

direct, and is favoured by the circumstance of fair winds and open navigation, it will be also the most efficient, the safest, and the most agreeable.

From Vancouver's Island to Panama the direct passage (4,200 miles) will occupy about 14 days, making a total of 29 days to England—not to exceed 35 days.

Eight liners and five steam colliers will suffice for the monthly service. The guarantee of £100,000, for the speed of the ships to maintain the foregoing estimates of time, will be given by the contractors, which will secure the Company against loss from default in punctuality.

Further advantages will recommend this enterprise. Its availability for second and third class passengers, unprovided for by the existing route, will ensure it a high degree of favour; while the special principle on which this Company is formed will afford to capitalists an exemption, as to a considerable portion of their investment, from the ordinary risks of trade.

SUBSIDIES.

The necessity of subsidies to satisfy the extraordinary expense of obligations under postal contracts is absolute according to experience. The further progress of this Company is therefore subject to obtaining liberal subvention for the projected service. It is intended to provide for Continental mails and traffic by calling at Cherbourg to convey the French and other foreign mails to Queenstown, whilst a still later despatch can be effected *via* Calais, analogous to the Marseilles route to India. It is now certain that all the Australasian Colonies will contribute liberally to the subsidy for this postal route; and it is alleged that the United States Government is prepared to aid the service with a large annual grant.

As the mail contract will naturally sanction terms conducing to fair contributions from all other parties benefited by the service, this arrangement will fully justify a large reduction in the corresponding demand on the resources of the British Government; which will probably ensure the preference in regard to price; and the plans adopted for the line, in point of time and accommodation of passengers, will doubtless confirm the advantage of the Company's tenders as the most beneficial for the public service.

OUTLAY FOR STEAMERS.

The outlay required is principally for the acquisition of shipping. The advances for that purpose it is proposed to raise partly by debentures charged upon the ships; and the Colonists, for whose benefit this line of steamers is to be established, will be invited to co-operate.

It is expected that the Company's portion of this outlay will be limited to one-third. Thus, to commence the line by a monthly service, £350,000 would be raised by the issue of debentures, as a first charge, at 5 per cent. redeemable in four and a-half years; and £350,000 being already subscribed for one-third of the value of the shipping, the Company's present actual outlay of capital for ships, would be only £350,000; while the remaining £150,000 is for the necessary Guarantee Fund, reserve, and working capital.

LIABILITY OF THE COMPANY.

A portion of the present capital will be set apart as a Guarantee Fund, which, allowing an extreme margin for shipping risk, will be equal to the requirements of the service.

Deductions will be made from the gross profits of the ships to cover the charges, as follows: Depreciation Fund, 5 per cent.; repairs, 8 per cent.; Indemnity Fund for Casualties, 7 per cent.; interest on the debentures, 5 per cent.; Redemption Fund, 6 per cent.

In shipping companies, railways, and other great undertakings, the system of loans enters inevitably into the ultimate financial arrangements, often without any practical provision for a timely liquidation of the debt. Here that source of supply is made a primary object, and the necessary means are devised for discharging the liability of the Company at an early date. The guarantee, depreciation, and redemption funds will be allowed to accumulate for the repayment of the debentures within four and a-half years; consequently, the investment of that class will have this substantive security, in addition to the value of the ships and policies of insurance. At the same time, the result to the shareholders will be the improvement of their interests to the extent of the mortgage so redeemed—their floating stock standing at the reduced cost, without a material diminution in value.

DIVIDENDS.

The net profits of the shipping will be allocated,—for dividend upon the shares of this Company, in regard to the investments and interests guaranteed by the Company, and for dividend on other advances. Periodical bonuses on the debentures will also be provided, so as to enhance the value of those securities.

CAPITAL.

The first deposit of capital will be 5s. per share, to be paid to any of the Company's bankers previously to the application, no further call being intended till the question of postal subsidies is decided. The remainder, in case the Company should obtain a mail contract, will be called up by instalments not exceeding £2 each, at intervals of not less than two months; and interest at 5 per cent. will be payable half-yearly on account of each advance, from the day of payment, upon the first issue of shares.