

And they offer to perform this service for a reduced subsidy of £120,000 per annum.

The accompanying paper marked A shows the working and Time Table of the proposed plan, by which their Lordships will observe that, so far from its involving any inferiority as compared with the existing mode of performing the service, the regularity and time of transit of the Australian Mails will be rather improved by it.

In submitting this proposal, the Directors considered it not irrelevant to observe that the disastrous experience of the late Contractors, together with their own experience during the thirteen months which they have been engaged in conducting a through-service between Sydney and Suez, convinces them that a monthly service on that plan cannot be maintained except at a very high cost—not less than £250,000 per annum.

As a service equally efficient for postal purposes can be maintained for £120,000 per annum, it follows that to continue the arrangement of a through-route to Suez would involve an expenditure of public money to the amount of £130,000 per annum for no public object, the only advantage which would be gained by it being the better convenience of a few passengers.

An early commencement of the modified service is desirable, both for the interests of the Imperial exchequer and the shareholders of this Company, and the Directors therefore propose, with your Lordships' sanction, that it shall commence with the departure from Sydney of the Homeward Mail leaving that port on the 22nd July next, and with the Mail leaving England on the 20th or 26th of June, as pointed out in the Time Table; these Mails to be transferred at Point de Galle to and from the Calcutta mail-steamers, and the Australian Mail Service to be thenceforward worked as shown in the plan.

I have, &c.,

G. A. Hamilton, Esq.,
&c. &c. &c.

C. W. HOWELL.

(A.)

SCHEME and TIME TABLE for working a Monthly Line of Steam Postal Service with Australia, in connection with the India and China Mail Contract Packets touching at Point de Galle (Ceylon). The departures of the Mails under the new arrangements are proposed to take place:—

Outwards.

From Southampton on the 20th,
From Marseilles on the 28th.

Homewards.

From Melbourne on the 26th.

The departures under the existing plan being:—

Outwards.

From Southampton on the 12th.
From Marseilles on the 20th.

Homewards.

From Melbourne on the 18th.

The relinquishment of the present contract, and the commencement of the new service would be effected as follows:—

Homeward Route.

The steamer (say A) which will convey from Suez the Mail leaving England on the 12th (18th) May, by which the announcement regarding the alteration will be made, will reach Sydney on the 8th July. Upon arriving at that port she will find one of the Company's packets (say B) lying there, and which under ordinary circumstances would leave for Suez on the 14th July.

Instead of doing so, she would not start until the 22nd July, so as to enable her to reach Galle in time for the packet due there from Calcutta on the 17th August.

Steamer A, instead of leaving Sydney on the 14th August, would not start until the 22nd, and would reach Galle on the 16th September. This would be the last departure from Sydney; all following departures would take place from Melbourne.

Outward Route.

Instead of the usual Australian Mail on the 12th (18th) June, no Mail would be dispatched until the 20th (26th). This would be conveyed as far as Galle by the Calcutta packet, and a steamer would be provided by the Company at Galle for receiving and conveying the Australian Mail to Melbourne, where it would be due on the 12th August.

The next outward Australian Mail would be dispatched from England on 20th (26th) July, and would reach Galle on the 21st August. Steamer B, before referred to, which would have arrived from Australia on the 16th August, would convey this Mail to Melbourne.

In like manner Steamer A, arriving at Galle from Australia on the 16th August, would start for Melbourne on the 22nd September with the Mails, leaving England on the 20th (26th) August, and thus full effect would be given to the new arrangement.