

MY Lords have under their consideration various communications from the Colonial Office, giving cover to despatches from the Colonies of New South Wales, Victoria, South Australia, and reports from the Postmaster-General, upon the subject of a postal communication between England and the Australian Colonies.

My Lords advert to the arrangement which they sanctioned some time ago for the purpose of securing a monthly postal communication with Australia by steam-boats. By that arrangement a mail was carried, *vid* the Cape of Good Hope, by the General Screw Steam Navigation Company, and another by the Peninsular and Oriental Company, *vid* Singapore, in every month alternately, so as to secure a monthly communication between the two. The former of these Companies having found itself obliged to abandon the contract, and the latter, in consequence of the demand for their vessels for the purposes of the war, having been obliged to suspend the branch service from Singapore to Australia, my Lords deeply regret that for some months past, so far as steam-vessels are concerned, this important postal service has been interrupted.

As early as the month of February last, with a view of obviating this inconvenience, my Lords requested the Lords of the Admiralty to take steps to obtain a tender for a monthly conveyance of mails to Australia, but it is only within the last few weeks that tender has been received by the Government; and it is one which, in its present shape, and in the position which the question has now assumed, my Lords are not prepared to accept. This tender, which has been received from the Peninsular and Oriental Company, is to convey a mail by steam once in every month between Ceylon and the Australian Colonies, in connection with their India mail-boats, for the sum of £84,000 a-year. But as the present estimate of the postal revenue with Australia cannot be computed at more than £36,000, of which £24,000 can only be taken as the portion applicable to the sea service, my Lords would not feel justified in imposing upon the Home Exchequer exclusively so large a loss (*viz.*, £60,000 a-year) as would attend the adoption of this tender.

It has been with great satisfaction that my Lords in the meantime have perused the despatches received from Sir William Denison, Sir Charles Hotham, and Sir R. G. Macdonnell, as well as the proceedings of the respective public authorities of New South Wales, Victoria, and South Australia, upon the subject of postal communication. And my Lords have no doubt that when sufficient time shall have elapsed to enable the replies of the Governors of Van Diemen's Land, Western Australia, and New Zealand to the circular despatch addressed to them by Sir William Denison of the 16th March, inviting their cooperation with their other Colonies and the mother-country in order to place the postal communication upon a permanent and satisfactory basis, to reach this country, they will be found to coincide with the enlightened and public-spirited views expressed by those Colonies already referred to in reference to the subject of that despatch.

The general tendency of all the correspondence upon this subject which has reached this Board, shows that the different Colonies of Australia have become so impressed with the necessity of maintaining a permanent, certain, and rapid postal communication with England, that they are now prepared to share with this country any loss which it may be necessary to incur; but the offers of contribution, though made by those Colonies from which communications have been received in a spirit of earnestness upon which my Lords place the most implicit reliance, are yet either too vague or are accompanied by conditions too contradictory and inconsistent with each other to form at once the basis of an arrangement with regard to which it is most desirable there should be no possible misunderstanding. It may therefore be convenient that my Lords should here place on record the various proposals which have been made by the different Colonies, first and last, with respect to sharing in the expense of the postal service, and the conditions attached to those offers.