

FURTHER PAPERS RELATIVE TO

Sub-Enclosure 1 to Enclosure 1 in No. 1.

CORRESPONDENCE EXPLAINING PARTICULARS OF NEW POSTAL ARRANGEMENT BETWEEN
THE UNITED KINGDOM AND VICTORIA.

HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR SIR H. BARKLY, K.C.B.

Downing Street,
18th May, 1860.

SIR,—

(No. 29.)
15th May, 1860.

I have the honor to transmit to you the enclosed copy of a Letter from the Treasury, accompanied by a Correspondence between that Department, the Peninsular and Oriental Company, and the General Post Office, which Correspondence will explain to you the origin and the particulars of a new arrangement for the conveyance of the Australian Mails. You will perceive that there was no choice, at this time, but to accept the altered plan. I need not enter into details, as the letter of the Postmaster-General, and the elaborate and comprehensive Minute of the Lords Commissioners of the Treasury, will fully show you for what reasons and upon what understanding Her Majesty's Government have judged it indispensable for the joint interests of the Colonists and of this country to enter, for the present at all events, into the agreement which has been adopted.

I have, &c.,
NEWCASTLE.Governor Sir Henry Barkly, K.C.B.,
&c. &c. &c.,
Victoria.

Sub-Enclosure 2 to Enclosure 1 in No. 1.

MR. HAMILTON TO MR ELLIOT.

Treasury Chambers, May 15, 1860.
(Received May 16, 1860.)

SIR,—

I am desired by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of the Duke of Newcastle, the inclosed copies of a Letter from the Peninsular and Oriental Steam Navigation Company, dated the 30th ultimo, proposing an alteration in the Australian Mail Service; of a Report thereon from the Postmaster-General of the 10th instant, and of their several enclosures; together with a copy of a Minute of my Lords, dated the 15th inst., upon the subject: and I am to request that you will move his Grace to cause the necessary communications in accordance therewith to be made to the several Colonial Governments by the ensuing Mail.

I am, &c.,

T. F. Elliot, Esq.,
&c., &c., &c.

GEO. A HAMILTON.

Sub-Enclosure 3 to Enclosure 1 in No. 1.

MR. HOWELL TO MR. HAMILTON.

Peninsular and Oriental Steam Navigation Company,
122, Leadenhall Street, April 30, 1860.

SIR,—

I have the honor, by order of the Directors, to acknowledge the receipt of your Letter of the 27th instant, stating, in reply to mine of the 24th idem, that the Lords Commissioners of Her Majesty's Treasury have not received any communication from the Colonies which would justify them in proposing to Parliament an estimate increased by the sum of £25,000 for the Australian Mail Service, and that their Lordships will, therefore, be glad to be informed whether the Directors have any alternative plan to propose by which, without an increase of charge to this country, the inconvenience of a suspension of Mail communication with Australia may be avoided; or whether the Directors intend to avail themselves of the penalty clause to discontinue the service altogether.

In reply, I am instructed to state that a heavy loss has already been sustained by the Company in maintaining the service between Sydney and Suez. That the Directors see no prospect of that loss being diminished, and that a sense of duty to their constituents, the shareholders of the Company, compels them to abandon it.

The Directors, however, beg to submit, for their Lordships' sanction, a modification of the service, which, while it will relieve them from the certainty of causing further loss to the Company, will prove equally efficient with the present arrangement for maintaining the Postal Service, and effect a considerable saving in the cost of it.

They are willing to maintain a monthly service between Melbourne and point de Galle (Ceylon) by means of efficient steam-vessels of the requisite speed, running them in concert with one of the bi-monthly lines of postal steamers, conveying the India and China Mails, transferring the Australian Mails to and from the Indian mail-steamers at Point de Galle. The Australian packets to run direct between Melbourne and Point de Galle, touching at King George's Sound only to coal.