

a copy of a letter which has been received upon the subject from the Agent-General of that Colony, and I am to request that you will move the Postmaster-General to cause it to be communicated to the Company for their consideration and decision.

The Secretary to the General Post Office.

I have, &c.,
H. T. HOLLAND.

Sub-Enclosure to Enclosure 5 in No. 5.

Mr. DUTTON to the UNDER SECRETARY of STATE, Colonial Office.

Office of Agent-General for South Australia,

SIR,—

London, 4th September, 1871.

By the Australian mail delivered in London this morning, I have received a Despatch from the Government of South Australia, dated 15th July, informing me that the Colony of Victoria has expressed its acquiescence in the proposal of South Australia, that the ocean mail steamers of the Peninsular and Oriental Company should call at Glenelg to land and receive the South Australian mails, and that the Government of New South Wales has intimated that they will not object, provided the periods of arrival at and departure from Sydney are not interfered with, and New South Wales is not made liable for additional expenditure.

Under instructions from the Government of South Australia, I have the honor to request you will be so good as to bring this communication before the Earl of Kimberley, with the respectful request that, as South Australia is prepared to incur the necessary expenses for increased mileage caused by the deviation from the existing contract, which may be sanctioned by the Secretary of State, his Lordship may be pleased to direct the necessary steps to be taken for an early agreement on the subject between the Peninsular and Oriental Steam Navigation Company and Her Majesty's Government, on receiving an intimation of which being effected, it will be my pleasing duty to cancel the notice of withdrawal from the contract, which I gave on the 13th May, on behalf of the Government of South Australia.

I have, &c.,

FRANCIS T. DUTTON,
Agent-General.

The Under Secretary of State for the Colonies.

Enclosure 6 in No. 5.

Mr. HOLLAND to Mr. DUTTON.

SIR,—

Downing Street, 27th September, 1871.

With reference to your letter of the 4th instant, and to previous correspondence respecting the proposal of the Government of South Australia, that the steamers of the Peninsular and Oriental Company should call at a South Australian port, I am directed by the Earl of Kimberley to transmit to you a copy of a letter from the General Post Office, enclosing one from the Secretary to the Company.

I am to request to be favoured with a statement of your views upon the conditions proposed by the Company.

I have, &c.,

H. T. HOLLAND.

Francis S. Dutton, Esq.

Sub-Enclosure 1 to Enclosure 6 in No. 5.

Mr. PAGE to Mr. HERBERT.

SIR,—

General Post Office, London, 26th September, 1871.

The Postmaster-General having communicated to the Peninsular and Oriental Steam Navigation Company the contents of the letter which you transmitted to me on the 9th instant, from the Agent-General in London for South Australia, I am directed to transmit to you, to be laid before the Earl of Kimberley, a copy of the reply which has been received.

In this letter, the Directors state that the proposal that mail packets on the Australian line should call at Glenelg to land and receive the South Australian mails, and that the Company should still be bound to the present date of arrival at the terminal ports, is unreasonable; but that, having recently placed larger vessels on this line, they are prepared to make the suggested deviation, and to do their utmost to maintain the existing interval at Sydney, on the following conditions:—

1. That the new service shall be considered experimental only, and shall be terminable at any time at six months' notice.
2. That, in adjusting premiums and penalties, twenty-four hours shall be added to the time allowed by the contract for the voyage between Point de Galle and Sydney.
3. That the stay of the packet at Glenelg shall not exceed six hours, and that the stop at King George's Sound shall be reduced from twenty-four to six hours.
4. That the Company shall be paid for the additional distance travelled at the same mileage rate as under the contract, that is, £4,724 a year.

It will be for Lord Kimberley to determine whether these conditions will meet the approval of the Government of South Australia, and whether the Government of New South Wales shall be satisfied with the assurance of the Company that, without actually binding themselves, they will do their utmost to maintain the present time of arrival at Sydney.

I have, &c.,

WM. JAS. PAGE.

R. G. W. Herbert, Esq., Colonial Office.