

"The result of the conference is set forth in a series of resolutions, the most important of which are, that in the opinion of the delegates there ought to be three postal routes between this country and Australia, viz., first, *viâ* Suez and King George's Sound; secondly, *viâ* Suez and Torres Straits; and, thirdly, *viâ* Panama; and that the cost of the services by these three routes ought to be defrayed—one-half by the mother country, and one-half by the Colonies. These resolutions having been reported to the Governments of the different Colonies (except that of Western Australia, which has expressed its willingness to abide by any arrangement which the mother country may think proper) appear to have received the sanction of the Executive of each Government, but in the case of the very important Colony of Victoria, the Legislature was divided on the subject, for while about three-fifths of the Legislative Assembly supported the resolutions, the remaining two-fifths and the whole of the Legislative Council opposed them.

"Thus in Victoria, the balance of legislative opinion is shewn to be decidedly against the resolutions of the delegates, and this would probably have been yet more manifest had not the question in the Lower House been treated as one of confidence in the Ministers.

"After giving the subject the full consideration which its importance demands, I am unable to recommend your Lordships to consent to what is asked. In fact that which is demanded is but a repetition of what you have already refused, viz., to impose on the British community, in addition to the present payment, a share of the cost of a postal service, *viâ* Panama, and of the cost of another postal service, *viâ* Torres Straits; except that so far as regarded the service *viâ* Panama, you agreed to convey the letters a large part of the distance, viz., across the Atlantic, without claiming any part of the sea postage, and although you expressly stated that this arrangement must be regarded as only temporary, you have not brought it to an end, nor do I advise that this should be done. But more assistance than this I cannot recommend your Lordships to give. No new circumstances of importance have arisen since the questions relating to those two routes were settled, and I see no reason why the matter should be re-opened. Whether the services to Australia be one or two per month, it is clear to my mind that the general interests, both of the Mother Country and of the Colonies, require that these services should be by way of Suez and King George's Sound, and it is manifest by the report of the debate on the subject in the Legislative Assembly of Victoria, and by other evidence, that this opinion is largely held in Australia, indeed it was expressed in the debate, even by Mr. Verdon, the Victorian Colonial Treasurer, who was one of the delegates, and who supported the delegates' resolutions. He said, 'We, Sir, think so well of the Suez route, that we should have been very glad to have adhered to that route entirely, but we are not disposed to pay £120,000 a year for it.' Even if this estimate were correct, I am surprised that it did not occur to Mr. Verdon that, in all likelihood, your Lordships would be still more indisposed to pay a yet larger sum for a route far worse than that *via* Suez.

"But on what Mr. Verdon bases his calculation of £120,000, as the share that Victoria might have to pay of the cost of the Suez line, I am at a loss to conceive, even if South Australia should withdraw from the contract, which is very improbable, seeing that the Suez route is incomparably the best for that Colony (indeed her delegates expressed their belief that it is the best for the Australian Colonies generally), and if Tasmania also should withdraw, the Victorian payment which would then be confined to half the cost of the main line, minus the contribution from Western Australia, would (as may be computed from a table inserted hereafter) be about £80,000, or only two-thirds of the sum named by Mr. Verdon; and practically the payment by Victoria would be much less, since a postage of not less than eighteen pence would probably be immediately levied on any letters sent by the Suez route to Colonies not contributing to its cost, and by the simple expedient of requiring a high packet rate to be paid on any letters posted during the time that the packet remains at any port in Australia before sailing for another port, attempts to make what may be termed a fraudulent use of the packets for letters to a non-contributing Colony would to a great extent be frustrated.

"Mr. Verdon's opinion of the superiority of the Suez route is fully shared in by the Melbourne Chamber of Commerce, which in a petition to the Legislative Assembly against the adoption of the recommendations of the delegates states 'That the establishment of a fortnightly service by way of Suez and Galle, while it would be far less costly to the Colonies, would afford superior advantages to almost all of them.'

"There can be no doubt that, by means of the route *viâ* Suez and King George's Sound, the great bulk of the letters for the Australian colonies can be carried to their destination more swiftly and cheaply than by any other route, as is shown by the accompanying tables, giving the time during the seven months since the beginning of the present year, taken by the Mail Packets in arriving at each of the Australian Colonies by the three different routes.

"In these tables the time by the Suez and King George's Sound route is that occupied in the conveyance of such letters as go *viâ* Marseilles, which your Lordships, I am sure, will agree with me in regarding as the true time for comparison. Letters by the slower route, *viâ* Southampton, are so forwarded at the choice of the writers, who for mere sake of greater speed (of the worth of which each, in his particular case, must be the best judge), are not willing to pay the additional charge of four pence for the transit of their letter through France, and to expect the State to add largely to the cost of a service (already entailing a heavy loss) in order that those who are not willing to pay a few pence for more speed should nevertheless have this speed, seems to me most unreasonable.

"I therefore wholly dissent from those persons who maintain that, in comparing the length of the voyage, the time should be taken, not by the Marseilles route, but by that *viâ* Southampton.

"The tables to which I have referred, show that since the beginning of the present year (the period to which they relate) the time occupied in the conveyance of the Homeward Mail from every one of the Colonies in Australia Proper, was longer when sent *viâ* Panama than *viâ* Suez; the excess varying from an average of 9 days to one of 23, and being on a general average 15 days, the average in the case of Victoria being as high as 17 days.

"The only Colony which appears to have been benefited by the Panama route is New Zealand, but even in this case the gain, on the average was little more than half a day, and it would appear from the