

Sub-Enclosure 1 to Enclosure 1 in No. 5.

Mr. TILLEY to the SECRETARY to the TREASURY.

SIR,—

General Post Office, 27th December, 1870.

I am directed by the Postmaster-General to return herewith the papers referred to this Department on the 15th ultimo and 15th instant, respecting the desire of the Government of South Australia that some arrangement should be made with the Peninsular and Oriental Steam Navigation Company, to provide for the delivery of the South Australian mails at a port within the Colony, Holdfast Bay being preferred.

Having represented the circumstances of the case to the Company, and inquired whether they were prepared to make the proposed call, and if so on what conditions, Lord Harlington has received from them the reply of which a copy is transmitted with this letter.

In it the Company state that the deviation of the route of their mail packet to Holdfast Bay, would increase the annual mileage performed to the extent of nearly 4,000 miles, adding thereby a considerable sum to the expense of the service, and that they could not undertake it without an additional payment at the same rate per mile as for the existing service. But even on these terms they hesitate to make the change without first ascertaining the feeling of the Colonies of Victoria and New South Wales, which, from their more easterly position, would be injuriously affected by it; and they propose, therefore, to communicate at once with their agents at Melbourne and Sydney.

Some time must necessarily elapse before the result of the Company's inquiries can be learned, and Lord Harlington would suggest that advantage be taken of the interval for asking the Governors of Victoria and New South Wales whether they have any objections to offer to the proposal of South Australia.

The Secretary to the Treasury.

I have, &c.,

JOHN TILLEY.

Sub-Enclosure 2 to Enclosure 1 in No. 5.

Mr. HOWELL to the SECRETARY of the GENERAL POST OFFICE.

Peninsular and Oriental Steam Navigation Company, 122, Leadenhall Street, E.C.,

SIR,—

London, 20th December, 1870.

I have the honor to acknowledge the receipt of your letter of 2nd instant, No. 131,006, stating that the Government of South Australia is desirous that some arrangement should be made with this Company for the delivery of the South Australian mails at a port within that Colony, and inquiring whether the Directors are willing to undertake this service, and if so on what conditions.

In reply, I am desired to state that the deviation of the Company's steamers to Holdfast Bay, which would, no doubt, be the most convenient plan for the Colonists, would increase the annual mileage performed in the Australian mail service to the extent of nearly 4,000 miles, adding thereby a considerable sum to its expense, while it is the opinion of the Directors that the navigation would involve considerable risks for steamers of the size and draft of water of those employed by the Company. Upon these grounds, therefore, the Directors must demur to the proposal that this additional service should be undertaken without payment to the Company. They would at least require the same rate per mile as for the existing service. But while the proposed deviation would directly involve an increase of some fifteen or twenty hours only at sea on each trip, it must be born in mind that casual delays from making the land at night or in thick weather would not unfrequently be superadded to that disadvantage, so that the length of the mail voyage would often be increased by twenty-four hours, and occasionally by even a longer time. Looking to the importance of the interests in the other colonies, and to the short interval for replies from New South Wales, even under existing circumstances, the Directors feel doubtful whether the detention of the mails inseparable from the proposed arrangement would meet with public approval, and in their uncertainty on that point they would be reluctant to act upon the suggestion contained in your letter. They will, however, communicate with their agents in Sydney and Melbourne, with a view to ascertain what may be the feeling upon the question, and will subsequently do themselves the honor of again addressing you on the subject.

I am to add that although the detour to Kangaroo Island or Victor Harbour would involve the performance of a shorter additional mileage than the deviation to Holdfast Bay, and consequently retard the delivery of the mails in Melbourne and Sydney to a less extent, yet, as the disadvantage would still be considerable, the Directors could not adopt either plan without ascertaining beforehand the opinion of the public of the Colonies.

The Secretary of the General Post Office.

I have, &c.,

C. W. HOWELL, Secretary.

Enclosure 2 in No. 5.

Viscount CANTERBURY to the Earl of KIMBERLEY.

MY LORD,—

Government Offices, Melbourne, 22nd April, 1871.

No. 117,
30th Dec., 1870.

I have the honor to inform your Lordship that your Despatch, marked in the margin, was referred by me, as soon as it was received, to my Advisers.

I have this day received a Memorandum (of which a copy is herein enclosed), signed by the Chief Secretary on behalf of himself and his colleagues, explaining clearly their views on the subject referred to in your Lordships Despatch, and expressing an approval of, or at least an acquiescence in, the proposal thereon of the South Australian Government on certain conditions.

I shall be unable, I regret to say, to ascertain myself, before the departure of the mail, whether the South Australian Government acquiesce in these conditions; but your Lordship will understand