that was conveyed by this company.

"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.

"13. Mr. Riddell, 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, 35 days are occupied between London and Calcutta, *via*

Par. 2.

Marseilles;

Marseilles; 24 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 at 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 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.

"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. 3.

"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 the 6th February, having reached Bombay on the 2nd *idem*. Par. 4.

"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 Peninsular, 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. 20 to 39.

"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 open to Wurdah, within 60 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. 15
page 8, 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 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. Appendix No. 1,
page 75, par. 2.
223.

"As to Weekly Mail to India."

"17. Mr. Riddell, in his letter to the Government of India of the 24th April, 1860, have 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 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. 1:
page 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. 185.

"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 merchants and bankers of Madras, the Bombay Chamber of Commerce, and the Bengal Chamber of Commerce, also approved of such an arrangement. Appendix, No
pages 66, 68, 74.

"20. The Assistant Secretary to the Post Office stated to your Committee that the charge of carrying the mails is considered at the Post Office from a profit and loss point of view. That the present loss on the Indian Service amounts to £48,000 a year, and on the China service to £84,000, a total loss of £132,000, the half of which is borne by the Indian Government. He estimates that by sending 52 mails a year each way, between London and Bombay, instead of 24 mails each way between London and Bombay, and 24 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 the weekly mail might have been established if the Indian Government would have consented to allow an extra charge 65.
73.
285.
205.

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, whatever additional expense might be entailed by the establishment of a weekly mail to Bombay must be borne exclusively by that Government.

"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 one of 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 and 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."

"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 a 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.'

"'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 can be 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 wholly by the Indian taxpayer.'

"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.

"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.'

"25. The Court of Directors of the East India Company by no means acquiesced in the propriety and justice of this 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 far from under-estimating the importance to India of the trade with China, they cannot refrain from advertg 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 manufactures 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.'

"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.'

"27. The

Appendix, No. 1
page 75, par. 4
and 5.

Appendix, No. 15
page 1, par. 4.

Par. 5.

209.

Appendix, No.
16, par. 4.

Par. 5.

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

"Speed of Mail Packets."

"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'Aguilar Samuda, Esquire, a member of this House), that in the present state of nautical science the contract speed of nine and a half knots an hour for the service between Suez and India is too low. That the contract speed obtained by the West India Mail Company is ten and one-third knots an hour. That with some modifications 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 is of opinion that in order to insure a satisfactory rate of speed, vessels of not less than 2,000 tons burden should be employed.

2970.

2966 and 2967.

2984.

"28. The present contract time between London and Bombay is twenty-four days. In a letter addressed to the Director-General of the Post Office of India, by Messrs. Stearns, Hobart and Co., managers of the Bombay and Bengal Steamship Company, Limited, after naming the sum for which they would undertake a fortnightly mail service each way, between Bombay and Suez, at an average speed of eight knots an hour, they said, "It may not be out of place to mention, although not as part of our tender, that we have in contemplation the building of a class of boats, not only larger and faster, but in every way superior to any now in the East, and capable of delivering the mails within twenty days between England and India, and plans for placing these vessels on the route are so far matured, that should the tender we have made be accepted, and a reasonable prospect held out of our securing a fair subsidy through to England, we have little doubt of our being in a position to carry the project into immediate execution."

Appendix, No.
15, page 6.

"29. 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. Some vessels which were placed upon the lines, have not altogether fulfilled the expectations held out of them. They had sought to produce a great improvement in the consumption of coal, and also an increase of speed, but had been to some extent disappointed in that, but alterations in those vessels are going on.

"The Australian and China Mails."

"30. 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, your Committee invite attention to the efficient service between Europe and China every calendar month, performed by the Messageries Impériales from Marseilles.

"The Italian Route."

"31. 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.