

The subsidy payable by the contracting colonies is £75,000 per annum, as at present; but the time between Adelaide and London has been reduced to between thirty and thirty-one days, an acceleration of from three and a half to four days on the present contract running.

It is my intention, at an early date, to bring before the House, by a series of resolutions, proposals in connection with the ocean mail-services.

#### SUGGESTED EASTERN SERVICE.

In order to encourage and open up direct trade and passenger traffic with Queensland, the Netherland Indies, Straits Settlements, Burmah, and India, it would be worth while entering into negotiations with the New South Wales, Queensland, and Indian Governments, to see whether they would be prepared to join this colony in subsidising a good and fast monthly service, with Wellington and Calcutta as terminal ports.

A through service between New Zealand and Queensland would be a matter of great importance, there being many interchangeable products between this colony and the tropical portion of Queensland; but, owing to the combinations between the shipping companies, all Queensland cargo for New Zealand has to be transhipped at Sydney, and necessarily the through rates for passage and freight are high, and obstruct trade. The route I would propose from Brisbane to India would be, in the first instance, up the Queensland coast, calling at intermediate ports as far as Thursday Island; thence to Batavia (Java), Singapore, Penang, Rangoon, and Calcutta.

In order to profitably carry out this service it would be necessary to negotiate with the Dutch authorities at Batavia to allow the steamers to call and permit trade; and from what I can learn I think this concession would be granted, as it is already in the case of the Queensland Royal Mail service. A monthly line of large up-to-date steamers, with a speed of not less than fourteen knots, fair passenger-accommodation, refrigerating machinery, and good cargo-carrying capacity, would be required.

A brief glance at the population along the proposed route may be of interest. The population of the islands of Java and Mildura (50,554 square miles) was estimated in 1894 at 25,067,471, or, adding that of adjacent islands, 32,800,000, of which about 60,260 were Europeans; the great commercial centre of Singapore has a population of about 184,554; Penang has a considerable trade, with a population of about 235,618; Rangoon (population 180,324), the capital of Burmah (population 7,605,560), and centre of a large trading country, has an immense trade; while the final port, Calcutta (population 861,764), forms a good base to tap a small portion of the trade of British India, with its population of upwards of 220,000,000.

As a passenger-service the proposed line would be very valuable, opening up direct communication with Queensland, tapping the endless stream of tourists daily passing east and west through Singapore, and affording facilities to residents in India and the tropics for an interesting and cheap trip south (mostly through smooth land-locked waters with fine shore scenery) to recruit their health, and send their families to take advantage of the educational establishments in a healthy colony like New Zealand, where living is cheap and the chances of success in life better than in older countries.

As a mail-service it would establish rapid communication between these colonies and the East, and the British and Indian Governments might be induced to grant assistance for military and strategical reasons. At present a mail-service is run fortnightly between Singapore and Calcutta on the route suggested, and this would no doubt work in with the present proposal. Very few British steamers cross the region of the Dutch Indies, so that between Singapore and Australasia there is, so far as our people are concerned, a great gulf fixed, which the proposed line would help to bridge.

There is a large intermediate trade all along the proposed route. Our fresh and tinned meats, dairy produce, horses, temperate fruits, grain, &c., would soon be appreciated in the tropics, and in return wool-packs, corn-sacks tea, coffee,