

Under this amended scale one rate of postage will be charged for each half-ounce that a letter may weigh, so that a letter weighing more than an ounce, but not more than an ounce and a-half, will be charged three rates of postage; a letter weighing more than two ounces, but not more than two ounces and a-half, five rates of postage, instead of four; and six rates, respectively as under the existing scale of progression.

I have, &c.,

STANLEY OF ALDERLEY.

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Enclosure 3 to No. 9.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY, TO THE SECRETARY OF THE  
POST OFFICE.

122, Leadenhall Street, E.C.,

13th May, 1863.

SIR,—

I have the honor, by order of the Directors, to acknowledge the receipt of your letter of the 6th instant (No. 445 O.), stating that the Postmaster-General is desirous of ascertaining upon what terms the Company would be willing to double the existing postal service between Point de Galle and Sydney.

In reply, I am instructed to state that for an addition of £50,000 to the present annual subsidy of £134,672, the Company would be prepared to undertake the extra service, subject to the same general conditions as those of the present contract, and would be ready to commence the double line in six months after the acceptance of their proposal; the contract to be terminable, as you propose, on a notice of two years, but to continue at least till the 12th February, 1866, the period fixed for the termination of the service for which the Company tendered on the 5th October, 1858.

With reference to the inquiry whether the Directors would agree that all the vessels employed on this additional line should call at Kangaroo Island to land and embark mails, and in such case whether the Company would require any addition to the subsidy, or to the time for the performance of the voyage, I am desired to state that, having given the matter their best consideration, and having referred to several of the Company's commanders who have been employed on the Australian line, the Directors regret that they cannot include such an arrangement in their tender; because the great extra risk arising from the dangerous nature of the approaches to Kangaroo Island during the thick and stormy weather which prevails in that vicinity, would require a rate of compensation greatly exceeding the entire cost of maintaining a special steamer between Adelaide and King George's Sound. It would also, they beg leave to submit, cause a delay of from one to two days in the transit of the mails to and from Melbourne, Tasmania, Sydney, and New Zealand.

I have, &c.,

C. W. HOWELL,

Secretary.

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Enclosure 4 to No. 9.

COPY OF TREASURY MINUTE, DATED 5TH SEPTEMBER 1864.

My Lords have again before them the report of the Postmaster General, dated 11th July, 1863, submitting an offer from the Peninsular and Oriental Steam Navigation Company for the establishment of a second monthly communication between Point de Galle and Sydney, New South Wales, for a further subsidy of £50,000 a-year, and stating that he was of opinion that it would be desirable to entertain the offer of the Company and submit it for the consideration of the Governments of the several Australian Colonies and of New Zealand. His Lordship at the same time proposed that the postage on the letters between the Mother Country and these Colonies should be raised from sixpence to one shilling the half-ounce letter.

My Lords have also again had before them the Postmaster General's letter of the 12th December, 1863, stating that the Postmaster General of New Zealand had accepted, on behalf of the New Zealand Government, an offer made for a monthly service between Panama, Wellington, and Sydney, thus doubling the communication with this country, and providing for a bi-monthly conveyance of the mails via Suez and Panama alternately; and that, under these circumstances Lord Stanley was of opinion that it would be expedient to defer entertaining the proposal of the Peninsular and Oriental Steam Navigation Company, and to wait and see the result of the experiment of the Panama route before increasing the frequency of the mail service by way of Suez. His Lordship, however, stated that he was still of opinion that the increase of postage proposed in his letter of the 11th July should take place.

My Lords advert to their Minute of the 28th December last, whereby the proposed increase in