

*Précis re Federal Mail Service, showing action taken from 1st April, 1896, to 12th November, 1896.*

At the Conference held in Sydney in January, 1896, it was agreed to sanction the calling of tenders by the London Post Office.

On the 7th July, 1896, the London Post Office received tenders.

On the 24th July, 1896, the Right Honorable the Secretary of State for the Colonies forwarded to the Colonies copies of the tenders received, and intimated that by the time they reached Australia a cablegram would be sent indicating the views entertained by Her Majesty's Government of these tenders.

The following are main features of the offers received as compared with present contracts:—

*Orient Steam Navigation Company.*

	Time allowed for transit of mails from Naples to Adelaide and <i>vice versa</i> .		Time allowed for transit of mails right through from London to Adelaide and <i>vice versa</i> .		Amount of subsidy.
	In days.	In hours.	In days.	In hours.	
Present contract .....	32½	780	34½ <sup>0</sup> / <sub>4</sub>	835	£ 85,000
Proposed contract .....	30	720	32½ <sup>5</sup> / <sub>4</sub>	775	85,000

Twenty-four hours additional allowed on the homeward trips during the prevalence of the S.W. monsoon.

*Peninsular and Oriental Steam Navigation Company.*

	Time allowed for transit of mails from Brindisi to Adelaide and <i>vice versa</i> .		Time for transit of mails right through from London to Adelaide and <i>vice versa</i> .		Time allowed for transit of mails from Marseilles to Adelaide and <i>vice versa</i> .		Time for transit of mails right through from London to Adelaide and <i>vice versa</i> .		Amount of subsidy.
	In days.	In hours.	In days.	In hours.	In days.	In hours.	In days.	In hours.	
Present contract .....	32½	780	34½ <sup>4</sup> / <sub>4</sub>	830	34½ <sup>0</sup> / <sub>4</sub>	826	35½ <sup>4</sup> / <sub>4</sub>	854	£35,000
Proposed contract .....	28½ <sup>4</sup> / <sub>4</sub>	686	30½ <sup>0</sup> / <sub>4</sub>	736	30½	732	31½ <sup>0</sup> / <sub>4</sub>	760	*

Twenty-four hours additional allowed on the homeward trips during the prevalence of the S.W. monsoon.

On the 12th September, 1896, His Excellency the Governor received the following cablegram, dated 10th September, from the Right Honorable the Secretary of State for the Colonies, namely:—

“Most confidential. Postal arrangements which Her Majesty's Government propose. To accept tenders Orient and P. and O., *via* Brindisi, as providing only means of obtaining whole of service required. P. and O. *via* Marseilles nearly one day longer would not be satisfactory to public in this Country or Colonies. Answer as soon as possible whether your Ministers agree to proposals of Her Majesty's Government. Hope it possible by negotiation to obtain something, cannot make further concession with respect to length of time on voyage. Her Majesty's Government before accepting tender propose to cause inquiry to be made as to this point, consequently it is of the utmost importance that everything relating to postal arrangements should be kept secret until arrangements concluded.”

Some confidential telegraphic communication then transpired between the Colonies concerned and an informal Conference was held in October, at Melbourne, between the Postmasters-General New South Wales and Victoria (The Honorables J. Cook and J. Gavan Duffy), which resulted in the despatch of a cablegram from His Excellency the Governor of South Australia, to the Right Honorable the Secretary of State for the Colonies as follows:—

“Ocean mails. Employment of black labour by one of the tenderers causing great difficulty. Hope to be able to give definite reply by the middle of November.”

On the 28th October, 1896, His Excellency the Governor of South Australia forwarded to His Excellency the Governor of New South Wales the following cablegram from the Right Honorable the Secretary of State for the Colonies, namely:—

“Postal arrangements. Should be recollected that President of Intercolonial Conference, Sydney, informed Imperial Post Office last March that Colonies accept conditions as to employment of coloured labour, and in reply was informed tenders would be called at once. Difficulties not understood. Tenders have been before Colonies more than six weeks, and as already explained my telegram of 10th September practically there is no alternative measure if federal service is to be maintained. Immediate decision therefore urgently required.”

On the 12th November, 1896, His Excellency the Governor of New South Wales received the following cablegram from the Right Honorable the Secretary of State for the Colonies, namely:—

“Your Ministers should clearly understand Her Majesty's Government cannot undertake, under any circumstances, to be parties to contract from which any class of British subjects is specifically excluded.”

APPENDIX

\*NOTE.—No price is given for the Australian portion of the service, it being included in the sums of £310,000 and £330,000 asked for the services by the respective routes *via* Marseilles and *via* Brindisi.