

emanating from Mr. Alfred Holt, of the Ocean Steamship Company, in favour of constructing a particular type of despatch boat for the exclusive purpose of carrying mails. As regards the first suggestion, it has been urged that the nation pays a very large sum for maintaining ships of high speed in the navy, that often some of these ships have little to do, and that they might profitably employ their spare time by running from port to port with the mails. His Majesty's ships do in fact already carry some mails for the Falkland Islands from Monte Video; and it is said that they might also be useful in helping to form links in an extended postal service. On the other hand the Admiralty strongly object to have the movements of His Majesty's ships, built and maintained for wholly different purposes, interfered with by postal arrangements, which might require the fastest ships and would tie them to certain ports and times. These objections will probably be found to be insuperable.

8. The second suggestion, Mr. Holt's, might possibly have economy to recommend it, though this is not altogether certain; but in any case it would necessitate the experimental and expensive construction of a considerable fleet, the value of which is by no means assured. Among the chief practical objections to it we would mention that the Peninsular and Oriental Company might run their steamers faster than the contract rate fixed for the mail packets, and that the mail-service would be entirely devoid of that contingent commercial usefulness which is widely admitted, though not very easily measured or described. Nor would this kind of despatch-boat in any way serve Admiralty purposes.

9. With regard to the length of time for which a mail contract should generally be made, we are aware that short periods have at different times been supported in the House of Commons. It is true that the North German Lloyd contract extends over fifteen years; but in view of possible improvements in methods of construction and of propulsion, such as those afforded by the turbine, fifteen years appears too long. We prefer seven years as a term of mail contracts; but if an extension to ten years involves a substantial reduction of the subsidy, that term should be considered.

10. (iii.) *New Routes or other Facilities available since the Date of the existing Contract.*—Foremost among these is the trans-Siberian route, over which mails have been despatched from London since November, 1903, reaching Peking in about twenty-three to twenty-six days. This route cannot fail, if maintained and thoroughly developed, to become the most expeditious for communication with Japan and China, and perhaps Hong Kong. It would seem possible for mails from London to reach Yokohama *via* Siberia under twenty-seven days, as compared with thirty-two days *via* Vancouver, thirty days *via* Seattle, thirty-three days *via* San Francisco, and thirty-eight days *via* Suez. It is not certain that as yet the Siberian post is absolutely reliable for important communications, for which the alternative routes *via* Vancouver, Tacoma, Seattle or San Francisco, or *via* Suez, are always open; and financially the Suez route will remain by far the cheapest. The prospect of the rapid improvement of the fast route *via* Siberia is, we think, an additional reason for extending the existing Peninsular and Oriental contract for only three years, as the Hong Kong and Shanghai services might then require alteration; but it is desirable, when tenders are next called for, to invite two alternative tenders from European ports—namely, one for a service to Hong Kong and one for a service to Shanghai. It seems unlikely that within three years great improvements will be effected in respect of speed on the Canadian and United States routes to the Far East.

11. The proposal that mails should be carried across India to the Far East *via* Bombay, Calcutta, and Singapore was made and dropped in 1896, partly owing to the difficult navigation of the Hooghly. A trans-Indian route *via* Bombay and Madras appears, however, quite feasible, and is favoured by the Government of India. British mails are, in fact, already forwarded by a trans-Indian land-service to Penang every other week, when there is no British service from Brindisi to Penang and Singapore, or, in other words, in the week in which the mails for Singapore are forwarded by the fortnightly French packet from Marseilles, which does not call at Penang. The proposal is calculated by the Government of India to compete well in point of speed with an all-sea service *via* Colombo, the rapidity of the railway journey fully compensating for the delay in transshipment at Bombay and Madras; and it would be an advantage to India if other parts of the Empire become interested in the acceleration of the service between Europe and Bombay. For the land-transit the Indian Post Office is prepared to charge ordinary Postal Union rates if the mails are conveyed by ordinary trains, and if special trains are used only the actual cost of those trains. The proposal fits in with the policy we have advocated of inviting sectional tenders; and there are good steamship companies trading in the Indian Ocean and the East which might be attracted with due notice to tender. We therefore recommend that sea services connected with a scheme for an Indian land-transit of mails from Bombay to Madras should be included in the list of tenders to be invited.

12. We are of opinion that the land-transit of mails across Egypt from Alexandria to Suez is not advisable. Even though there appears to be no objection to the quarantine regulations which have been submitted to us, the route involves a double transfer of mails at ports only about 220 miles apart; and, according to the President of the Egyptian Railway Board, the annual cost would be about £12,300, with certain additions, for a saving of about twelve or fourteen hours in time. Nor is there much reason to suppose that a steamship company which trades from Europe to the Indian Ocean would take off any considerable or perhaps any portion of the subsidy, because it was excused from taking the mails through the Suez Canal. It would, in fact, have to maintain an administration both at Alexandria and Suez. If the Egyptian railways extended, for instance, to Suakin, an Egyptian land-transit might be valuable to save time; but in existing circumstances we do not think the gain is worth the great extra cost.

13. Another new route which we have considered is the Baghdad Railway; but we think that the scheme is still too much in the air to be brought into a discussion of arrangements to be made at no distant date.