

The establishment of a direct postal line by the Suez Canal would involve the organization of a special mail service between London and Naples, where the ships would naturally touch, both out and home. The Imperial Post Office has not hitherto entertained the idea of a Naples-Australian mail, and only makes up ship-mails for Orient vessels. The official difficulty is that the engagements now existing with the French and Italian Governments require all mails to go *via* Brindisi; and this was lately stated to me by the Post Office authorities as an insuperable objection to any scheme for giving to the public of Australia and New Zealand the saving in postal time they would undoubtedly gain by mails made up at the last moment in London to catch the Orient ships at Naples. But I do not think there is much in the difficulty; so far as the French Government are concerned there is really none, because when the mail train comes out of the Mont Cenis tunnel it is on the Italian side, and whether the mails go on to Brindisi or bifurcate to Naples there is no loss to the French Post Office: while, so far as the Italian Government are concerned, it can hardly be doubted that they would welcome a proposal to accelerate a Naples train and bifurcate the mails, if accompanied by new postal revenue arising from a direct service to New Zealand. At any rate, I am assuming that the official difficulty could be overcome, and that the route for a direct postal line, unless undertaken by the P. and O. Company, would go the same way as the Orient ships; that is to say, from London to Naples, then through the canal, and straight on to the port of arrival in New Zealand.

II. AS TO WORKING COSTS.

1. *Consumption of Coal.*

In the Galbraith-Denny estimates of 1878 the amount of coal to be put on board for the outward voyage, including a small supply at St. Vincent, was given at 2,650 tons, of which about 400 tons would remain on arrival; and for the homeward voyage, 2,100 tons, inclusive of coaling at Port Said. The higher power for a fast postal line would require a larger supply of coal both ways; and I estimate the amount to be put on board for the outward voyage at not less than 3,000 tons, of which about 300 tons would again be in the bunkers on arrival, leaving about 2,600 to be taken in for the homeward voyage. These quantities are inclusive of coaling-up at Naples, Port Said, and Aden. It could not be safely estimated that the consumption of coal, for a ship of the power I am assuming, and steaming 13½ knots at sea, would be much under seventy tons a day.

As to the cost of the coal, the scheme of 1878 put the price in London at 21s.; St. Vincent, 33s.; Port Said, 32s.; and New Zealand, 33s. The London price may now be put at 19s., and at the other coaling-places on the way about 28s. (except Aden, where it would be more nearly 40s.), while the New Zealand price would also certainly be much less than was assumed in 1878. The total cost of coal for the outward voyage was put down in 1878 at about £3,000, and homeward, £3,450, or, together, a little under £6,500 for the voyage both ways. It would not be safe to estimate the cost of coal for a fast postal line now at less than £7,500 out and home.

2. *Portage Bill.*

The estimate of 1878 gave £2,342 for wages, &c., each voyage. It would be necessary to add about £1,000 to this for a fast postal line, so that the portage bill could not well be taken at less than £3,400 per voyage out and home; the difference in the wages of engineers, firemen, &c., being probably not less than £70 a month.

3. *Lights, Dock Dues, Loading and Discharging, Ship's Stores, &c.*

These were taken in 1878 at £2,615 for the outward, and £1,679 for the homeward voyage, or, together, £4,294. It would not be proper to take the cost for new postal steamers at less than an addition of £1,200 or £1,300 to that amount, or between £5,500 and £6,000 for the voyage out and home.

4. *Suez Canal dues.*

These would only have been payable one way under the scheme of 1878; for a postal service now *via* Canal both ways, the amount would exceed £4,000. These dues, as you are aware, are 10 francs per ton on the net register tonnage, besides the passenger fee of 10 francs per head.

5. *Insurance.*

This was taken in 1878 at £3,175 per voyage. It would probably be necessary to add about £600 to this estimate, but the amount would vary according to the freight and passage-money of each ship.

6. *Total Cost for the Year's Thirteen Voyages.*

Comparing step by step as I have done the chief items of fixed and unavoidable expenditure in any steam line, I do not think there can be any great error in the figures I have assumed for a postal service. I have taken only moderate sums for sailing charges, whether in London or New Zealand, and there is not much room for blunders in estimating such expenditure as loading cargo, ship's stores, cabin-furnishing, and advertising in England, or discharging, loading wool and wheat, dumping wool, and storage in New Zealand. In the scheme of 1878, taking the number of voyages out and home for a two-monthly service, Mr. Galbraith estimated the total cost for the year's work at a little over £114,000. With a fast postal line having a fixed departure every four weeks, there would be thirteen voyages out and home in the year: and I have assumed that the homeward voyages would be seven with wool and six with wheat. The cost of loading home with wheat is of course less than with wool, so that there would probably be a difference of at least £1,500 in favour of the voyage of the steamer loading with wheat. But taking the voyages as I have put them, full up both out and home, it would not be safe to take the cost of the year's work (under the various heads I have given above) at any less than an average of £27,000 a voyage (even with cheap coal in New Zealand), or, say, from £350,000 to £355,000 for the year's work.