

believe their proposals are more advantageous for the Colonies than any other of which they are aware, they trust that their plans may be taken into consideration by your Lordships, and time allowed to them for submitting the Company's tenders to your Lordships.

Their plan is to employ steamers of great speed, and to run on the Pacific side between Australasia and British Columbia, taking the course between Australia and Panama, recommended by Captain Sir Edward Belcher, in his evidence before the late Lord Jocelyn's Committee of 1851, as stated in the accompanying project; and on the Atlantic side to run from Queenstown to Navy Bay, touching at the Azores and the Island of St. Thomas.

Annexed to that project are the *pro formâ* estimates of the Company, and also extracts from the evidence of Sir Edward Belcher, and from the letter of Captain Fitzroy, published before the interests of his company imported into the question a motive for his change of opinion before the Committee.

I beg to draw your Lordships' attention to the necessity of deliberation, in order that improvements in the service may not be excluded by a grant of a subsidy to parties whose past management can be no guarantee for future regularity. It will not fail to strike your Lordships that this subvention granted to parties already in possession of enormous State contributions must preclude the Colonists from any improvements in the system of steam communication, especially on the Atlantic side of the American Isthmus, whilst granted to a new line and for a short period, it must operate as an incentive to amelioration and healthy competition.

Having already made arrangements with the Great Southern and Western Railway of Ireland, with the United States Mail Company, and the United States Pacific Steam Company, and the Australasian Intercolonial Steam Company of Messrs. Pearson, Coleman, & Co., the Company will be in a position to tender for the conveyance of mails by special transit to Queenstown, and thence, as stated in the *pro formâ* time table annexed, with an allowance of five days for contingent delays.

I have reason to expect, my Lords, that the Company, on its formation, will be enabled to tender for the service by this Company's liners much lower than any other parties, to effect postal communication to Australia in 45 days' maximum, and with Vancouver's Island in 35 days' maximum, with the option to Her Majesty's Government to order a fortnightly communication, on payment of the extra sum, not exceeding 70 per cent. of the original subsidy. The term which will be asked is only five years.

We shall send out our first boat to commence in ten months, and commence the monthly communication in 12 months from the date of the contract.

We expect ultimately to reduce the time to 40 days for the Australian passage, and to 30 days for the New Columbian line.

With the tender we shall submit copies of all our contracts and guarantees, so that your Lordships will be enabled to judge of the *bona fides* of our proposal. The delay requested is only to the end of this month.

I have, &c.,
THOMAS DAY,
Secretary *pro tem*.

No. 4.

MR. HAMILTON TO THE POSTMASTER-GENERAL.

Treasury Chambers, 11th September, 1858.

MY LORD,—

I am desired by the Lords Commissioners of Her Majesty's Treasury to transmit for your Lordship's information the enclosed copy of their Lordships' Minute of this day's date, on the subject of the tenders to be invited for the performance of the Australian Postal Service, and I am to request that your Lordship will favor my Lords with your opinion on the subject.

I have, &c.,
G. A. HAMILTON.

The Postmaster-General.

Enclosure in No. 4.

COPY OF TREASURY MINUTE, DATED 11TH SEPTEMBER, 1858.

My Lords proceed to consider the letters from Mr. Merivale of the 4th instant, in reference to the Australian Postal Service, as also the letters from the Admiralty of the 9th August, and the Minute of this Board of the 6th August, on the same subject.

My Lords are of opinion that it will be desirable to invite tenders for the following services:

I. 1. A monthly service from Great Britain *viâ* Alexandria and Suez, to Melbourne and