

Gulf Department having agreed to join in arrangement, and their proportion of the traffic being included.

"Article 4. This ought to stand as drafted, our calculations being based on payment in London; if, however, Adelaide insisted on loss on exchange in remitting money to London, must be included in guarantee.

"Article 5. One month's grace was specially named in my original proposal to Jubilee Conference, which was before the Adelaide Conference when arrangement was accepted, and it cannot be reduced. It ought to be increased to three months.

"Article 6. This stipulation is so reasonable that the colonies ought to readily accept it; but as experiment is only for one year company will not insist upon it. It must, however, be clearly understood that if the experiment is successful, and the new agreement entered into for a term of years, the arrangement would be terminated forthwith should the contracting colonies commit any act whereby our revenue were interfered with or diminished.

"Proposed new Article 6.—Company and its associated administrations cannot bind themselves as proposed, but are willing to enter into any practicable arrangements whereby the benefits from the guarantee arrangement might be confined to the contracting colonies.

"Article 8. Company accepts the words referring to subsidy agreement; but the remainder of the article must be adhered to so far as Press messages are concerned, as existing regulations were drawn up and accepted by Press and Government administrations subsequently to that agreement, when Press-rate over Extension system was extended to Cis-Indian lines.

"Article 9. This point was threshed out during Adelaide Conference negotiations, and the company must adhere to the decision then come to. If, however, at the end of first year, traffic has increased enough to encourage the continuance of the experiment, I would be willing to go on for another year, or even two, so as to fully test it; but it must be at the company's option.

"Article 10. This clause is in accordance with my letter to the Agents-General, and company must have the right to revert to the old rate of 9s. 4d. under contemplated circumstances if eight-shilling tariff is insufficient to make up the receipts to the full amount."

I have, &c.,

W. WARREN,

Manager in Australasia.

The Hon. the President of the Postal Conference, Sydney.

No. 19.—*Eastern Extension Telegraph Company, on the Subject of finding a Better Route for the Darwin Cables.*

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,—

Sydney, 9th March, 1891.

I have the honour to send you a copy of a telegram received from the chairman, Sir John Pender, relative to the finding of a better route for the Darwin cables: "Tell delegates from me that company have had under careful consideration question of finding better route, if possible, for Darwin cables, and are obtaining soundings and other data to see whether an alteration of route to the north of Sumbarra, or Baly, would be likely to give greater security from volcanic interruption, and before coming to a decision must await the result. Colonies, however, may rest satisfied that company will continue to do everything possible to preserve communication in the highest state of efficiency."

I have, &c.,

W. WARREN, Manager.

The Hon. the President of the Postal Conference, Sydney.

No. 20.—*Telegram from the Agent-General of New South Wales on the Subject of the Proposed Canadian Mail-service.* (Laid before the Conference by the Hon. Daniel O'Connor.)

I HAVE been requested by Sir Charles Tupper, on behalf of the Canadian Government, to ask if New South Wales will give £15,000 yearly to Hartington syndicate for service described in Kersey's letter of 19th November, provided Sydney is made terminal port. Anxious to know soon. Expects to obtain £15,000 more from other Australian Colonies and £50,000 from Imperial Government. Details to be settled at Sydney if your Government entertain proposal.

DEAR SIR,—

33, St. James's Place, S.W., 19th November, 1890.

I beg to bring before your notice the following information relative to the proposed establishment of a line *via* Canada to Australia:—

Mr. Bryce Douglas, who is the managing director of the Naval Construction and Armaments Company, Limited (of which Lord Hartington is chairman), and who was with me in Canada, has secured on behalf of his company a contract from the Canadian Government for a fast Atlantic service, and also for a service from Vancouver to the colonies.

The amount of subsidy which the Canadian Government will give for the Australian service is £15,000 per annum for a four-weekly line. In addition to this they take further upon their shoulders the burden of providing the entire Atlantic subsidy.

We now require, to insure the floating of the proposed new steamship company (to be called the Imperial Steam Navigation Company), the assistance of the Imperial Government and the Australian Colonies, and the amount of subsidy that we hope to get is a total sum of, say, £55,000 per annum for ten years, in addition to the amount given by the Canadian Government. For this the company would undertake a through service between London and Moreton Bay (for mails and passengers) of thirty-five days, the same period of transit as is now occupied between London and Adelaide by the Brindisi-Suez route, and it is further confidently expected that the average through time would be about thirty-one to thirty-two days.

The proposed route is from London and Plymouth to Halifax, and (in the summer) Quebec;