

From these tables it will be seen that, if the recommendations of the delegates were adopted, while the large additional expense that I have mentioned (£114,000) would be cast on the mother country, the following reductions, if matters took the shape they seem expected to take, and which, in fact, they have already taken in part, would (in round numbers) be made in the payments of the different Colonies:—

South Australia	...	...	...	...	...	...	£6,900
New South Wales	...	...	...	...	...	...	7,300
Victoria	...	...	...	...	...	...	14,000
New Zealand	...	...	...	...	...	...	12,700
Queensland	...	...	...	...	...	...	66,000

As respects the greater cheapness of the route *via* Suez and King George's Sound, it is fair to remark that its cost will probably soon be enhanced by the withdrawal of most of the Indian letters from the packets conveying the Australian mails between Suez and Ceylon; but, with full allowance for this augmentation, I have no doubt that this route, especially as regards a bi-monthly service, will still be much the more economical.

With a view, probably, of obtaining the adhesion of South Australia to their scheme, the delegates propose that the packet on the main route from King George's Sound to Sydney shall touch at Kangaroo Island; but unless, in any future contract, the terms upon which this alteration can be accomplished (an alteration in which your Lordships have already refused to concur) be more favourable than those demanded by the Peninsular and Oriental Steam Navigation Company (and I have no reason to suppose that they will), the call at Kangaroo Island, which the present contractors regard as entailing some danger to their ships, can only be obtained, as the Government of Australia is fully aware, by an additional annual payment of £15,000, and with an increase in the stipulated time of the round voyage of two days, the effect of the latter change being to delay the great bulk of the Australian letters, with the further probable result of occasionally depriving New South Wales of her return post, a result which, in the case of Queensland, would be yet more frequent.

But whatever would inflict postal injury on any of the colonies would likewise injure the mother country; and in this way also, therefore, we should be sufferers from the proposed alterations.

With regard to the estimated cost of the plan recommended by the delegates, it may be right to mention that it appears by the debate before referred to, that Mr. Verdon thinks that a much less sum than £400,000 a year would suffice; but he gives no reason for his belief, and in my opinion the real cost, instead of being less than this sum, would prove to be greater.

As no estimate has been sent of the proposed plan under its different heads, I am driven, to some extent to conjecture; but as far as I can prognosticate (and of some of the items there is little or no doubt), the subjoined may be taken as a tolerably correct estimate of the cost:—

Present cost of the Suez route (including transit rate and incidental expenses)	£179,100
Add for stoppage at Kangaroo Island	15,000

Probable Cost of the Panama Route.

Main line to Wellington and Sydney	£110,000
Transit rate over the Isthmus of Panama	10,000

Branch Lines.

Sydney to Brisbane	2,000
Wellington to Melbourne	13,000
Melbourne to Adelaide	5,000
Melbourne to Tasmania	1,800

141,800

Probable cost of Torres Straits route (between Queensland and Singapore only)

90,000

£425,900

This is exclusive of all share of expense (as regards the Panama route) of conveying the mails across the Atlantic, and as regards the Torres Straits route, of the service between London and Singapore; and is moreover exclusive, as regards both these latter routes, of all incidental expenses.

Although by one of the resolutions of the delegates, it is declared that the route *via* Torres Straits does not present any considerable postal advantage to any Colony except Queensland, a claim has been raised in favour of this route in relation to telegraphic communication, but I would observe that at present the advantages under this head are on the side of the route *via* Ceylon and King George's Sound; and that when the telegraphic wires shall have been carried to Singapore, the time must be at hand for their extension to some point of Australia, and that as soon as this is accomplished, all questions relating to the joint action of the packets and telegraph will come to an end.

In some of the despatches from the Governors of the Australian Colonies, and in the report of the proceedings of the delegates, great stress is laid on the magnitude of the commerce now existing between the United Kingdom and Australia. I rejoice to think that this commerce should so largely have expanded; but to the question now under consideration, the fact does not seem to me to have any application. The question is not whether there ought to be much or little postal communication between the two countries, but how this communication can best be effected.

As I have already mentioned, the request for the alteration under consideration is but a repetition in a new form of the application formerly made to your Lordships, and which was positively refused, a refusal that was clearly notified before any contract for the service, *via* Panama was entered into; and as respect the Torres Straits Service, there appears as yet to be no contract.

Even if your Lordships were disposed to yield to this renewed demand, the question of the Australian Mail Packet Service would not thereby be settled. I feel certain, and the state of public