

thence *via* the Canadian and Pacific Railway to Vancouver, and thence *via* Honolulu to Moreton Bay, at which port passengers and mails could be transferred to the intercolonial railway system, the steamer proceeding to Sydney, and possibly Melbourne. I have brought this matter before the notice of Sir Robert Herbert, at the Colonial Office. Sir Robert has kindly promised to bring the matter before the Secretary of State, and also before the Agents-General interested.

I venture to hope that the subsidy asked for may be forthcoming, and that this great British route to the colonies may be developed.

The company would be willing to commence at once a temporary service, if desired, by means of first-class chartered ships, and would undertake to construct a sufficient number of new twin-screw ships specially designed for the trade, and fitted as armed cruisers with gun platforms, coal armour, and to be manned by a white crew of Naval Reserve men. Lord Hartington has kindly consented to become chairman of the new company if it is brought into existence, and the vessels will be built by the Naval Construction Company at Barrow-in-Furness.

The steamship company will be an entirely separate concern from, but will have the hearty co-operation of, and direct connection with, the Canadian Pacific Railway. The steamers will be equal in appointments to anything afloat. They will run alongside the trains in London and in the Canadian ports, thus saving all expense of transit, and it is proposed to issue through tickets, including all charges of dining-car, sleeping-car, &c. The entire scheme will be established on a thoroughly first-class basis. May I ask you to be good enough to bring this matter to the notice of your Government.

I am, &c.,

H. M. KERSEY.

*No. 21.—Draft Memorandum of Agreement between the Colonial Governments as to Payments to the Eastern Extension Telegraph Company.*

MEMORANDUM of Agreement made this                      day of                      , 1891, for and on behalf of their respective Governments, between His Excellency the Right Honourable Victor Albert George, Earl of Jersey, &c., Governor and Commander-in-Chief of New South Wales and its dependencies, by and with the advice and consent of the Executive Council of New South Wales, of the first part; His Excellency the Right Honourable Algernon Hawkins Thomond, Earl of Kintore, &c., Governor and Commander-in-Chief of the Province of South Australia and its dependencies, by and with the advice and consent of the Executive Council of the said province, of the second part; His Excellency Sir Robert George Cruickshank Hamilton, Knight Commander of the Most Honourable Order of the Bath, Governor and Commander-in-Chief of Tasmania and its dependencies, by and with the advice and consent of the Executive Council of Tasmania, of the third part; His Excellency the Right Honourable John Adrian Louis, Earl of Hopetoun, &c., Governor and Commander-in-Chief of Victoria, of the fourth part; and His Excellency William Cleaver Francis Robinson, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief of Western Australia and its dependencies, by and with the advice and consent of the Executive Council of Western Australia, of the fifth part: Whereas by the agreement dated the                      day of                      , 1891, between Her Most Gracious Majesty the Queen of the one part, and the Eastern Extension Australia and China Telegraph Company (Limited) (hereinafter referred to as "the Extension Company"), of the other part (a copy of which said agreement is set out in the schedule hereto, and is hereinafter referred to as the agreement); and executed by on behalf of Her Majesty, it is, among other things, provided and agreed that, in consideration of the reduced rates in the said agreement, and in the First Schedule thereto mentioned to be paid to and accepted by the company for transmitting, or procuring to be transmitted, all telegraphic messages exchanged between the places mentioned in the Second Schedule to the same, and South Australia or Western Australia, in lieu of the rates heretofore charged, and in consideration of the observance by the company of the agreements, clauses, covenants, conditions, and provisos in the said agreement mentioned, that Her Majesty would cause to be paid to the company, out of the consolidated revenue funds of the contracting colonies, a sum equal to half the amount by which the receipts of the company, and the Cis-Indian Administrations in respect of the Australasian traffic in any year while the reduced rates aforesaid continue in force by virtue of the said agreement, should, after deducting all out-payments to other Telegraph Administrations, be less than the sum of £232,000: And whereas the respective Governments of the parties to these presents have mutually agreed to contribute proportionately to the population of their respective territories towards the payment of any sum or sums of money that may become due or owing to the company under the agreement: And whereas it has been arranged that the Government of                      shall pay, or cause to be paid, to the company in Adelaide, within the time limited by the agreement, all sums due or to become due to the company under the same: Now these presents witnesseth that, in consideration of the premises, the parties hereto of the                      respectfully do and each of them doth hereby for and on behalf of his and their respective Government and Governments, covenant and agree with the Government of                      to pay from time to time to the said Government of                      during the continuance of the agreement upon demand rateable contributions according to and on the basis of the population for the time being of their respective territories towards making good any sum equal to half the amount by which the receipts of the company and the Cis-Indian Administration in respect of the Australian traffic in any year may, after deducting all out-payments to other telegraphic administrations, be less than the sum of £232,000, which the said Government of                      may under the agreement have paid in any year to the company. And it is further agreed that the Governments of any of the parties hereto prior to the 31st day of December in any year may, by notice in writing to the Governments of the others of them, intimate its desire to determine the agreement, and thereupon the Agent-General for the Government of South Australia shall give the necessary notice for the determination of the same to the company as in the agreement provided.

In witness, &c.,

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