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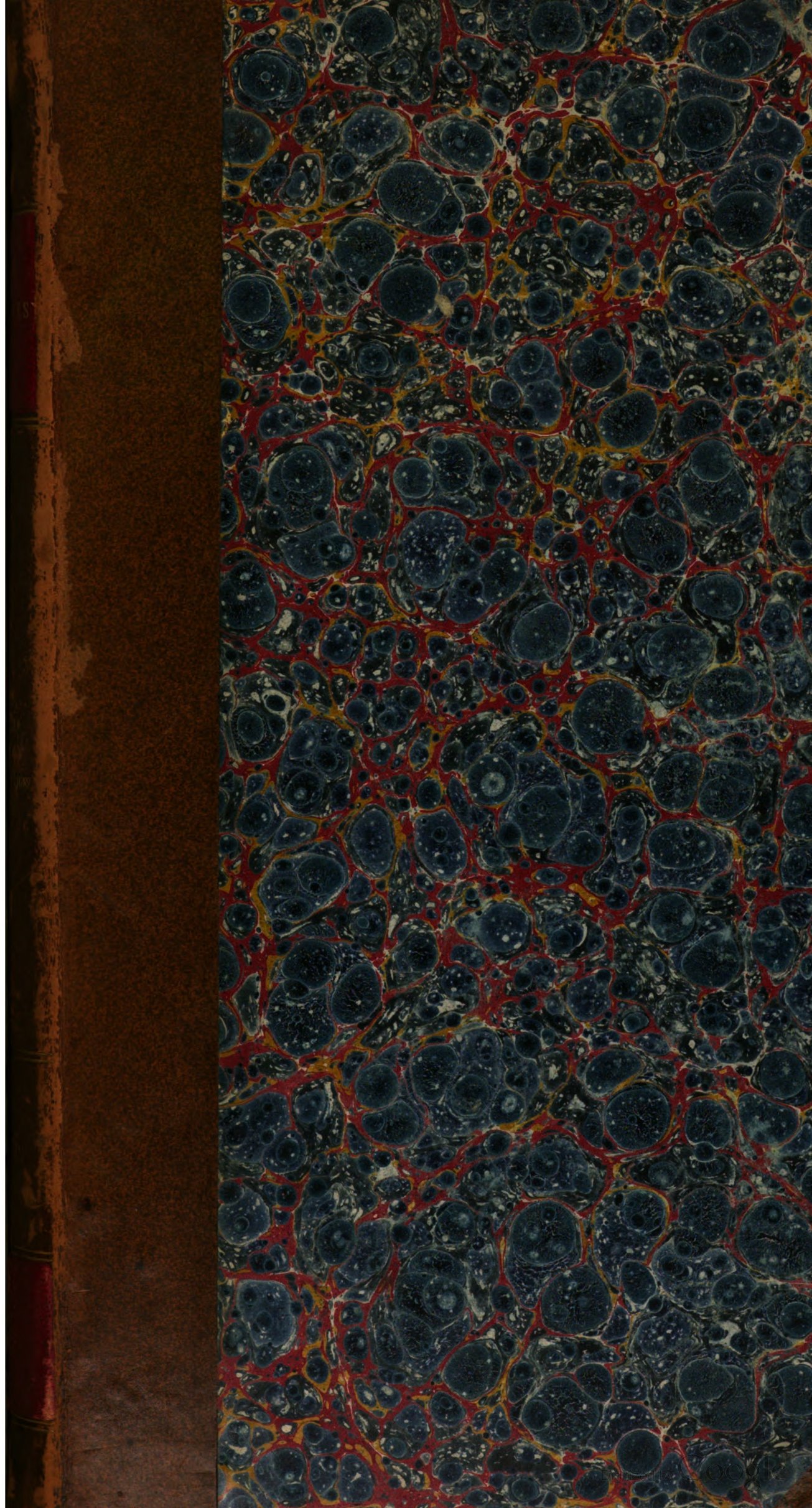
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P. Eng. $\frac{1866}{9}$

R E P O R T S
FROM
C O M M I T T E E S:

ELEVEN VOLUMES.

— (4) —

EAST INDIA COMMUNICATIONS.

Session

1 February — 10 August 1866.

VOL. IX.

1866.

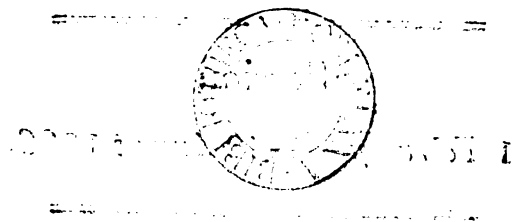
THE OCEAN

NO. 1

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1881

REPORTS FROM COMMITTEES:

1866.

ELEVEN VOLUMES:—CONTENTS OF THE

FOURTH VOLUME.

N.B.—*THE* Figures at the beginning of the line, correspond with the N° at the foot of each Report; and the Figures at the end of the line, refer to the MS. Paging of the Volumes arranged for *The House of Commons*.

EAST INDIA COMMUNICATIONS:

428. REPORT from the Select Committee on EAST INDIA COMMUNICATIONS; together with the PROCEEDINGS of the COMMITTEE, MINUTES of EVIDENCE, and APPENDIX - - - - p. 1
- 428-I. INDEX to the above REPORT - - - - 659
-

Tuesday, 21st February 1866.

Widow, Old-Mary, 1868

Mr. Schneider.
Mr. Mohatt.
Mrs. Lamm.
Sir Charles Bright.
Mr. Weyman.
Mr. Baine.
Mr. Henry Rawlinson.

ON

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE.

MINUTES OF EVIDENCE,

AND APPENDIX.

Monday, 10th July 1966

Friday, 20th July 1866.

Ordered, by The House of Commons, to be Printed,

20 July 1866.

[illegible]

Tuesday, 27th February 1866.

Ordered, THAT a Select Committee be appointed to inquire into the practical working of the present systems of Telegraphic and Postal Communications between this Country and the East Indies.

Friday, 9th March 1866.

Select Committee nominated :—

Mr. Crawford.	Mr. Turner.
Lord Stanley (vacated his seat 6th July).	Sir Henry Rawlinson.
Mr. Childers.	Mr. Baillie.
Lord Robert Montagu.	Mr. Weguelin.
Mr. Stansfeld.	Sir Charles Bright.
Admiral Seymour (vacated his seat 6th July).	Mr. Laird.
Mr. Ayrton.	Mr. Moffatt.
	Mr. Schreiber.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Thursday, 22nd March 1866.

Ordered, THAT all Petitions presented this Session relative to Postal Communication with India be referred to the Select Committee.

Monday, 23rd April 1866.

Ordered, THAT it be an instruction to the Select Committee on East India Communications that they be empowered to extend their inquiry to China and Japan, and Australia and the Mauritius.

Ordered, THAT the Select Committee do consist of 17 Members.

Ordered, THAT Mr. Marsh and Mr. Brooks be added to the Committee.

Monday, 16th July 1866.

Ordered, THAT Mr. Hunt and Sir James Fergusson be added to the Committee.

Friday, 20th July 1866.

Ordered, THAT the Committee have power to Report their Observations, together with the Minutes of Evidence taken before them, to The House.

REPORT	-	-	-	-	-	-	-	-	-	-	-	p.	iii
PROCEEDINGS OF THE COMMITTEE	-	-	-	-	-	-	-	-	-	-	-	p.	xvii
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R E P O R T.

THE SELECT COMMITTEE appointed to inquire into the practical working of the present System of TELEGRAPHIC and POSTAL COMMUNICATIONS between this Country and the *East Indies*, and who were instructed to extend their inquiry to *China, Japan, Australia*, and the *Mauritius*;— HAVE considered the matters to them referred, and have agreed to the following REPORT:—

1. It appears from a table laid before your Committee by Mr. Valpy, of the Board of Trade, that the total value of imports into the United Kingdom, and of British produce exported therefrom, and total tonnage of vessels entered and cleared at ports in the United Kingdom, in the year 1865, were as follows:—

Value of Imports	- - - - -	£.
Value of Exports (British produce and manufacture)	-	271,134,967
Tonnage of Vessels—		
Entered	- - - - -	14,317,886
Cleared	- - - - -	14,579,206

Of these quantities, British India, Singapore, Ceylon, Mauritius, China, China (Hong Kong), Egypt, the Dutch Possessions in India (Java, Sumatra, &c.), the Phillippine Islands, Japan, and Australia, contributed the following proportions:—

COUNTRIES.	Imports.	Exports.	Tonnage of Vessels.	
			Entered.	Cleared.
	£.	£.	Tons.	Tons.
British India - - -	37,395,372	18,254,570	664,391	671,856
Singapore - - -	2,169,066	1,442,450	77,835	50,292
Ceylon - - -	3,707,615	685,308	52,197	50,400
Mauritius - - -	1,246,299	596,848	41,029	30,805
China - - -	10,673,960	3,609,301	91,606	80,375
China (Hong Kong) - -	773,068	1,561,851	14,408	42,848
Egypt - - -	21,773,250	5,985,087	361,419	488,268
Dutch Possessions in India } (Java, Sumatra, &c.) - }	226	928,642	- Nil -	29,349
Phillippine Islands - -	1,253,904	945,624	23,207	18,055
Japan - - -	614,743	1,520,895	9,361	19,602
Australia* - - -	10,283,113	13,352,357	156,649	387,239
TOTAL for the above-named } Countries - - - }	68,117,356	42,897,846	1,492,102	1,869,090

2. It will thus be seen that upwards of 25 per cent. of the whole of the external commerce of the United Kingdom is transacted with the several countries above enumerated. The great importance of rapid and regular systems of communications between countries transacting business of such magnitude and importance, can hardly therefore be over-rated.

3. Many merchants, bankers, and others, engaged in carrying on these vast operations,

* Not including in any case precious metals.

operations, having complained of the insufficiency of the existing postal and telegraphic arrangements, your Committee have inquired into their allegations on both points, and carefully considered the circumstances in their several bearings.

“AS REGARDS THE POSTAL SERVICE.”

Existing Postal Contracts.

4. The now subsisting contracts between Her Majesty's Government and the Peninsular and Oriental Steam Navigation Company for the conveyance of mails between England and India, Ceylon, Mauritius, China, and Australia, are four in number. The first contract under which the India and China mails are conveyed, is dated the 1st January 1853, and is now terminable at one year's notice. Under this contract the mails were to be conveyed twice each way in every calendar month, between England and Alexandria, *viâ* Southampton and Marseilles; and twice each way in every month between Suez, Calcutta, and Hong Kong. The vessels so employed were to be of not less than 1,100 tons burden, and were to maintain an average speed of not less than 10 knots an hour. The Company also engaged to carry mails between Singapore and Sydney, once each way, in every alternate month, in vessels of not less than 600 tons burden, which should maintain an average speed of $8\frac{1}{2}$ knots an hour. The payment to the Company in respect of the India and China services was to be 199,600 *l.*, with a proviso that it was to be reduced to 179,600 *l.* per annum, six months after the opening of the railway across Egypt. In consequence of that proviso, and of certain other modifications, which have since been introduced in the contract, the amount in respect of the services in question is reduced this year to 162,125 *l.*, of which 86,567 *l.* have been voted in Committee of Supply, leaving 75,558 *l.* to be provided from other sources.

5. By a contract dated 7th July 1854, the mails were to be carried twice each way, every calendar month, between Bombay and Aden, in vessels of not less than 800 tons burden, and to maintain an average speed of 10 knots an hour. This service has since been extended from Aden to Suez. The payment to the Company in respect of these services was to be 24,700 *l.* per annum; but only 22,000 *l.* has been voted in Committee of Supply this year on account of them. This contract is also terminable at one year's notice.

6. Besides the above stated sums, 65,500 *l.* have been voted for “additional services,” making the entire vote of the present year, in respect of the India and China mail services, after deductions, and contributions from other sources, 174,067 *l.*

7. The Australian mails are now carried under a contract, dated the 17th day of November 1865, between the Postmaster General and the Peninsular and Oriental Company. The Company undertake to convey the mails from Point de Galle, *viâ* King George's Sound and Melbourne, to Sydney in 516 hours; and from Sydney, *viâ* Melbourne and King George's Sound, to Point de Galle in 564 hours, on the following conditions:

That a sum, after the rate of 120,000 *l.* per annum, shall be paid to the Company so long as it shall, upon the requisition of the Postmaster General, cause to be performed one such voyage each way in every calendar month:

Or, a sum after the rate of 130,000 *l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed one such voyage each way in every lunar month of four weeks:

Or, a sum, after the rate of 170,000 *l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed two such voyages each way in every calendar month:

Or, a sum, after the rate of 184,166 *l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed two such voyages each way in every lunar month of four weeks.

This

This contract is to be terminable at 24 calendar months' notice. The sum to be asked in Committee of Supply in respect of this service, is 59,750 £., being one moiety of the contract payment, after allowance of 500 £. for discontinuance of Admiralty Surveys.

8. The Mauritius mails are carried under a contract dated the 16th day of April 1861, by which the above-mentioned Company undertook to convey mails once each way in every month between Suez and Mauritius, calling at the Seychelle Islands, for the purpose of landing and embarking mails on each of the homeward voyages, and on each of the outward voyages, except during the months of June, July, and August. The vessels so employed to be of not less than 850 tons burden, and to arrive and depart from Suez and Mauritius on certain days in each month, specified in a table inserted in the contract; but under a new contract, for a line between Mauritius and Point de Galle, entered into provisionally, the payment is reduced to 18,000 £. The payment for such services was 30,000 £. per annum, to be paid by the Colony. Notice has been given by the Company to terminate the contract, and the last voyage under it was to be made in the month of June last past.

9. The mails to Japan are carried every fortnight in vessels belonging to the Peninsular and Oriental Company, but for so much of the service as lies between Shanghai and Japan no subsidy is paid. The Company are now claiming a subsidy, as there are seasons of the year when the services may be discontinued for commercial purposes.

10. By an agreement made between the above-named Company and the Postmaster General, dated the 27th February 1866, amongst other matters to which it is not necessary to refer, it was agreed, that instead of the mails between England, India, and China, being carried at a nominal average speed of 10 knots an hour, with the necessary latitude for divergence from a direct line, according to the contracts of 1st January 1853, and 7th July 1854, they shall henceforth be conveyed between the several ports in the same number of hours as were provided in the time tables appended to those contracts, this being equivalent to an average speed of $9\frac{1}{2}$ knots in a direct line. The object of this modification was to establish the means of carrying out the system of penalties and premiums provided by the new agreement.

11. The Peninsular and Oriental Company possess a fleet of 57 steam vessels, of the aggregate tonnage of 84,176 tons, and of 19,230 horse power. Your Committee are of opinion that the services under the several contracts to which reference has been made, have been well performed, and the Assistant Secretary of the Post Office stated that no mail that was entrusted to this Company for conveyance was ever lost.

Bombay the Port for Indian Mails.

12. When the contract was made in 1853 for the conveyance of the mails by sea to Madras and Calcutta, such an arrangement was due to the political and commercial importance of those cities, and was also the most convenient method that could then have been adopted as regarded the distribution of letters in India, but circumstances have since happened which render a re-consideration and re-arrangement of the postal service between this country and India a matter of urgent necessity.

13. Mr. Riddell, the Director General of the Post Office of India, addressed a letter to the Secretary to the Government of India, on the 24th April 1860, in which he called attention to the fact, that the contract with the Peninsular and Oriental Company would expire in the following year, and mentioned some of the inconveniences which occurred under the existing system. He said:—"At present four mails are despatched from England and from India every month, two from and to Bombay, and two from and to Calcutta. According to the time table, 35 days are occupied between London and Calcutta, *via* Marseilles; 24 days between London and Bombay. The mail of the 10th January should reach Calcutta on the 13th February, while that of the 18th January should reach Bombay on the 10th February. It is clear that all places within three days post of Bombay

“ would receive the mail of the 18th January, *viâ* Bombay, before the mail of the
 “ 10th January reached Calcutta. At a place situated as Benares, the mail of
 “ the 10th January, *viâ* Calcutta, would be delivered on the morning of the 16th
 “ February. A mail of the same date, if sent *viâ* Bombay, would reach Bombay
 “ on the 2nd February, and be delivered at Benares on the 7th or 8th February.
 “ The mail which left London on the 18th January, *viâ* Bombay, would be delivered
 “ at Benares on the 15th or 16th February at the same time, or before the mail
 “ of the 10th January arrived, *viâ* Calcutta. Benares is about 1,000 miles from
 “ Bombay, and 422 miles from Calcutta.

“ The mail which left London on the 10th January is due at Calcutta on the
 “ 13th February; if it were sent *viâ* Bombay it would be due at Bombay on the
 “ 2nd February, and according to present rates of speed, and even with the
 “ existing means of transport, the letters would all be delivered in Calcutta on
 “ the 9th or 10th, and all Southampton newspapers by the 12th or 13th.

“ The case as regards Madras is similar. The mail leaving London on the
 “ 10th January is due at Madras, *viâ* Galle, on the 9th February; if sent by
 “ Bombay, it would be due on the 6th February, having reached Bombay on the
 “ 2nd *idem*.”

14. Since the date of the above letter, great progress has been made in the completion of the railway system in India. It appears from the evidence of the officers of the East Indian, the Great Indian Peninsula, and the Madras Railway Companies, that in the Spring of 1868 there will be continuous railway communication between Bombay, Calcutta, and the North Western Provinces of India; and that Madras also will be connected with Bombay by railway in July 1869.

15. In a despatch addressed to the Secretary of State for India on the 23d November 1865, by the Governor General in Council of India, it was stated that, “ The Nagpore extension of the Great Indian Peninsula Railway will be opened to Wurdah, within 60 miles of Nagpore, in January next, and will be completed to Nagpore, it is believed, in January 1867. Between Nagpore and Mirzapore the whole distance can be traversed by mail-carts throughout the year. Even now it will be seen from the dates for closing the mails, the mails *viâ* Galle have become for letters quite useless. The mail which left Calcutta this morning by the Galle route is due in London on or about the 27th proximo, while the mail which closes this evening for the Bombay route, and by which this despatch will be transmitted should, it is believed, reach London on or about the 21st.”

16. That Bombay should be the port for arrival and departure of mails between this country and India is the opinion of Her Majesty's Postmaster General. In a letter dated 14th July 1865, written by the Assistant Secretary of the Post Office to Mr. Merivale at the India Office, it was said, “ The Postmaster General fully agrees with Sir C. Wood and the Government of India, in the opinion expressed in your letter, of the advantage of substituting for the present postal service with India a weekly service, and in thinking that such service should be exclusively with Bombay.” And Mr. Hill also informed your Committee that letters sent to Bombay would arrive at the best possible point in India for their speedy distribution, and that the gain to the public would be very great indeed.

As to Weekly Mail to India.

17. Mr. Riddell, in his letter to the Government of India of the 24th April 1860, having strongly recommended the establishment of a weekly mail, *viâ* Bombay, the Governor General in Council, in sending that letter to the Home Government, said, “ In forwarding the Director General's letter for consideration of Her Majesty's Government, we beg to express our concurrence in his views of the expediency of providing as soon as possible for a weekly postal communication with Bombay, whereby the whole of India would receive letters by every mail. At present only a very small part of India has the benefit of four mails in the month, the whole of the North Western Provinces, the Punjab, Scinde, and Bombay, and a great portion of the Madras Presidency receiving no benefit whatever from the two mails which are sent *viâ* Galle.”

18. The

18. The Assistant Secretary to the Post Office stated to your Committee that the Post Office had long desired to see a weekly mail established. That it would be much more convenient to them, and, what they regarded with greater interest, that they believed it would be very advantageous to the two countries.

19. In January 1865, a memorial, signed by most of the principal merchants and bankers in London, engaged in commercial and monetary transactions with India, was presented to the Postmaster General, praying that a weekly mail might be established between London and Bombay, to leave London on Friday in every week. The East India and China Association of Liverpool, the Chamber of Commerce at Manchester, the merchants and bankers of Madras, the Bombay Chamber of Commerce, and the Bengal Chamber of Commerce have also approved of such an arrangement.

20. The Assistant Secretary to the Post Office stated to your Committee that, regarding the question of the charge for carrying the mails from a profit-and-loss point of view, which consideration is in the opinion of the Post Office of great moment, the present loss on the Indian service amounts to 48,000 *l.* a year, and on the China service to 34,000 *l.*, a total loss of 82,000 *l.*, the half of which is borne by the Indian Government. He estimates that by sending 52 mails a year each way, between London and Bombay, instead of 24 mails each way between London and Bombay, and 24 mails each way between London and Calcutta, an additional expense would be incurred, amounting to about 30,000 *l.* a year; and Mr. Hill had previously stated that, in the opinion of the Postmaster General, the weekly mail might have been established if the Indian Government would have consented to allow an extra charge of 6 *d.* on all letters which now pay 6 *d.* and 10 *d.*; but that the Indian Government having declined to concur in the expediency of such an increase in the rates of postage, it had been the view of the Post Office, whatever additional expense might be entailed by the establishment of a weekly mail to Bombay ought to be borne exclusively by that Government.

21. Your Committee cannot assent to the doctrine, that interests so important from every point of view, whether political, social, or commercial, as those which connect the United Kingdom with the largest and most valuable possessions of the Crown, should be prejudiced by an insufficient postal service, because the establishment of an efficient service might leave an apparent loss of no great magnitude to be borne by the two countries. They submit that a question of profit or loss, within reasonable bounds, is a consideration entitled to little weight in the case of so important a postal service as that between England and India. They concur in the views expressed on this subject, in a letter addressed by the India Office to the Assistant Secretary to the Post Office, on the 5th October 1865, in which it was said, "Sir Charles Wood cannot, however, regard the question "as one merely affecting the charge on the Imperial revenues. It has been the "perception of the bearing of increased postal communication on the wealth and "progress of a country that has induced Statesmen of late years to consent to "fiscal sacrifices for the purpose of obtaining it. There can be no doubt that "increased postal communication with India implies increased relations with "that country, increased commerce, increased investment of English capital, "increased settlement of energetic middle-class Englishmen; and from all these "sources the wealth and prosperity of England are more greatly increased than "that of India."

22. It appears from a despatch from the Governor General in Council of India to the Secretary of State for India, dated the 22d February 1866, that the Indian Government is willing to forward the establishment of a weekly mail, by accepting the responsibility of any loss that may thereby be incurred. In offering, however, to incur such risk, it points out the unfairness of such an arrangement in the following terms: "But we do not consider such an arrangement to be altogether unobjectionable. It would apparently be based on the explanation that "the service must be carried on at a loss, and if so, we venture to suggest that "it would hardly be desired by England that the whole of that loss should fall "upon the Indian revenue."

"It has been well pointed out, in Mr. Merivale's letter to the Post Office of "the 5th October, that the interests of England and India are jointly concerned "in this matter. There are no doubt thousands in the former country, to

“whom increased facilities for postal communication with India are just as important as they are to their countrymen living in India, and whether we look to the interest of this latter class only, or to the millions from whom Indian revenue is mainly drawn, and who have no direct interest in the matter at all, it would scarcely be generous for England to stipulate that the loss which might arise from the establishment of a proper and efficient postal service between the two countries should be borne wholly by the Indian taxpayer.”

Separate Service to India.

23. It has long been a source of dissatisfaction to the Indian public, as well as to the Government, that, from being associated with the China postal service from this country, the Indian Government has been made to contribute one-half of the loss incurred in that service.

24. The principle upon which such charge was imposed on the Indian revenue was stated in a Treasury Minute dated the 21st August 1854, and will be found in the evidence of the Assistant Secretary to the Post Office. It says, “That so far as the commercial and political relations with China went, the latter existing exclusively for the former, it was laid down that the interests of England and India were equal.”

25. The Court of Directors of the East India Company by no means acquiesced in the propriety and justice of this statement. In a letter addressed by their Deputy Secretary to Sir J. N. Redington, K.C.B., on the 7th September 1854, it was said: “The Court are unable to admit the validity of the reasoning upon which the Lords of the Treasury appear to base their opinion, that the interests of this country and of India are equal as respects some portions of these contracts. Whilst the Court are far from under-estimating the importance to India of the trade with China, they cannot refrain from adverting to the facts, that the Indian trade with China is now carried on principally by British shipping, and that, by the commercial and fiscal policy of England, the manufactures of India, which had been superseded in India itself by those of the United Kingdom, have been in like manner driven out of China. The Court think that upon reconsideration, and a reference to these points, the Lords of Her Majesty’s Treasury will admit that the value of steam communication with China is far greater to the people of Great Britain than it is to the people of India.”

26. In the despatch from the Governor General in Council of India, dated the 22d February 1866, addressed to the Secretary of State for India, a protest is urged against the Indian revenue being in any way chargeable with the loss incurred on the China service between England and Galle. It is said, “If it is admitted, as it is by the Postmaster General in England (and the point is too clear to leave any room for question about it), that the postal service with India should in future be exclusively to Bombay, it is difficult to understand upon what ground it can be seriously maintained that the Indian Post Office should continue to be charged with a portion of the cost of a postal subsidy given to steamers on the line between Suez and Galle, for the conveyance of China and Australian mails, or why any subsidy should be given to steamers running between Galle and Calcutta.”

“Speed of Mail Packets.”

27. The Indian public have long complained of the low rate of speed attained by the vessels which convey the mails to and from England to India, and it was stated to your Committee by a witness of great experience (J. D’Aguilar Samuda, Esq., a Member of this House), that in the present state of nautical science the contract speed of $9\frac{1}{2}$ knots an hour for the service between Suez and India is too low. He remarked, that the contract speed obtained by the West India Mail Company is $10\frac{1}{2}$ knots an hour; and he suggested that, with some modifications, some of the vessels now employed by the Peninsular and Oriental Company could be made to attain a knot an hour more than they now make; but he was of opinion that, in order to insure a satisfactory rate of speed, vessels of not less than 2,000 tons burden should be employed.

28. It

28. It is only fair to the Peninsular and Oriental Company to say that they have been, and still are, endeavouring to accomplish a better rate of speed. Mr. Howell, the secretary of the company, stated, that their ships had not come up to their own expectations and wishes upon the Bombay line. They had sought to produce a great improvement in the consumption of coal, and also an increase of speed, and alterations with these ends in view were now being made.

The Australian and China Mails.

29. As the separation of the Indian postal service from those mails which now proceed to Point de Galle will necessitate the reconstruction of the China service, and probably to its combination between Suez and Point de Galle with that to Sydney, your Committee invite attention to the efficient service between Europe, Point de Galle, and China every calendar month, performed by the Messageries Impériales, from Marseilles.

The Italian Route.

30. Your Committee have taken evidence to ascertain whether the Indian mails could be carried with advantage to the public over the Mont Cenis Railway, and through Italy to Brindisi, or some Italian Port, instead of through France to Marseilles, but they are not able to recommend that any steps should at present be taken to accomplish that object, although the contingency of that route becoming available at some future time should be provided for in any contract extending over a series of years.

“AS REGARDS THE TELEGRAPH SERVICE.”

31. The political and commercial importance of possessing permanent means of communication with the several countries before referred to, by a telegraphic service at all times available and to be depended upon, is even greater in degree than the necessity for an efficient postal service; indeed, with regard to the bulk of commercial transactions between the merchants and manufacturers of this country and producers and consumers abroad, the Post Office has now become, in a great measure, subsidiary to the telegraph. Nor are the benefits derived from telegraphic communication confined to the mercantile community alone; the public in general are equally interested in the rapid transmission of authentic mercantile intelligence; for, if the effect be, as has been stated by witnesses of authority, to enable merchants and manufacturers to obtain with greater certainty and economy a regular and adequate supply of the commodities they require in the English market, it is the consumer in the end to whom the ultimate advantage is brought home by the process of competition.

The Telegraph to India.

32. The Indian and Home Governments have long been sensible of the extreme importance of possessing an efficient telegraph service between England and India, and have made great efforts and pecuniary sacrifices to obtain it; and if a full measure of success has not yet attended their exertions, the imperfections now complained of have arisen in a considerable degree from difficulties hitherto beyond their control.

33. A message intended for India is delivered to one of the two Companies in London having telegraphic communication with the Continent, “The Electric and International Telegraph Company,” and “The Submarine Telegraph Company,” and is forwarded by one of two principal alternative routes, the Turkish, or the Russian route. To reach Constantinople the lines principally used are through Vienna, or Turin. From Vienna messages are transmitted to their destination chiefly through Servia, and occasionally through Wallachia. From Turin they proceed by the Italian coast line, and the submarine cable, across the Lower Adriatic, and arrive at Constantinople by way of Salonica, and the shores of the Sea of Marmora. A telegram may, therefore, be dealt with by French, Belgian, Dutch, Prussian, Austrian, Bavarian, Minor German, Italian, Servian, or Wallachian administrations. After the message reaches Constantinople, it is forwarded under the terms of the “Indo-Ottoman” Convention, by an exclusive

wire to Bagdad, and thence, either to Fao at the head of the Persian Gulf, where it is received by British officers for despatch to Kurrachee by the Persian Gulf line, or, as an alternative, over the internal Persian system, by way of Teheran, Ispahan, and Shiraz to Bushire, where it again falls in with the main line. From Fao to Bushire and Kurrachee, the line is exclusively under the control of the Government of India. This line is submarine, with an alternative land line between Gwadel, on the Meckran coast, and Kurrachee, and with the exception of two or three interruptions in traffic, owing to temporary breaks in the cable, is shown to work admirably well.

34. A telegram by the Russian route proceeds *viâ* the Hague to Berlin, and from thence crosses the Russian frontier, passing through Mysolowitz and Tiflis to Julpha on the Arras, and from that place over the Persian system above described to Bushire. It must therefore be resorted to through the agency of the Dutch, Prussian, Russian, and Persian administrations, before it reaches any officer who is responsible to the British Government.

35. There is, therefore, an alternative route to India as far as the head of the Persian Gulf; but, in the case of an accident to the submarine cable to Kurrachee, all telegraphic communication with India must necessarily be interrupted.

36. From the returns for the month of January last, it appears that the messages between this country and India took the following routes to and from Constantinople :—

	Outward.	Homeward.
<i>Viâ</i> the Hague, Berlin, Vienna, Belgrade and Nissa (in Servia) - - - - -	64 per cent.	54 per cent.
<i>Viâ</i> the Hague, Berlin, Vienna, Bucharest, and Varna - - - - -	3 per cent.	44 per cent.
<i>Viâ</i> Paris, Turin, Valona, and Salonica - - - - -	29 per cent.	2 per cent.
Not specified - - - - -	4 per cent.	—
	100 per cent.	100 per cent.

37. The whole of the service is well described in a despatch, dated Teheran, 4th November 1865, from Lieutenant Colonel Goldsmid, the Superintendent of the Indo-European Telegraph to the Secretary to the Government of Bombay, and another dated Constantinople, 12th April last, from Major John U. Champain, R. E., of the Indo-European Telegraph Department, to Mr. Thornton, of the India Office, copy of which will be found at length in the Appendix.

38. The messages are forwarded to Constantinople by the telegraphic office on the Continent to which they have been addressed from London, by the route most convenient at the time; in some instances, and not unfrequently, they have been forwarded by way of Russia, to the great disadvantage of the parties interested in the speedy and correct transmission of the message.

39. The number of messages which passed over the Persian Gulf line, from its opening in February 1865 to the end of the year, appears to have been as follows :

Eastward :					£. s. d.			
<i>Viâ</i> Turkey and Fao	-	-	-	9,175	} Earning -	37,841	10	-
<i>Viâ</i> Bushire (Persian line)	-	-	-	3,362				
Westward :								
<i>Viâ</i> Fao and Turkey	-	-	-	7,552	} "	31,929	5	-
<i>Viâ</i> Bushire (Persian line)	-	-	-	1,894				
TOTAL				21,983	„	69,770	15	-

or on the average 3 *l.* 3 *s.* 5 *d.* per message.

40. During the months of January, February, March, and April of the present year, the total number of messages so carried is stated to have been (without distinction as to other routes in connection) 10,995, earning 34,590 *l.* 10 *s.*, or, on the average, 3 *l.* 2 *s.* 11 *d.* per message.

41. Your

41. Your Committee have been unable to obtain official information as to the cost of the Persian Gulf line, but the working expenses are stated by Colonel Goldsmid to amount to about 30,000 *l.* per annum.

42. The sum of 5 *l.* 1 *s.* is charged in all cases for a message not exceeding 20 words. Out of that sum about 3 *s.* 6 *d.* is retained by the Electric and International Company, and 2 *s.* 6 *d.* by the Submarine Company, the balance in each case being paid over to the authorities of the continental system to whose care the message is committed. They account in like manner to their successors in the chain of communication until the Persian Gulf line is reached, in respect of which the Government of India receives 2 *l.* 10 *s.* for the transmission of the message from Fao, and 2 *l.* from Bushire to Kurrachee, with 9 *s.* additional for its distribution in India.

43. Under a system such as this, where no continuous responsibility exists, much difficulty is necessarily experienced in tracing where the numerous delays and imperfections in the rendering of messages, of which so many complaints have been made, have taken place; and in very few instances have the public been successful in obtaining compensation for the disappointments they have met with.

44. The service under Russian control is stated to be working with regularity, the messages reaching Tabreez occasionally in the space of 12 hours. The ill success which has hitherto attended the transmission of messages to India by this route, is attributed to the imperfect management of the Persian service between Julpha on the Georgian frontier and Teheran; the exceeding rigour of the climate also during the winter months, especially on the line between Ispahan and Bushire, has presented many obstacles during the last winter.

45. A proposition has been submitted to your Committee for the establishment of an alternative line connecting Bunder Abbas, in the lower part of the Persian Gulf, with Ispahan, by way of Kerman and Yezd. This line, if practicable, with reference to political considerations, would present many advantages.

46. Lastly, a line constructed by the Turkish Government between Gaza on the Egyptian frontier, and Diarbekir on the main line of telegraph between Constantinople and Bagdad, has recently been opened for public traffic in connection with the Malta and Alexandria line. This line may present many recommendations as an additional useful alternative line in the event of interruption to the direct lines to Constantinople through the continent of Europe; but at present it cannot be said to be available to the public generally, in consequence of the refusal of the Turkish authorities to receive messages of origin or destination, otherwise than Egyptian, for transmission by the line.

47. With respect to the service through Turkey, there is a general concurrence of testimony that, as a rule, it is very defective. In a letter addressed to the Under Secretary of State for India by Major Champain, on the 31st August 1865, it was stated, "There is no doubt that the messages to and from India are unnecessarily and vexatiously delayed, and public confidence in the undertaking is being shaken. The organization of the Turkish lines is defective, and, in my opinion, will continue so, unless some decided step, such as the establishment of an opposition route, be taken. Mr. Courtenay invariably writes that either the Turkish Asiatic, or the Turkish European lines are working badly, and it does not seem that Colonel Goldsmid's suggestions have yet been complied with. I know that the insulators we proposed for the new wires between Constantinople and Diarbekir were rejected as too expensive, and cheap inferior wires were ordered from Belgium. In some measure, however, I can account for delays of late in consequence of the cholera panic, which frightened the telegraph clerks from their posts. Still I maintain, that blame is due to the Turks, and I much fear that they are really unable to work up to our standard of efficiency. Mr. Walton, the director of the cable, writes to me that 'our messages from Kurrachee to Fao, and *vice versa*, average 74 minutes for the last three months, and that the Bagdad men report 70 or 80 messages on hand, send 12 or 15, and then smoke hookahs, or say their prayers, for two or three hours, during which time Fao hears nothing of them.' Our cable, therefore, is working admirably; for months past there has been no interruption on the Persian line, and yet all our endeavours are nullified by the bad arrangements in Turkey. On the other hand,

“hand, the Russians are naturally anxious to help our through communication, and have now offered to place their line, from St. Petersburg to the Persian frontier, entirely in the hands of a well-known London firm. Mr. Siemens, the head of that firm, spoke to me lately on that subject, and would, I believe, be willing to accept the offer, if there were any probability of his obtaining the control of the Persian line, from the Tabreez frontier to our telegraphic centre at Taheran. I am convinced that, supported by Russian influence in Persia and not opposed by us, he would succeed; and then we should, without having taken any active steps in the matter, obtain a second, and a really reliable line of communication between England and the Persian Gulf. Such an arrangement would also do more to render the Constantinople line efficient than remonstrances we may make, now the Turks know that we are entirely dependent on them.

48. In Colonel Goldsmid's report of the 4th November 1865, it is stated, “I see no remedy for the state of telegraphic correspondence in Turkey, but associating Englishmen with the native employés in the higher as in the inferior duties of the line, making at once the principal stations ‘Anglo-Ottoman,’ as at Fao; or else giving the whole line to a company or firm competent to work and supervise it, such, for instance, as Messrs. Bright and Clark, who have, moreover, a kind of vested interest in the cable from old association. The first of these remedies I had the honour of suggesting to the Home Government in May, but the question involved political considerations, and the re-opening of or supplementing a lately ratified convention, one intended to be final. There is manifestly no better chance at this moment available for successful telegraphy in Turkey than competition. We have a convention with Turkey to enable us to keep open telegraphic communication with India through her dominions. She has gone to expense and taken pains to carry out the terms of this convention. We are therefore desirous to avail ourselves of her lines as much as possible. It is found, however, in practice, that the Turkish route is more or less a failure. Turkey has not earned the whole blame, but she certainly earned the lion's share. Our companies (that is, the British public by their agents) learn that an opposition line is available through Russia. They take supposed advantage of this eagerly to transmit hundreds of telegrams, but the rush was premature. The Russian line had not then reached good working order. They revert again to Turkey, but not in regard to conventions. The convention was to give the public a desideratum, not to bind them to a particular mode of correspondence. Now, however, the Ottoman telegraph lags, and the Russian telegraph gains strength. As a rule, we are not using the latter yet; it has just given us a commercial message in Teheran in 72½ hours, while its rival cannot force on its burden in less than nine days. Here success may, perhaps, be spasmodic; but time will show. On the other hand, the failure is becoming chronic. Turkey must bestir herself, or the competition will be fatal to her. I say nothing of the difference of rates, except that the difference is favourable to traffic through Russia.”

49. It appears, however, according to a letter from Major Champain, dated the 10th April 1866, and addressed by him to W. J. Thornton, Esq., the Secretary of the Public Works Department in the India Office, that considerable improvement had then lately been made in working the lines in Turkey, but that owing to a heavy fall of snow in Persia, the working of the Persian lines had been very unsatisfactory.

50. Your Committee are of opinion that the cause of the complaints so generally and justly made as to the manner in which the telegraphic service between this country and India has been performed, as a rule, since the line by the Persian Gulf was opened for public traffic in February 1865, is to be found in the imperfect administration of the Turkish system, and the neglect of the authorities in India to make adequate provision for the distribution from Kurrachee of the immense amount of business in connection with Europe, which it might to have been foreseen would follow immediately upon the opening of the Persian Gulf line to the use of the public.

51. In the former case the imperfection of the service is not more than might have been expected on the first introduction of a method of communication so novel to the habits of business of the people of Turkey; but apart from natural adverse causes, such as the severity of the climate in the winter months in some districts

districts of the route through Asia Minor and Armenia, there is no reason to doubt that by strict compliance with the terms of the convention, in regard to the reservation of one wire at least for the purposes of messages to and from the eastward, the employment of an adequate number of European officers and signallers well acquainted with the English language, and careful attention to the condition of the line itself, the service may in time become satisfactory in its working.

Telegraphs in India.

52. There are now about 14,500 miles of Government telegraph lines in India, connecting the chief cities in the different Presidencies, and they are completed towards Singapore as far as Rangoon. They have been constructed at a cost amounting to 1,146,861 *l.* 14 *s.* 3 *d.* on 30th April 1864. There are besides, 3,141 miles of lines erected by the different railway companies, at a cost of 411,924 *l.* 12 *s.* 8 *d.* on 31st December 1864, and which are maintained at an expense of 41,888 *l.* 18 *s.* 5 *d.* per annum.

53. That the working of the Government lines of telegraph in India has been very unsatisfactory is admitted. Colonel Robinson, the Director General of the Indian Telegraph Department, has ascribed the defects in a great measure to the fact that the officers of the Department have been underpaid, their emoluments not been commensurate with those given in other establishments, and also to the circumstance that the lines, having been destroyed in the war times, had been re-erected in haste for military purposes, and since then had been gradually, but very slowly, reconstructed. Colonel Robinson is, however, of opinion that the working is much improved, and that merchants in Calcutta now receive their messages, even if sent in cypher, very accurately. He adds that, although the telegraph in India was originally established for the purposes of speedy communication between different military stations, it is now looked upon almost in the light of a post-office.

54. Your Committee were informed on the same authority, that efficacious measures have been taken for the establishment of a second line of wire, to connect Kurrachee with the internal system of India, and otherwise to redeem that part of the service from the reproach which has been cast upon it.

55. A suggestion was made in 1862 that the Government lines of telegraph should be made over to a private company for administration; but the Governor General in Council declined to acquiesce in the proposal.

56. With reference to the establishment of independent lines of telegraph by private companies, Lieutenant Colonel C. Douglas, lately the Officiating Director General of Telegraphs in India, in a letter addressed to the Indian Government in 1861, said—

“ There are already several lines of telegraph in private hands; I allude to those of the several Railway Companies which have power to transmit private messages in all cases where the Government have no co-ordinate lines; should, however, other private companies desire to undertake telegraph management, there is no line which could be so conveniently made over to them as that connecting Calcutta with Rangoon, and the local lines in that province. These lines connecting three very important places of commerce, Calcutta, Akyab, and Rangoon, with the advantages of possible extension to the port of Moulmein, appear to hold out every prospect of being remunerative; and the fact of the telegraph lines in Pegu being very largely used in official correspondence, owing to the tardiness of postal communication, offers additional prospect of profit.”

57. In 1863, with a view to utilize as far as possible the heavy expenditure already referred to as having been incurred by the Railway Companies in India in establishing telegraphs by the side of their lines, it was proposed to lease them to a responsible Company then about to be formed, under the title of “The Oriental Telegraph Company,” for the purpose of carrying out a system of commercial telegraphs in India, and an application was made to the Secretary of State for India to sanction the arrangement; but for reasons which do not appear to your Committee to be very clear, an unfavourable answer was returned to the application.

Telegraph to China and Australia.

58. Proposals have been made at various times, to Her Majesty's Government, for the establishment of a telegraphic service to connect Australia with the Indian system at Rangoon, but no arrangement has as yet been found practicable, notwithstanding the willingness of the Colonies (as appears by the evidence of Sir C. Nicholson, Bart., formerly Speaker of the Legislative Council at Sydney), to contribute a guarantee to the extent of 35,000 *l.* per annum, towards securing an interest on the capital required for the purpose. The Government of Holland has expressed its readiness to afford material aid in the construction of a line which will bring their dependencies in the East into communication with Europe; whilst the French Government also is stated to be willing to assist in the formation of a line which will connect their establishments at Saigon with a main line at Singapore.

59. According to the best information attainable, neither the depths of water, nor the distances between one station and another, present any difficulty, as regards the construction of a line between Rangoon, Singapore, and the Australian Colonies.

Proposed New Service to India, by way of Egypt.

60. A scheme for an independent line of telegraph to India, to be continued hereafter to Australia and China, under the charge of English officials, and an undivided responsibility throughout, excepting in its passage through France, has been submitted to your Committee.

61. The intention of the promoters of this scheme is to form a Company for the transmission of messages, under one control and management, as far as may be practicable, between England, Egypt, India, China, and the Australian Colonies, by means of a line of wire, which passing through Italy (under a concession already granted by the Italian Government) to the Island of Sicily, will thence be carried to the African Coast, joining the existing Malta and Alexandria Cable at Benghazi, from whence, in order to convey the large through traffic that will then be concentrated on this line, a second or duplicate line will be laid to Alexandria. Under arrangements made with the "Telegraph to India Company," the new Company will acquire possession of their concession as well as their lines between Alexandria, Cairo, and Suez. From Alexandria two distinct lines will branch off to India: one proceeding from Suez to Cossier and Suakim on the western shore of the Red Sea, or by land lines up the Valley of the Nile, by permission of his Highness the Viceroy of Egypt, to Suakim or Massowah, and thence by submarine cables, *viâ* Aden and the southern coast of Arabia, to Kurrachee and Bombay. The other, or alternative line, will be the Syrian line from Gaza to Diarbekir already referred to. Arrangements will be made to secure independent wires between Bombay, Calcutta, and Rangoon, and to carry out (with concurrence of the Indian authorities in this country) the conditions of the agreement before mentioned, with the East Indian, the Great Peninsula, and other Indian Railway Companies, for placing separate commercial wires on their posts from Bombay to Calcutta, Madras, Allahabad, Benares, Delhi, &c. From Rangoon, the Eastern terminus of the Indian land lines, a cable will be laid to Singapore, whence submarine lines will diverge in two directions; one branch proceeding, *viâ* Saigon, to Hong Kong and Shanghai; and the other passing through Java to the Australian Colonies. With a view of embracing the entire system of telegraphy to the East, it is proposed to undertake, if approved by the Secretary of State for India in Council, and the Government of India, a lease of, and eventually to purchase on equitable terms, the Persian Gulf line, under such arrangements with the Ottoman Government as will secure to the public the same accuracy and rapidity in the transmission of messages as obtains by way of Egypt, thereby providing the public with a double or alternate route to all parts of the East.

62. As evidence favouring this proposition, your Committee refer to the testimony of several mercantile witnesses, and also of the Chairman of the Electric and International Telegraph Company, and the Chairman of the Submarine Telegraph Company, to the effect that, in the case of the constantly recurring irregularities in the transmission of messages through the Continent, the greatest difficulty

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difficulty is met with in obtaining satisfactory redress, owing to the great number of different administrations through which they have to pass, and the impossibility, as is stated, of identifying the locality of the mistake.

RECOMMENDATIONS.

63. YOUR Committee having carefully considered the circumstances above stated, are of opinion,—

As regards the Postal Question.

1st. That, whilst it has not been expedient hitherto to add to the expense of the postal communications with India, by establishing a more frequent service to Bombay, in addition to the existing services to Madras and Calcutta, yet having regard to the facilities already afforded by the railways under construction in India, and to the prospect of the early completion of the main lines of communication connecting the Port of Bombay with the Presidencies of Calcutta and Madras, the North West Provinces, and the Punjab, the time has arrived when tenders should be invited for a weekly service to Bombay alone, and the separate postal service between this country and Madras and Calcutta should be discontinued.

2nd. That such service should be on the footing of an express service, entirely unconnected, to the eastward of Suez, with any other mail services.

3rd. That the tenders should be either for the entire service to and from Bombay, or for the sections to the east and west of Egypt separately, the parties having the option to tender for either weekly or fortnightly services.

4th. That the time table should be based on a prescribed speed of not less than 11 nautical miles per hour, on the voyage between Marseilles and Alexandria, and 10 miles per hour between Suez and Bombay; but that the tenders be required to state also terms in each case for higher rates of speed of not less than one additional half mile per hour.

5th. That in consideration of the outlay which must necessarily be incurred in the construction of new vessels, or adapting those now employed, for the efficient performance of the future service to India, it is expedient that the new contracts shall be for a term of years certain, subject to a subsequent notice of two years on either side.

6th. That Her Majesty's Government should take into their early consideration the arrangements to be made, in consequence of the proposed separation of the Indian service, for maintaining a fortnightly or half-monthly service to China, and a monthly or four-weekly service to Australia, having regard to any facilities which may be afforded by the monthly service to China now performed by the Messageries Impériales from Marseilles.

7th. That, in the opinion of your Committee, the arrangements under which India now defrays a moiety of the net cost of the China service, after deducting the postal receipts, will not, under the proposed arrangements, be equitable as regards that Government, and should be modified.

As regards the Telegraphic Question.

1st. That, having regard to the magnitude of the interests, political, commercial, and social, involved in the connection between this country and India, it is not expedient that the means of intercommunication by telegraph should be dependent upon any single line, or any single system of wires, in the hands of several foreign governments, and under several distinct responsibilities, however well such services may be conducted as a whole, in time of peace.

2nd. That the establishment of separate lines, entirely or partially independent of the present line through Turkey, is therefore desirable; and, in that view, that means should be taken for improving the condition and facilitating the use of the lines of telegraph which connect the Persian system with Europe, by way

of the Georgian lines of the Russian Government, and for bringing, if possible, within the Turkish convention the line recently established through Syria, for connecting Alexandria with the main line to India at Diarbekir.

3rd. That, with the view to better security against accident in time to come, the communication by way of the Persian Gulf should be doubled, either by the laying of a second submarine cable, or by continuing the land line from Kurrachee and Gwadel to Bunder Abbas, and thence, under arrangements with the Government of Persia, to Ispahan, by way of Kerman and Yezd.

4th. That a proposition made to your Committee for the establishment of a direct communication between Alexandria and Bombay, by way of Aden, on the principle of a line practically under one management and responsibility, between London and the Indian Presidencies in the first instance, and afterwards with China and the Australian Colonies, is deserving of serious consideration, and such reasonable support as the influence of Her Majesty's Government may be able to bring to its aid.

5th. That considering the great outlay of guaranteed railway capital already incurred in the establishment of the telegraph on the several lines of railway in India, it is expedient that means should be taken for affording the public the utmost benefit attainable from that expenditure, either by the Government of India sanctioning the use of the wires of the companies by a public company willing to rent the privilege on equitable terms, or by such an organization of the several independent companies as will establish an unity of system, and bring the use of the lines fairly within the reach of the public.

6th. That the magnitude of the interests involved in the trade of this country with China and Australia, and the rapidly increasing development of the colonies in population, in commerce, and in the various elements of national greatness, render it desirable that arrangements should be made to bring these communities within the reach of telegraphic communication with Europe.

20 July 1866.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 13th March 1866.

MEMBERS PRESENT:

Mr. Turner.
Sir Charles Bright.
Sir Henry Rawlinson.
Lord Stanley.
Mr. Crawford.

Mr. Schreiber.
Admiral Seymour.
Lord Robert Montagu.
Mr. Weguelin.

Mr. CRAWFORD was called to the Chair.

The Committee deliberated.

[Adjourned to Friday, 23rd March, at One o'clock.]

Friday, 23rd March 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Mr. Baillie.
Sir Charles Bright.
Mr. Laird.
Mr. Moffatt.

Lord Robert Montagu.
Mr. Schreiber.
Admiral Seymour.
Mr. Stansfeld.

Mr. *Frederic Hill*, Mr. *W. H. Thornton*, Mr. *Richard John Randall*, and Mr. *Richard Valpy*, were severally examined.

[Adjourned to Friday, 13th April, at Twelve o'clock.]

Friday, 13th April 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Mr. Childers.
Sir Charles Bright.
Admiral Seymour.
Lord Stanley.
Mr. Baillie.
Sir Henry Rawlinson.

Mr. Weguelin.
Mr. Laird.
Mr. Stansfeld.
Mr. Schreiber.
Mr. Turner.

Mr. *Thomas Taylor*, and Mr. *William Edwards*, were severally examined.

The Committee deliberated.

Mr. *Frederic Hill*, further examined.

Captain *James Rennie*, Mr. *Richard Randall*, and Mr. *Robert Knight*, were severally examined.

[Adjourned to Tuesday next, at Twelve o'clock.]

Tuesday, 17th April 1866.

MEMBERS PRESENT :

Mr. CRAWFORD, in the Chair.

Mr. Turner.	Mr. Laird.
Sir Charles Bright.	Mr. Moffatt.
Mr. Ayrton,	Mr. Stansfeld.
Sir Henry Rawlinson.	Mr. Childers.
Admiral Seymour.	Mr. Weguelin.

Mr. Robert Grimston, Sir Macdonald Stephenson, Mr. Latimer Clarke, Sir James Carmichael, Mr. Henry Nelson, Mr. William Hamilton Crake, and Mr. Charles Shand, were severally examined.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 20th April 1866.

MEMBERS PRESENT :

Mr. CRAWFORD, in the Chair.

Sir Charles Bright.	Mr. Turner.
Mr. Weguelin.	Mr. Laird.
Lord Robert Montagu.	Mr. Schreiber.
Mr. Moffatt.	Mr. Childers.
Admiral Seymour.	Mr. Ayrton.
Sir Henry Rawlinson.	

The Committee deliberated. Motion made and Question, "That the Chairman be instructed to move the House that the inquiry by this Committee be extended to China and Japan, Australia, and the Mauritius—(Mr. Moffatt)—put, and agreed to.

Mr. Patrick Campbell, Mr. Robert Gladstone, Mr. Gilbert M^cMicking, Mr. Charles James Robinson, Mr. John Green, and Mr. Charles Wellington Howell, were severally examined.

Adjourned to Tuesday next, at Twelve o'clock.

Tuesday, 24th April 1866.

MEMBERS PRESENT :

Mr. CRAWFORD, in the Chair.

Mr. Ayrton.	Admiral Seymour.
Sir Charles Bright.	Sir Henry Rawlinson.
Mr. Childers.	Mr. Moffatt.
Lord Robert Montagu.	Mr. Weguelin.
Mr. Laird.	Mr. Stansfeld.
Mr. Marsh.	Mr. Turner.

Mr. C. W. Howell, further examined.

Mr. Richard Attwood Glasse, Mr. Henry Charles Forde, Mr. Fleming Jenkyn, and Mr. James Russell, were severally examined.

Sir James Carmichael, further examined.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 27th April 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Sir Charles Bright.
Mr. Stansfeld.
Lord Robert Montagu.
Sir Henry Rawlinson.
Admiral Seymour.
Mr. Marsh.
Mr. Laird.

Mr. Weguelin.
Mr. Moffatt.
Mr. Turner.
Mr. Schreiber.
Mr. Childers.
Mr. Baillie.

Mr. George W. Chetwynd, Mr. Henry Charles Forde, Mr. John Henry Greener, Mr. Henry Walton, and Mr. Charles Adley, were severally examined.

[Adjourned to Tuesday, 8th May, at Twelve o'clock.

Tuesday, 8th May 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Sir Charles Bright.
Mr. Marsh.
Mr. Ayrton.
Mr. Henry Baillie.
Mr. Stansfeld.

Admiral Seymour.
Mr. Childers.
Mr. Laird.
Mr. Moffatt.
Mr. Brooks.

Sir Macdonald Stephenson further examined; Mr. Charles E. Stronge, examined.

Mr. Robert Knight, further examined.

Mr. Edmund D. Bourdillon and Colonel Richard Strachey, were severally examined.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 11th May 1866.

No Quorum formed.

[Committee to meet on Tuesday next, at Twelve o'clock.

Tuesday, 15th May 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Admiral Seymour.
Mr. Ayrton.
Mr. Marsh.
Sir Charles Bright.
Mr. Brooks.

Mr. Stansfeld.
Mr. Moffatt.
Mr. Weguelin.
Sir Henry Rawlinson.
Mr. Turner.

Mr. John Downing, examined.

Colonel Richard Strachey and Mr. William Thomas Thornton, were severally further examined.

Colonel Daniel George Robinson, examined.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 18th May 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Sir Charles Bright.	Mr. Laird.
Sir Henry Rawlinson.	Mr. Weguelin.
Admiral Seymour.	Mr. Moffatt.
Mr. Marsh.	Mr. Brooks.
Mr. Stansfeld.	Mr. Childers.

Mr. J. D. Samuda, a Member of the House, examined.

Mr. C. W. Howell and Mr. Robert Knight, were severally further examined.

Mr. H. J. Walton, examined.

The Committee deliberated.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 25th May 1866.

MEMBERS PRESENT:

Mr. MOFFATT, in the Chair.

Admiral Seymour.	Mr. Stansfeld.
Mr. Marsh.	Mr. Baillie.
Mr. Brooks.	Mr. Childers.

Mr. Charles Stronge, further examined.

Sir Charles Nicholson and Mr. Francis Gisborne, were severally examined.

Mr. C. W. Howell and Mr. Henry C. Forde, were severally further examined.

Mr. Charles William Siemans and Mr. Robert Brooks (a Member of the Committee), were severally examined.

[Adjourned.

Tuesday, 17th July 1866.

MEMBERS PRESENT:

Mr. CRAWFORD, in the Chair.

Sir Charles Bright.	Sir James Fergusson.
Mr. Childers.	Sir Henry Rawlinson.
Mr. Laird.	Mr. Schreiber.
Mr. Stansfeld.	

Mr. Lewis Wells, Colonel Goldsmid, and Mr. Edward P. A. Thompson, were severally examined.

Mr. C. W. Howell, further examined.

[Adjourned to Friday next, at Twelve o'clock.

Friday, 20th July 1866.

MEMBERS PRESENT :

Mr. CRAWFORD, in the Chair.

Mr. Marsh.
Mr. Childers.
Sir Henry Rawlinson.
Sir Charles Bright.
Mr. Weguelin.

Mr. Moffatt.
Mr. Stansfeld.
Mr. Hunt.
Mr. Schreiber.
Mr. Laird.

Mr. Frederick Hill and Mr. Edmund Bourdillon were severally further examined.

Room cleared. The Committee deliberated.

Draft Report proposed by the Chairman read a first time, as follows:—

“ THE SELECT COMMITTEE appointed to inquire into the practical working of the present System of TELEGRAPHIC and POSTAL COMMUNICATIONS between this Country and the *East Indies, China, Mauritius, Australia, and Japan*;—HAVE considered the Matters to them referred, and have agreed to the following REPORT:—

“ 1. It appears from a Table laid before your Committee by Mr. Valpy, of the Board of Trade, that the total value of imports into the United Kingdom, and of British produce exported therefrom, and total tonnage of vessels entered and cleared at ports in the United Kingdom, in the year 1865, were as follows:—

	£.
Value of Imports - - - - -	271,134,967
Value of Exports (British produce and manufacture) - - -	165,862,402
Tonnage of Vessels:—	
Entered - - - - -	14,317,886
Cleared - - - - -	14,579,206

“ Of these quantities, British India, Singapore, Ceylon, Mauritius, China, China (Hong Kong), Egypt, the Dutch possessions in India (Java, Sumatra, &c.), the Phillippine Islands, Japan, and Australia, contributed the following proportions:—

C O U N T R I E S.	Imports.	Exports.	Tonnage of Vessels.	
			Entered.	Cleared.
	£.	£.	Tons.	Tons.
British India - - - - -	37,395,372	18,254,570	664,391	671,856
Singapore - - - - -	2,169,056	1,442,450	77,835	50,292
Ceylon - - - - -	3,707,615	685,308	52,197	50,400
Mauritius - - - - -	1,246,299	596,848	41,029	30,805
China - - - - -	10,673,960	3,609,301	91,606	80,375
China (Hong Kong) - - -	773,068	1,561,851	14,408	42,848
Egypt - - - - -	21,773,250	5,985,087	361,419	488,268
Dutch Possessions in India } (Java, Sumatra, &c.) - }	226	928,642	Nil	29,349
Phillippine Islands - - -	1,253,904	945,624	23,207	18,055
Japan - - - - -	614,743	1,520,895	9,361	19,602
Australia - - - - -	10,283,113	13,352,357	156,649	387,239
TOTAL for the above-named } Countries - - - - }	68,117,356	42,897,846	1,492,102	1,869,090

“ 2. It will thus be seen that upwards of 25 per cent. of the whole of the external commerce of the United Kingdom is transacted with the several countries above enumerated. The great importance of rapid and regular systems of communications between countries transacting business of such magnitude and importance can hardly, therefore, be overrated.

“ 3. Many merchants, bankers, and others engaged in carrying on these vast operations, having complained of the insufficiency of the existing postal and telegraphic arrangements, your Committee have inquired into their allegations on both points, and carefully considered the circumstances in their several bearings.

“ AS REGARDS THE POSTAL SERVICE.

“ *Existing Postal Contracts.*

“ 4. The now subsisting contracts between Her Majesty's Government and the Peninsular and Oriental Steam Navigation Company for the conveyance of mails between England and India, Ceylon, Mauritius, China, and Australia, are four in number. The first contract under which the India and China mails are conveyed, is dated the 1st January 1853, and is now terminable at one year's notice. Under this contract the mails were to be conveyed twice each way in every calendar month, between England and Alexandria, *viâ* Southampton and Marseilles; and twice each way in every month between Suez, Calcutta, and Hong Kong. The vessels so employed were to be of not less than 1,100 tons burden, and were to maintain an average speed of not less than 10 knots an hour. The Company also engaged to carry mails between Singapore and Sydney, once each way, in every alternate month, in vessels of not less than 600 tons burden, which should maintain an average speed of $8\frac{1}{2}$ knots an hour. The payment to the Company in respect of the India and China services was to be 199,600*l.*, with a proviso that it was to be reduced to 179,600*l.* per annum, six months after the opening of the railway across Egypt. In consequence of that proviso, and of certain other modifications which have since been introduced in the contract, the amount in respect of the services in question is reduced this year to 162,125*l.*, of which 86,567*l.* have been voted in Committee of Supply, leaving 75,558*l.* to be provided from other sources.

“ 5. By a contract, dated 7th July 1854, the mails were to be carried twice each way, every calendar month, between Bombay and Aden, in vessels of not less than 800 tons burden, and to maintain an average speed of 10 knots an hour. This service has since been extended from Aden to Suez. The payment to the Company in respect of these services was to be 24,700*l.* per annum; but only 22,000*l.* has been voted in Committee of Supply this year on account of them. This contract is also terminable at one year's notice.

“ 6. Besides the above-stated sums, 65,500*l.* have been voted for ‘additional services,’ making the entire vote of the present year, in respect of the India and China mail services, after deductions and contributions from other sources, 174,067*l.*

“ 7. The Australian mails are now carried under a contract, dated the 17th day of November 1865, between the Postmaster General and the Peninsular and Oriental Company. The Company undertake to convey the mails from Point de Galle, *viâ* King George's Sound and Melbourne, to Sydney in 516 hours; and from Sydney, *viâ* Melbourne and King George's Sound, to Point de Galle in 564 hours on the following conditions:

“ That a sum, after the rate of 120,000*l.* per annum, shall be paid to the Company so long as it shall, upon the requisition of the Postmaster General, cause to be performed one such voyage each way in every calendar month:

“ Or, a sum after the rate of 130,000*l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed one such voyage each way in every lunar month of four weeks:

“ Or, a sum, after the rate of 170,000*l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed two such voyages each way in every calendar month:

“ Or, a sum, after the rate of 184,166*l.* per annum, if and so long as the said Company shall, upon the requisition of the Postmaster General, cause to be performed two such voyages each way in every lunar month of four weeks.

“ The contract is to be terminable at 24 calendar months' notice. The sum to be asked in Committee of Supply in respect of this service is 59,750*l.*, being one moiety of the contract payment, after allowance of 500*l.* for discontinuance of Admiralty surveys.

“ 8. The Mauritius mails are carried under a contract dated the 16th day of April 1861, by which the above-mentioned Company undertook to convey mails once each way in every month between Suez and Mauritius, calling at the Seychelle Islands, for the purpose of landing and embarking mails on each of the homeward voyages, and on each of the outward voyages, except during the months of June, July, and August. The vessels so employed to be of not less than 850 tons burden, and to arrive and depart from Suez and Mauritius on certain days in each month, specified in a table inserted in the contract; but under a new contract, for a line between Mauritius and Point de Galle, entered into provisionally, the payment is reduced to 18,000*l.* The payment for such services was 30,000*l.* per annum, to be paid by the Colony. Notice has been given by the Company to terminate the contract, and the last voyage under it was to be made in the month of June last past.

“ 9. The mails to Japan are carried every fortnight in vessels belonging to the Peninsular and Oriental Company, but for so much of the service as lies between Shanghai and Japan no subsidy is paid. The Company are now claiming a subsidy, as there are seasons of the year when the services may be discontinued for commercial purposes.

“ 10. By

"10. By an agreement made between the above-named Company and the Postmaster General, dated the 27th February 1866, amongst other matters to which it is not necessary to refer, it was agreed that instead of the mails between England, India, and China, being carried at a nominal average speed of 10 knots an hour, according to the contracts of 1st January 1853, and 7th July 1854, they shall henceforth be conveyed between the several ports in a certain number of hours, the practical effect of the arrangement being to reduce the rate of speed on a large proportion of the distance to $9\frac{1}{2}$ knots an hour.

"11. The Peninsular and Oriental Company possess a fleet of 57 steam-vessels, of the aggregate tonnage of 84,176 tons, and of 19,230 horse power. Your Committee are of opinion that the services under the several contracts to which reference has been made have been well performed, and the Assistant Secretary of the Post Office stated that no mail was ever lost that was conveyed by this Company.

" Bombay the Port for Indian Mails.

"12. When the contract was made, in 1853, for the conveyance of the mails by sea to Madras and Calcutta, such an arrangement was due to the political and commercial importance of those cities, and was also the most convenient method that could then have been adopted as regarded the distribution of letters in India; but circumstances have since happened which render a reconsideration and rearrangement of the postal service between this country and India a matter of urgent necessity.

"13. Mr. Riddell, the Director General of the Post Office of India, addressed a letter to the Secretary to the Government of India, on the 24th April 1860, in which he called attention to the fact that the contract with the Peninsular and Oriental Company would expire in the following year, and mentioned some of the inconveniences which occurred under the existing system. He said: 'At present four mails are despatched from England and from India every month, two from and to Bombay, and two from and to Calcutta. According to the time table, 35 days are occupied between London and Calcutta, *viâ* Marseilles; 24 days between London and Bombay. The mail of the 10th January should reach Calcutta on the 13th February, while that of the 18th January should reach Bombay on the 10th February. It is clear that all places within three days post of Bombay would receive the mail of the 18th January, *viâ* Bombay, before the mail of the 10th January reached Calcutta. At a place situated at Benares, the mail of the 10th January, *viâ* Calcutta, would be delivered on the morning of the 16th February. A mail of the same date, if sent *viâ* Bombay, would reach Bombay on the 2d February, and be delivered at Benares on the 7th or 8th February. The mail which left London on the 18th January, *viâ* Bombay, would be delivered at Benares on the 15th or 16th February, at the same time or before the mail of the 10th January arrived, *viâ* Calcutta. Benares is about 1,000 miles from Bombay, and 422 miles from Calcutta.

"The mail which left London on the 10th January is due at Calcutta on the 13th February; if it were sent *viâ* Bombay, it would be due at Bombay on the 2nd February, and according to present rates of speed, and even with the existing means of transport, the letters would all be delivered in Calcutta on the 9th or 10th, and all Southampton newspapers by the 12th or 13th.'

"The case as regards Madras is similar. The mail leaving London on the 10th January is due at Madras, *viâ* Galle, on the 9th February; if sent by Bombay, it would be due on the 6th February, having reached Bombay on the 2nd *idem*.'

"14. Since the date of the above letter, great progress has been made in the completion of the railway system in India. It appears from the evidence of the officers of the East Indian, the Great Indian Peninsular, and the Madras Railway Companies, that in the Spring of 1868 there will be continuous railway communication between Bombay, Calcutta, and the North Western Provinces of India; and that Madras also will be connected with Bombay by railway in July 1869.

"15. In a despatch addressed to the Secretary of State for India on the 23rd November 1865, by the Governor General in Council of India, it was stated that, 'The Nagpore extension of the Great Indian Peninsula Railway will be opened to Wurdah, within 60 miles of Nagpore, in January next, and will be completed to Nagpore, it is believed, in January 1867. Between Nagpore and Mirzapore, the whole distance can be traversed by mail carts throughout the year. Even now it will be seen from the dates for closing the mails, the mails *viâ* Galle have become, for letters, quite useless. The mail which left Calcutta this morning by the Galle route is due in London on or about the 27th proximo, while the mail which closes this evening for the Bombay route, and by which this despatch will be transmitted, should, it is believed, reach London on or about the 21st.'

"16. That Bombay should be the port for arrival and departure of mails between this country and India, is the opinion of Her Majesty's Postmaster General. In a letter dated 14th July 1865, written by the Assistant Secretary of the Post Office to Mr. Merivale at the India Office, it was said, 'The Postmaster General fully agrees with Sir C. Wood and the Government of India, in the opinion expressed in your letter, of the advantage of substituting for the present postal service with India a weekly service, and in thinking that such service should be exclusively with Bombay.' And Mr. Hill also informed

your Committee that letters sent to Bombay would arrive at the best possible point in India, for their speedy distribution, and that the gain to the public would be very great indeed.

“ As to Weekly Mail to India.

“ 17. Mr. Riddell, in his letter to the Government of India of the 24th April 1860, having strongly recommended the establishment of a weekly mail, *viâ* Bombay, the Governor General in Council, in sending that letter to the Home Government, said, ‘ In forwarding the Director General’s letter for consideration of Her Majesty’s Government, we beg to express our concurrence in his views of the expediency of providing, as soon as possible, for a weekly postal communication with Bombay, whereby the whole of India would receive letters by every mail. At present only a very small part of India has the benefit of four mails in the month, the whole of the North Western Provinces, the Punjab, Scinde, and Bombay, and a great portion of the Madras Presidency receiving no benefit whatever from the two mails which are sent *viâ* Galle.’

“ 18. The Assistant Secretary to the Post Office stated to your Committee that the Post Office had long desired to see a weekly mail established. That it would be much more convenient to them, and, what they regarded with greater interest, that they believed it would be very advantageous to the two countries.

“ 19. In January 1865, a memorial, signed by most of the principal merchants and bankers in London, engaged in commercial and monetary transactions with India, was presented to the Postmaster General, praying that a weekly mail might be established between London and Bombay, to leave London on Friday in every week. The East India and China Association of Liverpool, the merchants and bankers of Madras, the Bombay Chamber of Commerce, and the Bengal Chamber of Commerce also approved of such an arrangement.

“ 20. The Assistant Secretary to the Post Office stated to your Committee that the charge of carrying the mails is considered at the Post Office from a profit and loss point of view. That the present loss on the Indian service amounts to 48,000 *l.* a year, and on the China service to 34,000 *l.*, a total loss of 82,000 *l.*, the half of which is borne by the Indian Government. He estimates that by sending 52 mails a year each way, between London and Bombay, instead of 24 mails each way between London and Bombay, and 24 mails each way between London and Calcutta, an additional expense would be incurred, amounting to about 30,000 *l.* a year; and Mr. Hill had previously stated that the weekly mail might have been established, if the Indian Government would have consented to allow an extra charge of 6 *d.* on all letters which now pay 6 *d.* and 10 *d.*; but that the Indian Government having declined to concur in the expediency of such an increase in the rates of postage, whatever additional expense might be entailed by the establishment of a weekly mail to Bombay, must be borne exclusively by that Government.

“ 21. Your Committee cannot assent to the doctrine, that interests so important from every point of view, whether political, social, or commercial, as those which connect the United Kingdom with one of the largest and most valuable possessions of the Crown, should be prejudiced by an insufficient postal service, because the establishment of an efficient service might leave an apparent loss of no great magnitude to be borne by the two countries. They submit that a question of profit or loss, within reasonable bounds, is a consideration entitled to little weight in the case of so important a postal service as that between England and India. They concur in the views expressed on this subject, in a letter addressed by the India Office to the Assistant Secretary to the Post Office, on the 5th October 1865, in which it was said, ‘ Sir Charles Wood cannot, however, regard the question as one merely affecting the charge on the Imperial revenues. It has been the perception of the bearing of increased postal communication on the wealth and progress of a country that has induced Statesmen of late years to consent to fiscal sacrifices for the purpose of obtaining it. There can be no doubt that increased postal communication with India implies increased relations with that country, increased commerce, increased investment of English capital, increased settlement of energetic middle-class Englishmen; and from all these sources the wealth and prosperity of England are more greatly increased than that of India.’

“ 22. It appears from a despatch from the Governor General in Council of India to the Secretary of State for India, dated the 22d February 1866, that the Indian Government is willing to forward the establishment of a weekly mail, by accepting the responsibility of any loss that may thereby be incurred. In offering, however, to incur such risk, it points out the unfairness of such an arrangement in the following terms: ‘ But we do not consider such an arrangement to be altogether unobjectionable. It would apparently be based on the explanation that the service must be carried on at a loss, and if so, we venture to suggest that it would hardly be desired by England that the whole of that loss should fall upon the Indian revenue.’

“ ‘ It has been well pointed out, in Mr. Merivale’s letter to the Post Office of the 5th October, that the interests of England and India are jointly concerned in this matter. There can be no doubt thousands in the former country, to whom increased facilities for
‘ postal

‘postal communication with India are just as important as they are to their countrymen living in India, and whether we look to the interest of this latter class only, or to the millions from whom Indian revenue is mainly drawn, and who have no direct interest in the matter at all, it would scarcely be generous for England to stipulate that the loss which might arise from the establishment of a proper and efficient postal service between the two countries should be borne wholly by the Indian taxpayer.’

“ Separate Service to India.

“ 23. It has long been a source of dissatisfaction to the Indian public, as well as to the Government, that, from being associated with the China postal service from this country, the Indian Government has been made to contribute one-half of the loss incurred in that service.

“ 24. The principle upon which such charge was imposed on the Indian revenue was stated in a Treasury Minute, dated the 21st August 1854, and will be found in the evidence of the Assistant Secretary to the Post Office. It says, ‘That so far as the commercial and political relations with China went, the latter existing exclusively for the former, it was laid down that the interests of England and India were equal.’

“ 25. The Court of Directors of the East India Company by no means acquiesced in the propriety and justice of this statement. In a letter addressed by their Deputy Secretary to Sir J. N. Redington, K. C. B., on the 7th September 1854, it was said: ‘The Court are unable to admit the validity of the reasoning upon which the Lords of the Treasury appear to base their opinion, that the interests of this country and of India are equal as respects some portions of these contracts. Whilst the Court are far from under estimating the importance to India of the trade with China, they cannot refrain from adverting to the facts, that the Indian trade with China is now carried on principally by British shipping, and that, by the commercial and fiscal policy of England, the manufactures of India, which had been superseded in India itself by those of the United Kingdom, have been in like manner driven out of China. The Court think that upon reconsideration, and a reference to these points, the Lords of Her Majesty’s Treasury will admit that the value of steam communication with China is far greater to the people of Great Britain than it is to the people of India.’

“ 26. In the despatch from the Governor General in Council of India, dated the 22nd February 1866, addressed to the Secretary of State for India, a protest is urged against the Indian revenue being in any way chargeable with the loss incurred on the China service between England and Galle. It is said, ‘If it is admitted, as it is by the Postmaster General in England (and the point is too clear to leave any room for question about it), that the postal service with India should in future be exclusively to Bombay, it is difficult to understand upon what ground it can be seriously maintained that the Indian Post Office should continue to be charged with a portion of the cost of a postal subsidy given to steamers on the line between Suez and Galle, for the conveyance of China and Australian mails, or why any subsidy should be given to steamers running between Galle and Calcutta.’

“ Speed of Mail Packets.

“ 27. The Indian public have long complained of the low rate of speed attained by the vessels which convey the mails to and from England to India, and it was stated to your Committee, by a witness of great experience (J. D’Aguilar Samuda, Esq., a Member of this House), that in the present state of nautical science the contract speed of $9\frac{1}{2}$ knots an hour for the service between Suez and India is too low. That the contract speed obtained by the West India Mail Company is $10\frac{1}{2}$ knots an hour. That with some modifications the vessels now employed by the Peninsular and Oriental Company could be made to attain a knot an hour more than they now make, but he is of opinion that in order to insure a satisfactory rate of speed, vessels of not less than 2,000 tons burden should be employed.

“ 28. The present contract time between London and Bombay is 24 days. In a letter addressed to the Director General of the Post Office of India, by Messrs. Stearns, Hobart, & Co., managers of the Bombay and Bengal Steamship Company, Limited, after naming the sum for which they would undertake a fortnightly mail service each way, between Bombay and Suez, at an average speed of 8 knots an hour, they said, ‘It may not be out of place to mention, although not as part of our tender, that we have in contemplation the building of a class of boats, not only larger and faster, but in every way superior to any now in the East, and capable of delivering the mails within 20 days between England and India, and plans for placing these vessels on the route are so far matured that should the tender we have made be accepted, and a reasonable prospect held out of our securing a fair subsidy through to England, we have little doubt of our being in a position to carry the project into immediate execution.’

“ 29. It is only fair to the Peninsular and Oriental Company to say that they have been, and still are, endeavouring to accomplish a better rate of speed. Mr. Howell, the secretary of the company, stated that their ships had not come up to their own expectations and wishes upon the Bombay line. Some vessels which were placed upon the line,

have not altogether fulfilled the expectations held out of them. They had sought to produce a great improvement in the consumption of coal, and also an increase of speed, but had been to some extent disappointed in that, but alterations in those vessels are going on.

" The Australian and China Mails.

" 30. As the separation of the Indian postal service from those mails which now proceed to Point de Galle will necessitate the reconstruction of the China service, your Committee invite attention to the efficient service between Europe and China every calendar month, performed by the Messageries Impériales from Marseilles.

" The Italian Route.

" 31. Your Committee have taken evidence to ascertain whether the Indian mails could be carried with advantage to the public over the Mont Cenis Railway, and through Italy to Brindisi, or some Italian Port, instead of through France to Marseilles, but they are not able to recommend that any steps should at present be taken to accomplish that object.

" AS REGARDS THE TELEGRAPH SERVICE.

" 32. The political and commercial importance of possessing permanent means of communication with the several countries before referred to, by a telegraphic service at all times available, and to be depended upon, is even greater in degree than the necessity for an efficient postal service; indeed, with regard to the bulk of commercial transactions between the merchants and manufacturers of this country, and producers and consumers abroad, the Post Office has now become, in a great measure, subsidiary to the telegraph. Nor are the benefits derived from telegraphic communication confined to the mercantile community alone; the public in general are equally interested in the rapid transmission of authentic mercantile intelligence; for, if the effect be, as has been stated by witnesses of authority, to enable merchants and manufacturers to obtain with greater certainty and economy a regular and adequate supply of the commodities they require in the English market, it is the consumer in the end to whom the ultimate advantage is brought home by the process of competition.

" The Telegraph to India.

" 33. The Indian and Home Governments have long been sensible of the extreme importance of possessing an efficient telegraph service between England and India, and have made great efforts and pecuniary sacrifices to obtain it; and if a full measure of success has not yet attended their exertions, the imperfections now complained of have arisen in a considerable degree from difficulties hitherto beyond their control.

" 34. A message intended for India is delivered to one of the two Companies in London having telegraphic communication with the Continent, ' The Electric and International Telegraph Company,' and ' The Submarine Telegraph Company,' and is forwarded by one of two principal alternative routes, the Turkish or the Russian route. To reach Constantinople the lines principally used are through Vienna or Turin. From Vienna messages are transmitted to their destination chiefly through Servia, and occasionally through Wallachia. From Turin they proceed by the Italian coast line, and the sub-marine cable, across the Lower Adriatic, and arrive at Constantinople by way of Salonica, and the shores of the Sea of Marmora. A telegram may, therefore, be dealt with by French, Belgian, Dutch, Prussian, Austrian, Bavarian, Minor German, Italian, Servian, or Wallachian administrations. After the message reaches Constantinople, it is forwarded under the terms of the ' Indo-Ottoman ' Convention, by an exclusive wire to Bagdad, and thence, either to Fao, at the head of the Persian Gulf, where it is received by British officers for despatch to Kurrachee by the Persian Gulf line, or, as an alternative, over the internal Persian system, by way of Teheran, Ispahan, and Shiraz to Bushire, where it again falls in with the main line. From Fao to Kurrachee, and from Bushire to Kurrachee, the line is exclusively under the control of the Government of India. This line is submarine, with an alternative land line between Gwadel, on the Meckran coast, and Kurrachee, and with the exception of two or three interruptions in traffic, owing to temporary breaks in the cable, is shown to work admirably well.

" 35. A telegram by the Russian route proceeds *via* the Hague to Berlin, and from thence crosses the Russian frontier, passing through Mysolowitz to Tiflis in Georgia, and from that place over the Persian system above described to Bushire. It must, therefore, be resorted to through the agency of the Dutch, Prussian, Russian, and Persian administrations, before it reaches any officer who is responsible to the British Government.

" 36. There is, therefore, an alternative route to India as far as the head of the Persian Gulf; but, in the case of an accident to the submarine cable to Kurrachee, all telegraphic communication with India must necessarily be interrupted.

" 37. From

" 37. From the returns for the month of January last, it appears that the messages between this country and India took the following routes to and from Constantinople :—

	Outward.	Homeward.
<i>Viâ</i> the Hague, Berlin, Vienna, Belgrade and Nissa (in Servia) - - - - -	64 per cent.	54 per cent.
<i>Viâ</i> the Hague, Berlin, Vienna, Bucharest, and Varna - - - - -	3 per cent.	44 per cent.
<i>Viâ</i> Paris, Turin, Valona, and Salonica - - - - -	29 per cent.	2 per cent.
Not specified - - - - -	4 per cent.	—
	100 per cent.	100 per cent.

" 38. The whole of the service is well described in a despatch, No. 279, addressed at Constantinople, on the 12th April last, by Major John A. Champain, R. E., of the Indo-European Telegraph Department, to Mr. Thornton, of the India Office, copy of which will be found at length in the Appendix.

" 39. The messages are forwarded to Constantinople by the telegraphic office on the Continent to which they have been addressed from London, by the route most convenient at the time; in some instances, and not unfrequently, they have been forwarded by way of Russia, to the great disadvantage of the parties interested in the speedy and correct transmission of the message.

" 40. The number of messages which passed over the Persian Gulf line, from its opening in February 1865 to the end of the year, appears to have been as follows :

Eastward:		£.	s.	d.
<i>Viâ</i> Turkey and Fao - - - - -	9,175	Earning -	37,841	10 -
<i>Viâ</i> Bushire (Persian line) - - - - -	3,862			
Westward:				
<i>Viâ</i> Fao and Turkey - - - - -	7,552	"	31,929	5 -
<i>Viâ</i> Bushire (Persian line) - - - - -	1,894			
TOTAL - - - - -	21,983	"	69,770	15 -

or, on the average, 3*l.* 3*s.* 5*d.* per message.

" 41. During the months of January, February, March, and April of the present year, the total number of messages so carried is stated to have been (without distinction as to other routes in connexion) 10,995, earning 34,590 *l.* 10*s.*, or, on the average 3*l.* 2*s.* 11*d.* per message.

" 42. Your Committee have been unable to ascertain the cost of the Persian Gulf line, but the working expenses are stated by Major Champain to amount to about 2,000*l.* per mensem, independently of the cost of refectations.

" 43. The sum of 5*l.* 1*s.* is charged in all cases for a message not exceeding 20 words. Out of that sum about is retained by the Electric and International Company, and by the Submarine Company, the balance in each case being paid over to the authorities of the continental system to whose care it is committed. They account in like manner to their successors in the chain of communication until the Persian Gulf line is reached, in respect of which the Government of India receives 2*l.* 10*s.* for the transmission of the message from Fao, and 2*l.* from Bushire to Kurrachee, with 9*s.* additional for its distribution in India.

" 44. Under a system such as this, where no continuous responsibility exists, much difficulty is necessarily experienced in tracing where the numerous delays and imperfections in the rendering of messages, of which so many complaints have been made, have taken place; and in very few instances have the public been successful in obtaining compensation for the disappointments they have met with.

" 45. The service under Russian control is stated to be working with regularity, the messages reaching Tabreez occasionally in the space of 12 hours. The ill success which has hitherto attended the transmission of messages to India by this route is attributed to the imperfect management of the Persian service between Julpha on the Georgian frontier and Teheran; the exceeding rigour of the climate also during the winter months, especially on the line between Ispahan and Bushire, has presented many obstacles during the last winter.

" 46. A proposition has been submitted to your Committee for the establishment of an alternative line connecting Bunder Abbas, in the lower part of the Persian Gulf, with Ispahan, by way of Kerman and Yezd. This line, if practicable, with reference to political considerations, would present many advantages.

" 47. Lastly, a line constructed by the Turkish Government between Gaza, on the Egyptian frontier, and Diarbekir, on the main line of telegraph between Constantinople and Bagdad, has recently been opened for public traffic in connexion with the Malta and Alexandria line. This line may present many recommendations as an additional useful alternative line in the event of interruption to the direct lines to Constantinople through the continent of Europe; but at present it cannot be said to be available to the public generally, in consequence of the refusal of the Turkish authorities to receive messages of origin or destination, otherwise than Egyptian, for transmission by the line.

" 48. With respect to the service through Turkey, there is a general concurrence of testimony that, as a rule, it is very defective. In a letter addressed to the Under Secretary of State for India by Major Champain, on the 31st August 1865, it was stated, ' There is no doubt that the messages to and from India are necessarily and vexatiously delayed, and public confidence in the undertaking is being shaken. The organization of the Turkish lines is defective, and, in my opinion, will continue so unless some decided step, such as the establishment of an opposition route, be taken. Mr. Courtenay invariably writes that either the Turkish Asiatic or the Turkish European lines are working badly, and it does not seem that Colonel Goldsmid's suggestions have yet been complied with. I know that the insulators we proposed for the new wires between Constantinople and Diarbekir were rejected as too expensive, and cheap inferior wires were ordered from Belgium. In some measure, however, I can account for delays of late in consequence of the cholera panic, which frightened the telegraph clerks from their posts. Still I maintain that blame is due to the Turks, and I much fear that they are really unable to work up to our standard of efficiency. Mr. Walton, the director of the cable, writes to me that " our messages from Kurrachee to Fao, and *vice versa*, average 74 minutes for the last three months, and that the Bagdad men report 70 or 80 messages on hand, send 12 or 15, and then smoke hookahs, or say their prayers, for two or three hours, during which time Fao hears nothing of them." Our cable, therefore, is working admirably; for months past there has been no interruption on the Persian line, and yet all our endeavours are nullified by the bad arrangements in Turkey. On the other hand, the Russians are naturally anxious to help our through communication, and have now offered to place their line, from St. Petersburg to the Persian frontier, entirely in the hands of a well-known London firm. Mr. Siemens, the head of that firm, spoke to me lately on that subject, and would, I believe, be willing to accept the offer, if there were any probability of his obtaining the control of the Persian line, from the Tabreez frontier to our telegraphic centre at Teheran. I am convinced that, supported by Russian influence in Persia, and not opposed by us, he would succeed; and then we should, without having taken any active steps in the matter, obtain a second, and a really reliable line of communication between England and the Persian Gulf. Such an arrangement would also do more to render the Constantinople line efficient than remonstrances we may make, now the Turks know that we are entirely dependent on them.

" 49. In Colonel Goldsmid's report of the 4th November 1865, it is stated, ' I see no remedy for the state of telegraphic correspondence in Turkey but associating Englishmen with the native employés in the higher as in the inferior duties of the line, making at once the principal stations " Anglo-Ottoman," as at Fao; or else giving the whole line to a company or firm competent to work and supervise it; such, for instance, as Messrs. Bright and Clark, who have, moreover, a kind of vested interest in the cable from old association. The first of these remedies I had the honour of suggesting to the Home Government in May, but the question involved political considerations, and the re-opening of or supplementing a lately ratified convention, one intended to be final. There is manifestly no better chance at this moment available for successful telegraphy in Turkey than competition. We have a convention with Turkey to enable us to keep open telegraphic communication with India through her dominions. She has gone to expense and taken pains to carry out the terms of this convention. We are therefore desirous to avail ourselves of her lines as much as possible. It is found, however, in practice, that the Turkish route is more or less a failure. Turkey has not earned the whole blame, but she certainly earned the lion's share. Our companies (that is, the British public by their agents) learn that an opposition line is available through Russia. They take supposed advantage of this eagerly to transmit hundreds of telegrams, but the rush was premature. The Russian line had not then reached good working order. They revert again to Turkey, but not in regard to conventions. The convention was to give the public a desideratum, not to bind them to a particular mode of correspondence. Now, however, the Ottoman telegraph lags, and the Russian telegraph gains strength. As a rule we are not using the latter yet; it has just given us a commercial message in Teheran in 72 $\frac{1}{4}$ hours, while its rival cannot force on its burden in less than nine days. Here success may, perhaps, be spasmodic; but time will show. On the other hand, the failure is becoming chronic. Turkey must bestir herself, or the competition will be fatal to her. I say nothing of the difference of rates, except that the difference is favourable to traffic through Russia.'

" 50. It appears, however, according to a letter from Major Champain, dated the 10th April 1866, and addressed by him to W. J. Thornton, Esq., the Secretary of the Public Works Department in the India Office, that considerable improvement had then lately been

been made in working the lines in Turkey, but that owing to a heavy fall of snow in Persia the working of the Persian lines had been very unsatisfactory.

" 51. Your Committee are of opinion that the cause of the complaints so generally and justly made as to the manner in which the telegraphic service between this country and India has been performed, as a rule, since the line by the Persian Gulf was opened for public traffic in February 1865, is to be found in the imperfect administration of the Turkish system, and the culpable negligence of the authorities in India in making no adequate provision for the distribution from Kurrachee of the immense amount of business in connection with Europe, which it ought to have been foreseen would follow immediately upon the opening of the Persian Gulf line to the use of the public.

" 52. In the former case the imperfection of the service is not more than might have been expected on the first introduction of a method of communication so novel to the habits of business of the people of Turkey; but apart from natural adverse causes, such as the severity of the climate in the winter months in some districts of the route through Asia Minor and Armenia, there is no reason to doubt that by strict compliance with the terms of the convention, in regard to the reservation of one wire at least for the purposes of messages to and from the eastward, the employment of an adequate number of European officers, and careful attention to the condition of the line itself, the service may in time become satisfactory in its working.

" Telegraphs in India.

" 53. There are now about 14,500 miles of Government telegraph lines in India, connecting the chief cities in the different Presidencies, and they are completed towards Singapore as far as Rangoon. They have been constructed at a cost amounting to 1,146,861*l.* 14*s.* 3*d.* on the 30th April 1864. There are besides, 3,141 miles of lines erected by the different railway companies, at a cost of 411,924*l.* 12*s.* 8*d.*, on 31st December 1864, and which are maintained at an expense of 41,888*l.* 18*s.* 5*d.* per annum.

" 54. That the working of the Government lines of telegraph in India has been very unsatisfactory is admitted. Colonel Robinson, the Director General of the Indian Telegraph Department, has ascribed the defects, in a great measure, to the fact that the officers of the Department have been underpaid, their emoluments not been commensurate with those given in other establishments, and also to the circumstance that the lines, having been destroyed in the war times, had been re-erected in haste for military purposes, and since then had been gradually, but very slowly, reconstructed. Colonel Robinson is, however, of opinion that the working is much improved, and that merchants in Calcutta now receive their messages, even if sent in cypher, very accurately. He adds that, although the telegraph in India was originally established for the purposes of speedy communication between different military stations, it is now looked upon almost in the light of a post-office.

" 55. Your Committee were informed on the same authority, that efficacious measures have been taken for the establishment of a second line of wire to connect Kurrachee with the internal system of India, and otherwise to redeem that part of the service from the reproach which has been cast upon it.

" 56. A suggestion was made in 1862 that the Government lines of telegraph should be made over to a private company for administration; but the Governor General in Council declined to acquiesce in the proposal."

" 57. Your Committee are not aware that any objection is entertained by either the Home or Indian Government to the establishment in India of independent lines of telegraph by private companies, and official opinion has been expressed that it is desirable to place the railway telegraphs in the hands of a separate company. It appears also that as regards a portion of the Government lines, Lieutenant Col. C. Douglas, lately the officiating Director General of Telegraphs in India, in a letter addressed to the Indian Government in 1861, said—

" " There are already several lines of telegraph in private hands; I allude to those of the several Railway Companies which have power to transmit private messages in all cases where the Government have no co-ordinate lines; should, however, other private companies desire to undertake telegraph management, there is no line which could be so conveniently made over to them as that connecting Calcutta with Rangoon, and the local lines in that province. These lines connecting three very important places of commerce, Calcutta, Akyab, and Rangoon, with the advantages of possible extension to the port of Moulmein, appear to hold out every prospect of being remunerative; and the fact of the telegraph lines in Pegu being very largely used in official correspondence, owing to the tardiness of postal communication, offers additional prospect of profit."

" 58. In 1863, with a view to utilise, as far as possible, the heavy expenditure already referred to as having been incurred by the Railway Companies in India in establishing telegraphs by the side of their lines, it was proposed to lease them to a responsible Com-

pany then about to be formed, under the title of 'The Oriental Telegraph Company,' for the purpose of carrying out a system of commercial telegraphs in India, and an application was made to the Secretary of State for India to sanction the arrangement; for reasons which do not appear to your Committee to be very clear, an unfavourable answer was returned to the application; it appears, however, that no objection is now entertained in India to the employment of a public Company in the manner proposed upon any grounds of political expediency or otherwise.

"Telegraph to China and Australia."

"59. Proposals have been made at various times to Her Majesty's Government for the establishment of a telegraphic service to connect Australia with the Indian system at Rangoon, but no arrangement has as yet been found practicable, notwithstanding the willingness of the Colonies (as appears by the evidence of Sir C. Nicholson, Bart., formerly Speaker of the Legislative Council at Sydney) to contribute a guarantee to the extent of 35,000*l.* per annum, towards securing an interest on the capital required for the purpose. The Government of Holland has expressed its readiness to afford material aid in the construction of a line which will bring their dependencies in the East into communication with Europe; whilst the French Government also is stated to be willing to assist in the formation of a line which will connect their establishments at Saigon with a main line at Singapore.

"60. According to the best information attainable, neither the depths of water nor the distances between one station and another, present any difficulty, as regards the construction of a line between Rangoon, Singapore, and the Australian Colonies.

"Proposed New Service to India by way of Egypt."

"61. A scheme for an independent line of telegraph to India, to be continued hereafter to Australia and China, under the charge of English officials, and an undivided responsibility throughout, excepting in its passage through France, has been submitted to your Committee.

"62. The intention of the promoters of this scheme is to form a Company for the transmission of messages, under one control and management, as far as may be practicable, between England, Egypt, India, China, and the Australian Colonies, by means of a line of wire, which passes through Italy (under a concession already granted by the Italian Government) to the Island of Sicily, will thence be carried to the African Coast, joining the existing Malta and Alexandria Cable at Benghazi, from whence, in order to convey the large through traffic that will then be concentrated on this line, a second or duplicate line will be laid to Alexandria. Under arrangements made with the 'Telegraph to India Company,' the new Company will acquire possession of their concession as well as their lines between Alexandria, Cairo, and Suez. From Alexandria two distinct lines will branch off to India: one proceeding from Suez to Cossier and Suakim on the western shore of the Red Sea, or by land lines up the Valley of the Nile, by permission of his Highness the Viceroy of Egypt, to Suakim or Massowah, and thence by submarine cables, *viâ* Aden and the southern coast of Arabia, to Kurrachee and Bombay. The other, or alternative line, will be the Syrian line from Gaza to Diarbekir already referred to. Arrangements will be made to secure independent wires between Bombay, Calcutta, and Rangoon, and to carry out (with concurrence of the Indian authorities in this country) the conditions of the agreement before mentioned, with the East Indian, the Great Peninsula, and other Indian Railway Companies, for placing separate commercial wires on their posts from Bombay to Calcutta, Madras, Allahabad, Benares, Delhi, &c., from Rangoon, the Eastern terminus of the Indian land lines, a cable will be laid to Singapore, whence submarine lines will diverge in two directions; one branch proceeding, *viâ* Saigon, to Hong Kong and Shanghai; and the other passing through Java to the Australian Colonies. With a view of embracing the entire system of telegraphy to the East, it is proposed to undertake, if approved by the Secretary of State for India in Council, and the Government of India, a lease of, and eventually to purchase on equitable terms, the Persian Gulf line, under such arrangements with the Ottoman Government as will secure to the public the same accuracy and rapidity in the transmission of messages as obtains by way of Egypt, thereby providing the public with a double or alternate route to all parts of the East.

"63. As evidence favouring this proposition, your Committee refer to the testimony of several mercantile witnesses, and also of the Chairman of the Electric and International Telegraph Company, and the Chairman of the Submarine Telegraph Company, to the effect, that in the case of the constantly recurring irregularities in the transmission of messages through the Continent, the greatest difficulty is met with in obtaining satisfactory redress, owing to the great number of different administrations through which they have to pass, and the impossibility, as is stated, of identifying the locality of the mistake.

"RECOMMENDATIONS.

"64. YOUR Committee having carefully considered the circumstances above stated, are of opinion,—

"As regards the Postal Question.

"1st. That, whilst it has not been expedient hitherto to add to the expense of the postal communications with India, by establishing a more frequent service to Bombay, in addition to the existing services to Madras and Calcutta, it appears to your Committee, that having regard to the facilities already afforded by the railways under construction in India, and to the prospect of the early completion of the main lines of communication connecting the Port of Bombay with the Presidencies of Calcutta and Madras, the North Western Provinces, and the Punjab, the time has arrived when tenders should be invited for a weekly service to Bombay alone, and the separate postal service between this country and Madras and Calcutta should be discontinued.

"2nd. That such service should be on the footing of an express service, entirely unconnected with any other mail services to the eastward of Suez.

"3rd. That the tenders should be for the whole service to India, or for separate weekly or fortnightly services, at the option of the parties tendering.

"4th. That the time table should be based on a prescribed speed of not less than 11 nautical miles per hour, on the voyage between Marseilles and Alexandria, and 10 miles per hour between Suez and Bombay; but that the tenders be required to state also terms in each case for higher rates of speed, not less than one additional mile per hour.

"5th. That in consideration of the outlay which must necessarily be incurred in the construction of new vessels, or adapting those now employed, for the efficient performance of the future service to India, it is expedient that the new contracts shall run for a term of not less than years, subject to a subsequent notice of two years on either side.

"6th. That Her Majesty's Government shall take into their early consideration the arrangements to be made for maintaining a fortnightly or half-monthly service to China, and a monthly or four-weekly service to Australia, having regard to any facilities which may be afforded by the monthly service to China, now performed by the Messageries Impériales from Marseilles.

"7th. That, in the opinion of your Committee, the arrangements under which India now defrays a moiety of the net cost of the China service, after deducting the postal receipts, is not equitable as regards that Government, and should be modified.

"As regards the Telegraphic Question.

"1st. That, having regard to the magnitude of the interests, political, commercial, and social, involved in the connection between this country and India, it is not expedient that the means of intercommunication by telegraph should be dependent upon any single line, or any single system of wires, in the hands of several foreign Governments, and under several distinct responsibilities, however well such services may be conducted as a whole, in time of peace.

"2nd. That the establishment of separate lines, entirely or partially independent of the present line through Turkey, is therefore desirable; and, in that view, that means should be taken for facilitating the use of the lines of telegraph which connect the Persian system with Europe, by way of the Georgian lines of the Russian Government, and for bringing, if possible, within the Turkish convention the line recently established through Syria, for connecting Alexandria with the main line to India at Diabekir.

"3rd. That, with the view to better security against accident in time to come, the communication by way of the Persian Gulf should be doubled, either by the laying of a second submarine cable, or by continuing the land line from Kurrachee and Gwadel to Bunder Abbas, and thence, under arrangements with the Government of Persia, to Ispahan, by way of Kerman and Yezd.

"4th. That a proposition made to your Committee, on behalf of the '*Telegraph Construction and Maintenance Company, Limited*,' for the establishment of a direct communication between Alexandria and Bombay, by way of Aden, on the principle of a line practically under one management and responsibility, between London and the Indian Presidencies in the first instance, and afterwards with China and the Australian Colonies, is deserving of serious consideration, and such reasonable support as the influence of Her Majesty's Government may be able to bring to its aid.

"5th. That considering the great outlay of guaranteed railway capital already incurred in the establishment of the telegraph on the several lines of railway in India, it is expedient that means should be taken for affording the public the utmost benefit attainable from that expenditure, either by the Government of India sanctioning the use of the wires of the companies by a public company willing to rent the privilege on equitable terms, or by such an organization of the several independent companies as will

establish an unity of system, and bring the use of the lines fairly within the reach of the public.

“ 6th. That the magnitude of the interests involved in the trade of this country with China and Australia, and the rapidly increasing development of the colonies in population, in commerce, and in the various elements of national greatness, are subjects demanding the attention of Her Majesty's Government with a view to the promotion of such arrangements as will bring these communities within the reach of telegraphic communication with Europe.”

Draft Report proposed by the Chairman, read a second time, paragraph by paragraph, amended, and *agreed to*.

Question, That the Draft Report, as amended, be the Report of the Committee to The House—put, and *agreed to*.

Ordered to Report, together with the Minutes of Evidence.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Friday, 23rd March 1866.

MEMBERS PRESENT :

Mr. Baillie.
Sir Charles Bright.
Mr. Crawford.
Mr. Laird.
Mr. Moffatt.

Lord Robert Montagu.
Mr. Schreiber.
Admiral Seymour.
Mr. Stansfeld.

ROBERT WYGRAM CRAWFORD, Esq., IN THE CHAIR.

FREDERIC HILL, Esq., called in; and Examined.

1. *Chairman.*] ARE you the Assistant Secretary of the Post Office?—I am one of the two Assistant Secretaries.

2. Have you brought with you any documents connected with the subject-matter of investigation by this Committee?—I have.

3. Will you be so kind as to put them in?—Yes (*delivering in the same*).

4. Can you enumerate them?—The first is a copy of Mr. Ayrton's Return, No. 276, of 1865. I would state that I have brought exactly what I understood was the wish of the Committee that I should bring. Then there is a copy of the additional contract with the Peninsular and Oriental Steam Navigation Company, dated the 27th of February 1866.

5. The contract applies to the Australian Service, does it not?—It applies to the Australian Service amongst others; but it applies to the India and China Services also. The next is a statement of the voyages performed in 1865, in continuation of the statement at page 45 of Mr. Ayrton's Return. The next is a return of the rates of charges and deductions for the year 1865, in continuation of the matter at page 46 of Mr. Ayrton's Return. The next is the time-

tables of the Indian Mail Services of 1864 and 1865. The next is a return of the actual days of departure and arrival of the Mail Packets in 1864 and 1865. The next is a summary of the above return, showing the manner in which the service has been performed. The next is Appendix C., from the report of the Committee in 1853, which was a Treasury Committee upon the Packet Service, presided over by Lord Canning. The next is the present cost of the India and China Packet Services. The next is Parliamentary Paper, No. 211, of 1865, being the memorial of certain London merchants. The next is Parliamentary Paper, No. 347, of the year 1865, being a memorial from merchants, &c., of Madras. Then there are copies of correspondence respecting the proposed transmission of Indian Mails through Italy. Also copies of correspondence respecting the proposed transmission of a weekly mail between the United Kingdom and Bombay.

6. Are there any other documents of any kind in the Post Office, of which you are aware, which would in any way afford the Committee information upon the subject of their inquiry?—If the Committee will allow me, I will look; but there do not any occur to me at this moment.

F. Hill, Esq.
23 March
1866.

WILLIAM THOMAS THORNTON, Esq., called in; and Examined.

7. *Chairman.*] WHAT office do you hold in the India Office?—Secretary in the Public Works Department, which includes the Telegraph.

8. Have you a list of the papers which you have brought with you?—I have a description of them here.

9. Will you enumerate them?—First, there are copies of the Conventions with Foreign Governments for the establishment of telegraphs between England and India: that is, Conventions

0.43.

with the Turkish and Persian Governments. Then I have the correspondence which took place in 1863, between the India Office and the Railway Companies in this country, and also with the Government of India respecting the transfer of the Railway Telegraphs in India to a private company. Then a correspondence chiefly between the India Office and the Government of India, with respect to the defective working of the Indian telegraphs; that is to say, the telegraphs

W. T.
Thornton,
Esq.

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W. T.
Thornton,
Esq.

23 March
1866.

graphs in India. Then I have a similar correspondence with respect to the arrangements in progress for remedying the defects of the Indian telegraph. I have also a copy of a letter from the Chairman of the Electric and International Telegraph Company, being a communication from him with respect to the transmission of messages by the Indo-European line, when

it should be formed. It is difficult to describe in a few words the nature of his proposal. Also annual reports of the administration of the Telegraph Department in India, for the years from 1855-56, to 1861-62 inclusive, since which latter date no report has been submitted. Those are the papers which I have to produce (*delivering in the same*).

RICHARD JOHN RANDALL, Esq., called in; and Examined.

R.J. Randall,
Esq.

10. *Chairman.*] Are you the chief clerk in the office of the East Indian Railway Company?—Yes.

11. Have you been instructed by the Secretary to prepare in the office of the East Indian Railway Company, and to procure from other Railway Companies also, where you could do so, returns of the expenditure upon telegraphs in India?—Yes.

12. Have you got those returns?—Yes, I have them from seven of the Companies.

13. Are those complete returns from all the Railway Companies?—Yes; all but one—the return from the Great Indian Peninsular Company is not there.

14. Were you authorised by the secretaries or other officers of the Companies who have given you those returns, to put them in to the Committee on their behalf?—All of them (*delivering in the same*).

RICHARD VALPY, Esq., called in; and Examined.

R. Valpy,
Esq.

15. *Chairman.*] ARE you in the Statistical Department of the Board of Trade?—Yes.

16. Do you produce some returns from the Board of Trade relative to the trade and commerce of this country with the several countries to which the subject of the inquiry of this Committee relates?—Yes, I do (*delivering in the same*).

17. For the year 1864?—Partly for the year 1865 and partly for the year 1864. The figures for 1865 can all be prepared in the course of a few days, if it is the wish of the Committee.

18. Will you put in the return for the year 1864 now, and send that for the year 1865 when it is completed?—I will do so.

19. Will you enumerate the papers which you

have put in?—The first is the total value of the imports and of the exports of British produce into and from the United Kingdom in the year 1865. The next is the total tonnage of vessels entered and cleared at ports in the United Kingdom in the year 1864. Then there is the total value of the imports from and exports of British produce to India and other countries in the East, in the year 1865. Then there is the tonnage of shipping entered from and cleared to India and other countries in the East, in the year 1864. Then there is the value of the principal articles imported from and of British produce exported to India and other countries in the East respectively, in the year 1865.

Friday, 13th April 1866.

MEMBERS PRESENT:

Mr. Baillie.
Sir Charles Bright.
Mr. Childers.
Mr. Crawford.
Mr. Laird.
Sir Henry Rawlinson.

Mr. Schreiber.
Admiral Seymour.
Lord Stanley.
Mr. Stansfeld.
Mr. Turner.
Mr. Weguelin.

ROBERT WYGRAM CRAWFORD, Esq., IN THE CHAIR.

MR. THOMAS TAYLOR, called in; and Examined.

20. *Chairman.*] You are in the employ of the Great Indian Peninsular Railway Company, are you not?—Yes; I am the Registrar.

21. Have you any paper to put in showing the expenditure of that company upon telegraph service?—Yes (*delivering in the same*).

22. Can you state the point of junction between your railway system and the East Indian railway system?—Jubbulpore.

23. How far from Bombay will that be when the line is completed?—Six hundred and fifteen miles and a quarter.

24. And when do you expect that your portion of the line will be open for traffic?—In the spring of 1868.

25. How far is it open at present?—To Lall Bagh, 309½ miles from Bombay.

26. What will be the point of junction be-

tween your railway system and the Madras system?—Raichore, 440½ miles from Bombay.

27. When is it expected that your line will be open to Raichore?—In January 1869.

28. How much of it is open at present?—To Sholapore.

29. What distance is that from Bombay?—Two hundred and eighty-two miles and a quarter.

30. You have a line branching off from your north-east main line to Nagpore, have you not?—Yes.

31. What would be the distance of Nagpore from Bombay?—Five hundred and nineteen miles and a quarter.

32. When do you expect that that will be opened?—At the end of this year.

33. How far is it open at the present time?—To Budnaira, 411½ miles from Bombay.

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MR. WILLIAM EDWARDS, called in; and Examined.

34. *Chairman.*] You are in the service of the Madras Railway Company?—Yes.

35. The point of junction between your railway system, and that of the Bombay line, is Raichore, is it not?—Yes.

36. What distance from Madras would that be?—Three hundred and forty-seven miles.

37. When is it expected that that line will be opened?—In July 1869.

38. How far are you open at present?—We are open to Cuddapore, 161 miles from Madras.

Mr.
W. Edwards.

FREDERIC HILL, Esq., called in; and Examined.

39. *Chairman.*] You are Assistant Secretary to the General Post Office, are you not?—I am.

40. You have seen, I believe, the documentary evidence which was put in by the Post Office authorities the other day?—Yes.

41. Have you anything to add in the way of documentary evidence?—No, not at present; but if the Committee will allow me I will take the opportunity of correcting an important error in the printing, which is made in the first paragraph of No. 1 of the Appendix. It is there stated, in the last line, that the total cost of the India and China mail packets is 120,174 l.; it should be 220,174 l. In the next line the sum is correctly stated, 220,174 l.

42. May the Committee take these papers as containing the whole of the information of a

documentary character with which you have to supply them?—So far as I can at present see, unless in the course of examination something may suggest itself.

43. I see that Mr. Chetwynd, the Receiver and Accountant General of the Post Office, with whose estimate of the present cost of the India and China packet services these papers commence, assumes the present loss upon the Indian service to be about 48,000 l. per annum?—Yes.

44. Can you supply the Committee with the details of Mr. Chetwynd's calculations?—Yes; I have in my hand a paper in which those details are given, and I will hand it in if the Committee will allow me (*delivering in the same*).

45. Are the letters, upon which those figures are calculated, counted; are they taken on an

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average, or how is the number arrived at?—An actual account is taken of a certain number of mails, and the totals are multiplied so as to produce an estimate for the year.

46. In point of fact, the basis of the calculation, so far as the number of letters is concerned, is merely an estimate?—It may be considered an estimate, taking as the basis the actual counting and observation; from that, we calculate what the whole number of letters must be in the course of the year; knowing well, from experience, that the basis so formed is a safe one.

47. You think that you can rely upon it for practical purposes?—Yes.

48. Mr. Childers.] When you take one month or more as the basis of the calculation, do you take the weight of the letters, or count the number of letters, or the stamps on them?—I believe that in cases where great precision is required, they take the number of letters, and the postage upon each individual letter.

49. The actual stamps?—Yes, the actual stamps, or the money paid upon them.

50. Chairman.] Is it upon the same basis that the number of letters is calculated which is returned in the annual report of the Postmaster General to the Treasury?—No; the number that is given in that annual report is not, of course, confined to the Indian mails or to any mails; that is a return of all the letters that are delivered in this country, whether inland, foreign or colonial.

51. I recollect having seen, in that report, a statement that the number of letters passing between this country and India is so many, and of those passing between this country and Australia so many?—Yes, that has been mentioned from time to time; but it does not form part of the return which I supposed the question to refer to. The letters between this country and India or Australia would be reckoned from a basis obtained either by counting or weighing the letters in a certain number of mails. We know, by experience, that a pound weight of letters contains a certain number of letters, therefore, if we have the weight, we can calculate the number of letters with considerable precision.

52. Mr. Childers.] Then that calculation is not from the actual number of letters or the stamps on them, but from the weight of the letter part of the mails?—I cannot say which it is; but whether one way or the other is taken, we are quite sure that the result is a fair one.

53. Chairman.] Are the letters of the Government and the public despatches generally carried free, or are they charged with postage?—They are charged with postage.

54. How is that postage levied; are stamps affixed?—Not as respects letters from our own Government offices. It has hitherto been the practice, I believe, at the India Office to put stamps upon the letters; but it is a practice which, I believe, they are about to discontinue as productive of unnecessary trouble. But the the practical result of course is exactly the same, whether they put stamps or not.

55. Have the letters that are despatched from the India Office to the Indian Government stamps upon them?—Yes; hitherto, I believe, they have generally put the actual stamps upon them.

56. Should you refuse to forward letters in the Post Office if they were not stamped?—No.

We do not refuse to forward unstamped letters to India, and have not for a long time, even from private persons, and still less should we do so from a Government department.

57. With regard to Government letters which come from India, do they arrive stamped?—I believe they have hitherto generally arrived stamped from India to the India Office.

58. Then the revenue in either case, so far as it is derived from stamps, goes into the account of the country in which the stamp is affixed?—Exactly; whether with stamps or without stamps, the financial effect is exactly the same.

59. Do you draw any distinction between the Marseilles and Southampton part of the mails?—We draw this distinction, that the letters sent *via* Marseilles bear a heavier postage than those sent by way of Southampton.

60. I mean whether they are equally subject to charge?—Yes; there is no distinction.

61. Are bulky despatches of the Government passing by way of Southampton, containing printed documents, forms, and matters of that kind, subject to charge in the same way?—Yes; exactly the same.

62. Then, in point of fact, this sum of 48,000*l.* which is stated by Mr. Chetwynd as being the loss upon the India service, is the sum which may be said to represent the maintenance of the political connection between this country and India?—Political and commercial.

63. But the commercial part of it is paid in stamps, which the merchants affix to their letters? Yes, but those stamps are not sufficient to pay the cost of the service.

64. That 48,000*l.* is the whole of the difference?—It is the whole of the loss upon the India service, but is exclusive of the China service, which has always been ranged with the India service, by order of the Lords of the Treasury.

65. Would not the sum charged be a more proper term than loss, because the Post Office does not consider this as a matter of profit and loss, as a private individual does it?—Yes, we do exactly the same; we look upon the Post Office very much as a great commercial department.

66. Then it is a profit and loss department to the Government?—Yes.

67. And we may consider the Government then as carriers for the public?—Exactly.

68. Seeking, if they can, to earn profit out of it?—Yes; at any rate, guarding against losing.

69. £. 48,000 is, upon the whole, the charge to which the Imperial Exchequer is subjected for the maintenance of the postal communication with India?—No; 48,000*l.* is the loss, if you will allow me so to state it, which the Imperial Government and the Indian Government jointly bear, for the sake of the communication with India.

70. Is any adjustment made afterwards of that loss?—Yes, the Indian Government pays half of it.

71. Then the Indian Government pays half, in addition to the sum which they are bound to pay under the vote of Parliament?—The arrangement with the Indian Government is simply this: We keep the account; at the end of the year, we say: the service has been maintained at such an expense; the letters have produced so much sea postage; there is a balance in the account of loss amounting to such a sum; you pay half and we pay

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pay half; and they remit their share of the balance to us.

72. I suppose you could state what is the financial result upon each year for some time past?—Yes, certainly.

73. Would that bear out your calculation of 48,000 *l.*?—Yes; because, as I have mentioned before, the loss upon the China service is coupled with it. The 48,000 *l.* is the estimated loss upon the India service alone. But India is called upon to pay one-half of the loss upon the China service also. Therefore, the sum which they pay, of course, is not a half only of the loss upon the India service, but a half also of the loss upon the China service.

74. Mr. Childers.] Is not this the case, that the Post Office receives an account from India of the sea postage collected on all letters from India?—Yes.

75. The sea postage being the difference between the total postage on each letter and that part which is reserved for internal Indian purposes?—Yes. Out of every 6 *d.* they account to us for 5 *d.*

76. And out of that 5 *d.* we retain 1 *d.* for our own inland postage?—Certainly.

77. In the same way, on every letter going from England to India we retain 1 *d.* for our inland postage; and we account to the Indian Government for 1 *d.* for their inland postage, and the 4 *d.* is left for the sea postage?—Exactly so; on every single letter.

78. Therefore, 4 *d.* out of every 6 *d.* is the sea postage of all letters between England and India?—Yes.

79. And a similar proportion on letters between England and China?—Yes, except that the postage to China is 1 *s.* Therefore, the sea postage to China Proper is 11 *d.*, inasmuch as we make no delivery at Shanghai, and so forth; but to Hong Kong the sea postage is 10 *d.*

80. Then, on one side of the account is placed that 4 *d.* and that 11 *d.*?—Yes.

81. On the other side of the account is placed the whole of the contract service to India and China, and the transit service across Egypt and the agency?—Yes.

82. The difference between those two is halved, and one-half is charged upon India?—Exactly.

83. Is there not, however, one slight modification of that, that the service is credited with a certain proportion of the expense on account of the Australian mails?—It is so, on account both of the Australian and Mauritius mails.

84. So that you have on the one hand the 4 *d.* and the 11 *d.*, the charge on account of Australia and the charge on account of Mauritius, and on the other the contract and the transit?—Yes, and other miscellaneous expenses.

85. And the half of the difference between those two is charged to India?—Yes.

86. If, however, the Australian service were separated from the Indian service there would be no longer that credit on account of the Australian service?—No.

87. And in that case the Indian charge would be so much greater?—Yes.

88. Chairman.] I see it is stated in a letter which was addressed by yourself on the 14th of July 1865 to Mr. Merivale, at the India Office: "Sir Charles Wood is no doubt aware that the service to India, even as now conducted, entails a heavy loss, such loss amounting to not less than 0.43.

about 80,000 *l.* a year." How do you reconcile that statement, made in July 1865, that the loss is 80,000 *l.* a year, with Mr. Chetwynd's estimate that the loss is 48,000 *l.* a year?—It is simply that, in the one case the loss on the China service is evidently included, and that in the other it is not.

89. Are you not able to give us any detailed statement of what is the loss upon the Indian service as distinct from the loss upon the China part of the service, and upon the Australian part of the service?—Yes, we have estimated that.

90. Is the loss upon the Indian service greater or less in proportion to the amount paid under the contract than the loss upon the other two services taken singly or together?—I do not bear in mind the proportions. There is great difficulty in solving such a question, owing to the complex nature of our contracts with the Peninsular and Oriental Company. It is very difficult to say that so much belongs to the China service and so much to the Indian service.

91. By the term "sea postage," which is used in Mr. Chetwynd's Memorandum, are we to assume that, with regard to the 10 *d.* charged upon letters *via* Marseilles to India, the amount of sea postage is 6 *d.*?—No, 4 *d.* is the sea postage.

92. That is to say, upon every letter that is sent to India by way of Marseilles 10 *d.* is charged for the distribution of it?—The charge is, first, the sea postage of 4 *d.*, the inland postage at this end 1 *d.*, the inland postage at the India end 1 *d.*, and 4 *d.* for transit through France.

93. What is the amount asked of Parliament for the whole packet service this year?—£.821,164.

94. What is considered to be, what you term at the post-office, the loss upon the packet contract service?—Accounts are now in preparation to determine that with as much precision as possible for the last year; but I have no doubt, in my mind, that the accounts will show a loss of between 300,000 *l.* and 400,000 *l.*

95. That is to say, between 300,000 *l.* and 400,000 *l.* will represent the whole sum which the exchequer of this country has to bear for the maintenance of its postal communications with all parts of the world?—Yes, after taking credit for the postage.

96. Mr. Weguelin.] There was a return in 1853 in which the loss on the India service was stated at 47,036 *l.* Has there been any reduction of postage in the interval?—Yes, a large reduction. The comparatively small sum just named was the loss when the postage was much higher than it is now.

97. Can you state to the Committee what the reduction has been in that interval?—Yes; within the interval in question the postage of a half-ounce letter *via* Southampton, including an additional postage on India (vary with the length of the inland service) was, on the average, about 1 *s.* 3 *d.*, as compared with the present total charge of 6 *d.*; and *via* Marseilles, about 2 *s.* 11 *d.*, as compared with 10 *d.*

98. Mr. Childers.] If you refer to page 3 of the papers you will find that 47,000 *l.* was the loss upon the Indian, China, and Australian services; Alexandria, Calcutta, Hong Kong, and Sydney?—Yes.

99. That was the total loss on the whole of the Eastern service?—Yes; but when the Australian service was included (at that time a service of once in two months), the postage, as stated

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stated in the note, at the bottom of page 3, was much higher than at present.

100. *Mr. Weguelin.*] There was then a loss of 47,036 l.?—Yes.

101. *Chairman.*] Do you still maintain mail agents on board the steamers on the other side of Suez?—Yes.

102. They are generally officers of the Royal Navy, are they not?—Yes, they are always so.

103. Do you consider it necessary that you should keep a mail agent on board now that the contract is transferred from the Admiralty to the Post-office?—Upon the whole, we think it is desirable. We have sometimes had doubts upon the subject, but, upon the whole, we think it is desirable to have them there.

104. That forms a considerable item of charge, does it not?—Not a very heavy charge.

105. You have the payment of the salary of the officer, and you have his accommodation on board the steamer and his victualling to pay for, have you not?—Yes, we have, but then he has his half-pay, or whatever may be his Admiralty allowance, irrespective of our payment. Our payment is merely in addition to that. I think it is generally about 100 l. a-year that we pay, in addition to what must necessarily enter into the subsidy for his accommodation on board.

106. Do they have a mail agent on board the Cunard steamers?—No.

107. Have you not a sorting establishment with those steamers?—Yes.

108. In the event of a sorting establishment being established on board those packets to Bombay, would that sorting establishment be under the control of the English or the Indian Post Office?—No doubt, the Indian Post Office; our sorting, viz., that of the homeward mails is done chiefly in the Mediterranean. India is desirous of having the outward mails sorted, and, if that should be accomplished, it would probably be between Suez and Bombay that the sorting would take place.

109. Does that require a large amount of accommodation?—It does; and that has been one difficulty. Owing to the heat there prevalent, the Peninsular and Oriental Company are desirous of having all possible accommodation for their passengers; and, therefore, they could not so readily spare sorting rooms for us between Suez and Bombay as between Marseilles or Southampton and Alexandria.

110. If you had a sorting establishment on board, would that enable you to dispense with the services of the mail agent?—It would not make much difference in that respect, because we could not, of course, rely upon our sorting officers for nautical information. At present we are influenced very much by the report of the naval agent in deciding whether there has been cause beyond control in the case of any ship being too late. If the cause is not beyond control, we impose a penalty; if it be considered beyond control, we do not impose a penalty; and the report of the naval agent is our principal guidance in coming to a conclusion in the matter.

111. *Mr. Childers.*] Then, if the system of absolute penalties were substituted for the system of conditional penalties, the use of a naval agent would not be so great?—No, certainly not.

112. In all the tenders that you call for you give the option to the tenderer, do you not, to

state whether the penalties are to be absolute or conditional?—Yes.

113. Is it your opinion that the expense of the naval agents is greater or less than the value that you get from them?—That is a difficult point; I am disposed to think that in some cases the expense is greater than the value.

114. In the Eastern packet communication is that so?—I am not prepared to say.

115. Speaking of the sorting, is it the case that the Australian letters are sorted on the outward passage?—Not upon the outward passage but upon the homeward passage.

116. My question had reference to the outward passage?—No; excepting in the case of New Zealand.

117. There was a proposal, was there not, that they should be sorted between Galle and the eastern Australian Colonies?—I do not think it ever amounted to a proposal, but it has been suggested.

118. It has not been adopted at any rate?—No, it has not.

119. *Mr. Weguelin.*] Is there any mail agent between Southampton and Alexandria?—No.

120. There the sorters take the place of the mail agents, do they not?—Yes.

121. *Chairman.*] I presume the information that is contained in the tables with which the Committee has been furnished, with regard to the times of arrival and so forth, is that which is furnished by the mail agents?—No doubt.

122. *Mr. Weguelin.*] Do you not rely upon the log book as much as upon the report of the mail agent?—The log book being a document belonging to the owner and contractor, we could not safely rely upon it for determining whether the cause of delay was beyond control or not. Sometimes the captain and the naval agent are at issue upon that point.

123. *Chairman.*] I have asked those questions as regards the sorting on board and the mail agent, because it may be necessary by-and-by, in the interests of the Indian community, to have the letters sorted on board ship before they arrive at Bombay, and if it became a question as to whether they should have that sorting on board without a mail agent, or have a mail agent without the sorting; which do you, from your experience of the Post Office, consider would be most desirable in the interest of the public generally?—I should say that so long as the arrangement continues for levying penalties and granting premiums upon the present footing, the naval agent could not safely be dispensed with.

124. *Mr. Childers.*] That is the condition of the system?—Yes.

125. Going back to the question of the total cost, if the contribution on account of the Australian and Mauritius mails were not included, what would be, what you term, the loss upon the Indian and China service?—The contribution in the case of the Mauritius, of course, is small; the contribution in the case of Australia, I think, is rather more than 30,000 l.; putting the two together at 33,000 l., then the loss would be augmented by 33,000 l., and instead of being 82,000 l. as at present, it would become about 115,000 l.

126. Of that, 57,500 l. would be the loss charged to India, and 57,500 l. would be the cost to the Exchequer?—Yes, exactly.

127. *Admiral Seymour.*] I see that in the contract for the conveyance of mails there is an agreement

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agreement that a first class cabin, bed, and bedding, and all, is to be allowed to the agent, but I can see nothing about 100*l.* a-year; are you sure that there is an allowance of 100*l.* a-year paid to the naval agent by the Post Office?—That would not appear in any contract with the companies; they have nothing to do with that payment.

128. But the Post Office undoubtedly have?—Yes; perhaps I might be allowed to add that the naval agents in India get an additional 100*l.*; the allowance to them is more than 200*l.*, about 215*l.*

129. Mr. Childers.] That is not allowed from the company, but from the Government?—Certainly.

130. Sir Henry Rawlinson.] In the estimate for the packet service there are stated to be 18 agents at 215*l.*, and 15 at 125*l.*, exclusive of their naval half-pay?—Yes.

131. Mr. Weguelin.] Can you estimate the total cost of the mail agents as applied to India?—£2,795 is the cost in the shape of salaries to the naval agents on board the India and China packets; but I cannot separate China from India.

132. Can you estimate the other expenses which the country incurs in consequence of there being a mail agent on board each packet; what is allowed to the Company for his maintainance and for his cabin?—That would be a difficult question to answer; it goes into the subsidy, and we do not know how much the Company assign to that particular charge.

133. Admiral Seymour.] If anything goes wrong during a passage, whom should you look to to report that subject?—The naval agent would report it to our Naval Superintendent at Southampton, and he would report it to us.

134. If the vessels required surveying, and were not kept in proper condition, to whom should you look for that?—To the naval agent.

135. For any alterations which were necessary would you refer to the naval agent?—Yes; if he thought any alterations were necessary and required by the contract, it would be his duty to report them.

136. Mr. Stansfeld.] You calculate, as I understand, that the loss to India, if the Australian contribution were withdrawn, would be half 33,000*l.*, supposing England and India were to share the loss?—The additional loss, if the Australian and Mauritian letters were both withdrawn, I should say would be about 33,000*l.*

137. How do you arrive at that figure of 33,000*l.*?—We arrive at it in this way: we ascertain by estimate based upon real observations, as I have already mentioned, that a certain number of letters are conveyed to China, and a certain number of letters conveyed to India, in the same packets, and a certain number of letters to Australia and the Mauritius. Then, we ascertain, by an easy computation, that the average mileage of the service is so much; 4*s.* 6*d.*, I remember, is the average mileage of the service. Then, we say there are so many miles run by the packets between Southampton and Marseilles and Galle, the point at which the Australian packets branch off; and then it is a mere matter of calculation what is the fair charge for those letters as compared with the cost of all the letters, and that charge we debit to the Australian colonies and ourselves (we paying half the cost of the Australian service) and give credit for it to the Indian service.

138.

138. Then the 33,000*l.* would be the Australian postage, plus the Australian contribution?—Not the postage; the 33,000*l.* would be our estimate of the actual cost of conveying the Australian and Mauritian letters, as far as they go by the Indian and China packets.

139. But surely the loss to England and India, if you take them as partners in the concern, if you were to sever the Australian service from the India service, would be the loss of the postage plus the loss of the Australian contribution?—No, I do not see that; if the postage were to be tenfold it would not, in my estimation, make any difference in the particular amount which we are now considering. Say, for instance, that there are 5,000,000 letters conveyed altogether by the Indian and China packets, and say that the cost of conveying 5,000,000 letters is so much, and say that 1,000,000 of the letters are on account of Australia; then the cost of conveying the Australian letters is one-fifth part of the whole cost of the conveyance of all the letters.

140. Mr. Childers.] If you had not the Australian and Mauritius letters to convey as far as Aden and Galle, you would still have to pay just as much for the Indian letters, would you not?—Exactly.

141. Therefore all that you can get out of the Australian and Mauritian letters is to the good in the Indian contract?—Exactly so.

142. And the amount that you actually do get and credit to the Indian contract is this 33,000*l.*?—Yes.

143. You credit that in the account?—Yes.

144. Therefore there would be that additional loss if that were not credited?—Yes.

145. Mr. Weguelin.] But you estimate the cost of the packet service from Galle to Australia, do you not?—No; the service from Galle to Australia is a separate contract, and has nothing to do with India.

146. Has it nothing to do with the China service?—No, the China service is connected with the Indian service.

147. Mr. Childers.] And then to elucidate it still more, the arrangements with respect to Australian letters is distinct from the arrangements with respect to Indian letters, is it not; that each side takes its postage?—It does.

148. So that there is no account between you and Australia, except for the moiety of the gross contract, and some small matters?—Yes; and some small matters; foreign letters and so forth.

149. Mr. Stansfeld.] If I understand you, you now credit the service with the proportion of the Australian postage fairly attributable to the transit from London to Galle, and you debit Australia with the 15,000*l.*, or whatever it is that is necessary to make up the proportion?—Yes. I should not however call it postage; it is part of the actual cost of the packets.

150. However, in this calculation of the extra loss, which would fall upon England and India if the services were severed, you assume that the services would be totally severed from London?—Yes.

151. And that loss would be very much diminished supposing the services parted only at Suez?—Certainly.

152. And it would be diminished by the greater proportion of that sum?—Probably so.

153. Chairman.] You have every year an adjustment to make, have you not, as between this

F. Hill, Esq. this country and India, and Australia?—Between this country and India; but, as Mr. Childers has mentioned, the footing of the Australian contract is different, and more simple.

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154. The whole of the vote for the India, China, and Australian service is 162,125 £., is it not, from which there is a deduction of 41,000 £., being the estimated proportion to be paid by the Indian Government?—Yes.

155. At the end of the year you have an adjustment to make with the Indian Government with respect to that 41,000 £.?—I do not know of any further adjustment than that estimate.

156. Do you happen to have a copy of the annual adjustment by you?—I have now in my hand an adjustment up to last March, which our Accountant and Receiver General has just handed to me.

157. Will you put it in in evidence?—Yes, I will do so.

158. With regard to the contracts with the Peninsular and Oriental Company, I suppose those contracts are the two several articles of agreement dated respectively the 1st day of January 1853, and the 7th day of July 1854, which have been printed already by order of Parliament?—Yes, and the one of this year.

159. There is one also for the conveyance of mails between Aden and Bombay?—Yes; they are all recited at page 17.

160. What is the object and intent of this contract of the 27th of February last?—The primary object is to discontinue certain surveys which are made of the packets, in consideration of the Company striking off 5,000 £. from their subsidy.

161. Mr. Childers.] And also to combine all the contracts into one, and reciting them together, is it not?—We took advantage of the opportunity of reciting them all together.

162. Chairman.] I see that some change is introduced with regard to the hours, in clause 9 of this contract, in page 20?—Yes. The object of that change is this. It is necessary that the undertaking should assume the shape of a certain number of days and hours, instead of the Company undertaking, as heretofore, that their boats should run at a certain speed (10 knots an hour), in order to enable us to apply the system of penalties and premiums.

163. Are the number of days calculated upon the contract rate per hour?—After consultation with the Admiralty, the Company undertook to provide ships that would run at the average rate of 10 knots an hour; but it is of course impossible, in navigation, to go in a straight line from one point to another. There are deviations; and after making a calculation of the time that would be required to make the voyage in a straight line, at the rate of 10 knots an hour, we asked the Admiralty what addition it would be reasonable to make for these deviations; they advised an addition of 5 per cent., and with that addition we completed the calculation. Thus we determined that the packets must arrive at Bombay, for instance, in a certain number of hours after leaving Suez. The object was to turn into a practical shape the undertaking to run at the average rate of 10 knots.

164. Do you consider that the service of the Indian mails has been conducted with regularity?—I do, upon the whole; considering the difficulties, the complex nature of the arrangements, the many points of junction, and the length of the

voyages, I consider that it has been performed with very creditable regularity.

165. Upon the whole, comparing the manner in which the Peninsular and Oriental Company have performed this contract with the services with other parts of the world performed by other companies under contract, you consider that the public interests have been properly protected and served?—I do. Their vessels arrive more frequently before the time than after the time; thus in the last two years 162 voyages have been performed before the time as compared with 126 voyages after the time.

166. But does not that show irregularity?—It does; but we must expect, in these great distances, a certain amount of irregularity.

167. But the irregularity has never occurred to the authorities of the Post Office being out of the way?—No. In many cases the after time is only a few hours.

168. Occasionally it has been the case, has it not, that the mails have not been delivered by reason of accident having happened to the steamers?—Yes.

169. They have been lost, or have otherwise suffered damage?—No mail was ever lost that was conveyed by this Company. Mails have been submerged for a time, but they have been recovered, and by a careful process of drying most of the letters have been ultimately recovered without any material injury.

170. And the contractors have always had supplementary vessels ready to take up the service in the case of vessels which have been lost?—There was lately one exception, but that is the only exception that I recollect. In that case the mails were transferred to a French ship which fortunately happened to be at hand.

171. I see, on turning to page 13, under the head of "Stoppages at Aden," the figure 2; does that mean that the contractors have the privilege of remaining two days at Aden?—At the time that this time-table was prepared, no doubt, they must have had that privilege.

172. And the time-table was a part of the contract?—Yes; but in point of fact, the stay is generally only a few hours; and in calculating the number of hours which they are to be allowed in going, say, from Suez to Bombay, that number is exclusive of stoppages, so that it would be an advantage to them to remain longer than is absolutely necessary; and the real stoppage generally, is about eight or nine hours.

173. It appears by the return, No. 7, on page 16 of the papers put in the other day, that in the year 1865, 48 voyages were performed between Suez and Bombay, and that 142,656 nautical miles were run. That would bring out I believe, 2,972 miles as the average distance run between Suez and Bombay both ways, and the result is an average speed of nine nautical miles an hour?—Yes.

174. It also appears as the result of the tables which are printed on pages 7, 8, and 9 of these papers, that the actual time taken in performing the voyages between Suez and Bombay has been, upon the average of 48 voyages, exactly 14 days, although I believe that a calculation which has been made will show that the distance performed at the average rate of nine nautical miles per hour, would bring the result to less than 14 days, exclusive of stoppages; can you have a calculation made upon this particular point upon the basis of those figures which I have quoted, of the

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time taken in performing the voyages between Suez and Bombay, taking Suez to Bombay, and the number of voyages performed in the year, as stated in No. 7 of the return, showing the exact number of days that would be consumed per voyage?—Yes, that calculation shall be made.

175. Because that calculation shows that the voyages have been exceedingly irregular as to time, but that the average is 14 days?—One considerable cause of irregularity is the monsoons; we allow more time when the monsoons prevail than when they do not prevail.

176. But the monsoon does not apply in the case of voyages from Suez to Bombay?—No, I suppose not.

177. But upon the whole, the Post Office has reason to be satisfied, you think, with the manner in which the Peninsular and Oriental Company have performed their contract?—Yes.

178. Turning again to Return No. 7 upon page 16, can you explain to the Committee the reason why the average speed per hour in nautical miles in 48 voyages from Suez to Bombay is nine, and in the case of voyages between Suez and Calcutta is ten?—No, I cannot; I will inquire into that point. This is the result of the actual performance; and when they have performed those voyages at the rate of 10 knots an hour, measuring in a straight line, they have done more than they have covenanted to do.

179. Why should they have done more than they covenanted to do upon the Calcutta line, than they have done upon the Bombay line?—I suppose that the greater importance of the Calcutta traffic induces them to have more powerful boats for that service.

180. You mean the importance of the passenger and goods traffic?—Yes, of the passenger traffic principally; our subsidy, large as it is, is small compared with that derived from their commercial traffic, and the receipts from passengers; it is not more than about one-tenth part.

181. Admiral *Seymour*.] Every vessel before she can be employed, is obliged to be able to go 12 miles an hour by the measured mile, in order to get to a speed of 10 miles an hour?—Yes; but it must be remembered that a mile here and a mile in the stormy seas in the East are very different things.

182. Mr. *Childers*.] Reverting to the calculation which the Chairman asked you to undertake just now, and to which I do not think your answer was quite clear, it appears by the return at the foot of page 16, that 48 single voyages took place between Suez and Bombay in the year 1865, and that the distance run was 142,656 miles; that gives, I think, 2,972 miles a voyage; and that at nine knots an hour, gives exactly 330 hours on an average of 13 days and 18 hours for each voyage; the other return would give an average of 14 days; so that the difference between the two is six hours; do you believe that to be the average time of detention at Aden?—That may be the explanation. Without inquiry, I cannot say absolutely that it is so; but very likely it is.

183. *Chairman*.] It appears from the correspondence that as long ago as 1860, proposals were made by the Director General of the Post Office in India to the Government for the abolition of the Contract Packet Service as between Aden, Madras, and Calcutta?—Yes.

184. And that, in consequence of the state of completion to which the railways are advancing,

that question has been much further discussed, more recently, in connection with applications which have been made to the Post-office by the mercantile community in London and other communities in India for the establishment of a weekly mail leaving London on a particular day in the week?—Yes.

185. What view does the Post-office here take of that proposition?—As respects the weekly mail, which is the most important part of it, the Post-office has long desired to see such a mail established. It would be much more convenient to ourselves, and, what we regard with greater interest, we believe that it would be very advantageous to the two countries.

186. Do they adopt the view that Bombay should be the main postal port of India?—Yes, certainly.

187. And do you consider that the abolition of the separate Madras and Calcutta sea postal contract would be advantageous, and that it is no longer necessary?—I do not think that at present such a discontinuance would make much difference in the cost of the service. So long as ships must go to Calcutta for the sake of freight and passengers, there is no doubt that our mails can be carried at a moderate expense. About that time, at the instance of the Indian Government, we proceeded to inquire, first, what the Peninsular and Oriental Company would strike off from their subsidy if they were relieved of the necessity of conveying mails to Madras and Calcutta; and we advertised, also, for tenders to ascertain what would be the expense of putting on two additional boats, in the calendar month, between Suez and Bombay. The Peninsular and Oriental Company told us that they could not take off 1*s.* from the subsidy; that it would make no difference to them; that their boats must still ply; and that whether they carried the mails or did not carry the mails, they must require as large a subsidy, on the whole, as they were then receiving. We advertised for tenders for the additional boats, but we received only one substantial offer, which was from the Peninsular and Oriental Company themselves. Their demand was, if I recollect rightly, about 60,000*l.*; and they stated, as the reason for demanding so large a sum, that there were not passengers and freight enough to maintain any additional ships upon that line, and that, therefore, they must look almost entirely to the postal subsidy.

188. Supposing the existing contract with the Peninsular and Oriental Company were at an end, do you imagine that if tenders were invited for the conveyance of a mail once a week, that is 52 times a year, from London to Bombay, the sum demanded would be as large for that service as it is now for the fortnightly service to Bombay and the fortnightly service to Madras and Calcutta?—I should expect that it would be considerably more.

189. The actual mileage run by the steamers would be considerably less, would it not?—Very likely, but that is a secondary consideration.

190. As a fact the distance run would be considerably less, because the difference would be the difference between the distance from Aden to Bombay, and the distance between Aden, Madras, and Calcutta?—Yes, the mileage would be much less, and so it was before when we found that, as I say, we should not save 1*s.* on one side, and that we should have a very great additional expense on the other. And moreover, of course,

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191. Taking the Indian service alone, unconnected with any other services, it would be a weekly communication between Suez and Bombay?—Yes.

192. Which in round numbers would be 52 times 3,000 miles.—Yes.

193. Upon the present footing of fortnightly communication to Bombay it would be half that and the distance between Aden, Galle, Madras, and Calcutta, stated fortnightly also?—Yes.

194. But surely the distance between Bombay and Suez 52 times would be much less than the sum of the other services?—Much less distance, but a much higher charge per mile, I should expect, for that distance; and that this higher charge would much more than counterbalance the saving in distance, I think, judging from past experience. I have no doubt that now, owing to the greater amount of communication with Bombay, we should have tenders to perform the service for much less than was the case four or five years ago, but still I should expect that, upon the whole, the cost would be very considerably augmented.

195. **Mr. Childers.**] Supposing that an additional fortnightly service between Suez and Bombay were substituted for the fortnightly service between Suez and Calcutta, still, so long as the China service is in existence, the only difference of mileage would be the difference between Aden and Bombay, and between Galle and Calcutta, is not that so?—Yes; so long as China is served *via* Galle; if it were found expedient to have the China service *via* Bombay and Calcutta, and then down to Singapore, so as to avoid Galle altogether, then it would be different.

196. You stated, did you not, that the Peninsular and Oriental Company offered to perform a weekly service to Bombay for an additional sum of 60,300 *l.* a year?—No; what I intended to say was that they offered to perform two more services in the calendar month, for about 60,000 *l.* additional.

197. That a weekly service, in the sense of a week being a fourth of a month, between Suez and Bombay, would cost more by 60,000 *l.*?—Yes.

198. But that was on the assumption, was it not, that the China service would continue along its present route?—Yes; but I do not think that that affected their minds. What they stated to me in conversation was that they must continue to send boats to Calcutta. Those boats, of course, would touch at Galle, but go on to Calcutta; and they said that our withdrawing the mails would not save them any expense, and they could not therefore reduce the subsidy.

199. But, even supposing the element of the steamers going to Galle and Calcutta were eliminated, still there would remain that additional charge that the China service would go by Galle?—Yes, at present.

200. Therefore, that is not the basis of calculation which the Chairman has put to you?—No.

201. Which is on the assumption that the service between Suez and Galle would undergo some change?—Yes.

202. **Chairman.**] But do you think that it would be fair, as regards the Indian revenues,

that they should have to bear a portion of the charge of conveying mails between this country and China?—That is a subject which has been fully considered by the Lords of the Treasury, and they have come to the conclusion that it is fair, and it has been the practice for many years.

203. That they should bear part of the cost of the transmission of the China mails from England, in which the Indian community have no interest at all?—The view taken by the Lords of the Treasury, as stated in one of their minutes, was that India has as great an interest in the communication with China, as this country has. If the Committee will allow me, I will read a letter from the Treasury upon the subject, dated the 21st of August 1856, addressed to the Postmaster General, which must have been when the Duke of Argyll held that office. “My Lord Duke, the Lords Commissioners of Her Majesty’s Treasury have had before them your report of the 4th instant, requesting further instructions relative to the account which is to be prepared, adjusting between the Imperial and the East India Company’s Governments the loss which has been incurred in the conveyance of the mails between the United Kingdom and the East Indies, and their Lordships have directed me to state that in laying down the principle upon which the expense of the postal communication with the East should be borne by the Indian and the Imperial revenues respectively, to which the East India Company signified its assent, it was stated that the entire cost would be 232,300 *l.* per annum, including the mail from Singapore to Australia, and the interests which the Home Government and that of India had in that service were stated as follows:—First. So far as the commercial relations of England and India were concerned, it was laid down that they were equal, but that so far as the political relations of India were concerned, that the cost in relation thereto should be borne entirely by the Indian revenue. Second. That so far as the commercial and political relations with China went, the latter existing exclusively for the former, it was laid down that the interests of England and of India were equal. Third. So far as the communications with Australia formed a part of this service, it was laid down that Imperial interests only were affected thereby. Fourth. Upon the whole, it was decided that the interests of this country and of India might be said to be equally affected by the service, putting the exclusive interest which this country had in the Australian communication as a set-off against the exclusive interest which the East India Company had in the political element of India, and that, therefore, the loss which might arise in the maintenance of this service, after the expense should be credited with the whole of the postage received, including that of the East India Company and the Home Government, should be equally divided. My Lords, however, advert to the fact that after this arrangement was made, and immediately before it began, the portion of the service from Singapore to Australia was suspended, and has not been again commenced; and that thus the balance of interests by which it was thought equitable that the loss should be equally shared has been disturbed. In the account furnished by the Admiralty of the actual expense of the service up to the end of 1855, a sum of 16,018 *l.* 16 *s.* 10 *d.* is deducted from the amount of the contract with the Peninsular and Oriental

Oriental Company, as stated in the minute of this Board of 7 July 1854, while the Imperial revenue has been charged with the sole expense of despatching those mails by other ships. It appears, therefore, to my Lords that strict equity will be done to the respective revenues of India and England, if to the sum of 227,100*l.* 12*s.* 2*d.*, advanced by the English Government, according to the Admiralty account, there be added the sum of 16,018*l.* 16*s.* 10*d.*, making 243,119*l.* 9*s.* 0*d.* as the Admiralty account, the effect of which will be exactly the same, so far as the East India Company is concerned, as if the original agreement had been carried out; that is, that they will pay a sum equal to one-half of the Australian service as a set-off for the political advantages derived by India. I am at the same time to state, with reference to your report of the 6th May last, that my Lords concur with you in opinion that the various charges enumerated therein should be added to the general cost of the service before the account is adjusted" (no doubt that alludes to the miscellaneous charges, the transit through Egypt, and the naval agents); "and I am to observe, with respect to the charge of 8,000*l.* per annum, which has been included in the account furnished by the Admiralty for the conveyance of the mails through Egypt, with a note stating that the same has not yet been paid, that my Lords suppose that this is a charge which has been defrayed by the Post Office. I remain, &c., *James Wilson.*"

204. Is that letter included in the correspondence which you submitted to the Committee the other day?—I think not. There is a prior letter on the same subject, dated 11th July 1854, a copy of which I will send to the Committee.

205. At the present moment what is the state of the case with regard to the establishment of a weekly mail to India?—The state of the case is this. The Post Office has been long in communication with the India Office upon the subject, a subject with which we have ourselves always associated an increase of the postage. We are of opinion that what is so desired on all sides could be done, if the postage were raised from 6*d.* to 1*s.*; not that that would meet all the loss, but that it would do a great deal towards diminishing the loss, and would more than meet the additional loss that would be incurred. I mean 6*d.* added on each route, whether by way of Southampton or of France. The India Office communicated with the Government in India upon the subject, and there was great delay in obtaining a reply from that Government; but at length an answer was received objecting very much to this increase of postage, desiring very earnestly to have the improved communication, but not seeming very anxious to pay anything for it. This reply came to us from the India Office, and in the letter containing it, or in a subsequent letter, Sir Charles Wood stated that he concurred in the objections to an increase of postage; that he was very desirous of seeing a weekly mail established, but that he did not like an increase of postage. That being the state of matters, the Postmaster General referred the question to the Treasury, with whom the decision, of course, ultimately rested. His Lordship stated, in effect, we have said all that occurs to us upon the subject; and the Indian Government seem to have stated their case fully, and now I leave it with you to decide what shall be done; and the decision which was come to, and which was communicated first

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to us, and then, by the desire of the Treasury, through us, to the India Office, was, that looking to the strong objections taken by Sir Charles Wood to an increase of postage, the Treasury were not prepared to insist upon that increase; but, at the same time, had decided that whatever additional expense might be entailed, by the establishment of a weekly service to Bombay, must be borne exclusively by the Indian Government.

206. What did the Indian Government say to that proposition?—They have hitherto said nothing.

207. Then, in fact, between the Post Office and the Treasury, and the Indian Government, the community are not likely to get the increased postal convenience that they asked for?—Not unless one party gives way.

208. Then, in point of fact, the profit and loss principle, which you stated at the commencement of your evidence, stands in the way of the Indian community getting this advantage?—Very much in the way.

209. Lord *Stanley*.] Do you not think that the English public, on the whole, is more interested than the Indian public (that Indian public being principally native) in rapid and cheap communication between the great centres of Indian trade and this country?—No, I should think not. I should think that the interests are about equal on both sides.

210. Is not the greater part of the capital which is expended in India, English capital?—I am not able to reply to that question.

211. *Chairman*.] I observe that in a letter written by Mr. Merivale on the 5th of October last at Sir Charles Wood's instance, at page 76, he says, "Sir Charles Wood, however, cannot regard the question as one merely affecting the charge on the Imperial revenues. It has been the perception of the bearing of increased postal communication on the wealth and progress of a country that has induced statesmen of late years to consent to fiscal sacrifices for the purpose of obtaining it." We may infer from that, may we not, that the Indian Office does not share in the profit and loss views of the Post Office?—I presume so; it is a fair inference, I think.

212. In fact you consider it, do you not, the duty of the Post Office to look at nothing but the question of profit and loss?—I do not say to look to nothing but that; but the Honourable Chairman will remember what the Chancellor of the Exchequer said a few days ago in the House.

213. Sir Charles Wood goes on to say: "There can be no doubt that increased postal communication with India implies increasing relations with that country, increased commerce, increased investment of English capital, increased settlement of energetic middle-class Englishmen; and from all of these sources the wealth and prosperity of England are probably more greatly increased than that of India; and at the present day there are classes in India, not private soldiers, to whom the increase of the rate of postage between the two countries would be not only a hardship, but a positive hindrance to their progress." Do not you think that those arguments by the Secretary of State for India are deserving of great consideration?—I think that any arguments from Sir Charles Wood are deserving of great consideration; but they do not lead me, at least, to the same conclusion. The same arguments appear to me to be applicable to

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to everything else; the conveyance of passengers and the conveyance of cotton, for example. In point of fact, it is protection that is asked for.

214. But do you really consider that those arguments which Sir Charles Wood has made use of here, and which I see support to a certain extent the question put by the noble Lord just now to you, ought to be subordinate to that profit and loss view which you take at the Post Office?—We take this simple view, that some one must pay for the service; and the question is, whether it shall be paid for by those who are chiefly interested in the communication with India, or whether it shall be paid by the taxpayers generally of this country and India.

215. The Committee are now to understand that at this moment the whole question of a weekly mail to India depends upon the question as to who is to pay what it is presumed would be the increased cost of communication?—That is my opinion.

216. But it is the fact, is it not, that the question is suspended for the present, pending the settlement of that point?—We consider so. We have received no reply from the India Office, and that office has not said that the Indian Government is prepared to pay the additional expense.

217. Sir Charles Wood objected to an additional postage being levied?—Yes.

218. And the Treasury supported him in that view?—I cannot say that the Treasury supported him in that view. The Treasury said that, seeing how strongly Sir Charles Wood had expressed his opinion, they were not prepared to direct that the postage should be increased, and they gave the Indian Government the alternative of paying the additional cost themselves.

219. But the Treasury would be perfectly willing to see this increased advantage given, provided the Indian Government will pay for it?—That is the tenor of their letter.

220. Mr. Childers.] Is not it the case that the Treasury, in objecting to the increased charge for the weekly communication to Bombay, have had, to your knowledge, in view the whole question of the communication with India?—I think so.

221. But the words of the Treasury, in page 81, are: "My Lords are not prepared to adopt such a measure at the present time, and they would not feel warranted in sanctioning the large increase"?—Yes; they would not feel warranted, unless the Government of India should think fit to defray the entire amount of that increase.

222. Are you aware that in preparing that letter the Treasury had under their consideration the entire question of the communications with India?—They had.

223. And the discussion upon this matter was whether, leaving everything just as it stood, it would be proper to add that large additional charge?—Yes, I have no doubt that was so.

224. So far as you are aware, there has been no decision by the Government adverse to the principle of a weekly mail for Bombay?—No, certainly not.

225. And, in fact, this Committee is inquiring into the whole question which the Treasury, by personal communication with the Post Office, were looking into when that letter was answered?—Quite so.

226. So that your answer must be modified so far that the only difficulty as to additional expense is the additional expense to the present

arrangements for the Indian Post Office?—Yes.

227. Sir Henry Rawlinson.] Does not an increase from 6*d.* to 1*s.* seem enormous, considering that the advantage is only an additional increase of communication to the amount of one-twelfth from 48 voyages to 52, and yet the postage of every individual letter is to be raised to double the amount, from 6*d.* to 1*s.*?—We do not consider the present state of things a proper one. We do not think it is right that the British public should be taxed at the rate of 40,000 *l.* a year for the sake of correspondence with India, and, therefore, the increase that we have proposed I, individually, should think right, even if there were no increased accommodation to make good that deficit; but the increased accommodation is very much more than one-twelfth; it is a weekly mail to Bombay as compared with a fortnightly mail to Bombay, and a fortnightly mail to Calcutta. That is a very much greater increase than one-twelfth in real accommodation to the public.

228. It is a considerable decrease of the mileage, is it not—a decrease of 12,000 miles a year?—I am speaking of accommodation to the public, and the public, of course, do not care about mileage; they would have their letters sent upon a fixed day of the week to India, and, under such a plan, the letters would arrive at the best possible point in India for their speedy distribution; and the gain to the public would be great.

229. Chairman.] In point of fact, the question of the additional expense has not yet been tested?—Not lately. I mentioned to the Committee that we tested it four or five years ago, but not very recently.

230. Do you see any reason why notice should not be given to the Peninsular and Oriental Company, and why the public should not be invited to send in tenders for the performance of the service from Marseilles to Bombay weekly, and a separate tender for the performance of the service between Marseilles and China and Australia, or to tender for the whole service together; in point of fact, why measures should not be taken by means of public tenders, for testing the question as to whether this improved communication would be more expensive or not than the present communication?—I do not think it would be wise to take that step until the measures are matured, and it is quite determined what to do; because I think that otherwise we should be placed at a disadvantage. I think that our present contract with the Peninsular and Oriental Company is an advantageous one, and that the terms are very moderate.

231. Admitting that the service is satisfactorily performed by the Peninsular and Oriental Company, and that the charges are moderate, how are you to get at the question of increased cost which sometimes there is so much difficulty to provide for, without taking some measures of that kind?—I think it is impossible at present; but the moment it is settled that the increased expense, whatever it may be, shall be met in one of the ways suggested, then we shall be in a condition to give notice to the Company, and to advertise for tenders, which is the only possible means of arriving at a safe conclusion as to what the cost would be.

232. The contract now is from year to year, and upon a year's notice, is it not?—Yes, it is.

233. And do you consider that a sufficient time to enable any competing parties with the Peninsular

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Peninsular and Oriental Company to make their preparations?—No, I do not. It is a great disadvantage which we are under, but an advantage which the Peninsular and Oriental Company have never taken advantage of. They have acted with great liberality and forbearance, in my opinion, but we are at a disadvantage in that respect.

234. But the public are, to a certain extent, in the hands of the Peninsular and Oriental Company, are they not?—To a certain extent; but at the same time I think that that could be met. In the recent case, for instance, of Australia, we were in a worse position, for then the Peninsular and Oriental Company might have terminated the contract at six months' notice. The way that we met that case was this. In the tenders we left it to the parties themselves to say when they should be ready to commence the service; and if a very good offer had been received from a substantial company not already in possession of ships, but prepared to expend the necessary capital in building ships, our intention was to go on, as well as we could, with private ships until this company's new ships should be ready.

235. Mr. *Wequelin*.] You had a contract with another company for the Australian service some years ago, had you not?—Yes, we had.

236. Was that conducted satisfactorily?—Very far indeed from that; it was conducted most miserably. It was as ruinous to the company as it was annoying and vexatious to us and disadvantageous to the public; in fact, it was a complete break down.

237. Mr. *Childers*.] You have given it as your opinion that the establishment of a weekly service to Bombay would result in additional expense?—Yes.

238. And you have done that on the understanding that we shall keep up the service twice monthly or fortnightly, whichever it may be by Galle to China?—Yes.

239. That service by Galle to China being also necessary for the once monthly or once in four weeks service from Galle to Australia?—Yes.

240. If the service from Suez to China were only once a month instead of twice a month, and that that would supply the Mauritius and Australian want, would not that, in your opinion, diminish the amount of the contract with the Company?—I think it probably would to some extent, but not to any large extent until the traffic with Calcutta is so diminished that they can take ships off from that line; that, I think, is the only way in which a material saving would be effected.

241. If instead of a twice-a-month service to China we had a once-a-month service to China connected with the once-a-month service to Australia, we should get credit for the whole amount of the Australian contributions, and there would be some diminution, if not a large diminution in the Peninsular and Oriental contract, would there not?—Certainly.

242. Is it not the case that there is between Europe and China a very efficient service by the French Company?—Yes.

243. That service, if I am not mistaken, is once a month, and not once in four weeks?—It is once in the calendar month.

244. If, however, that service was once in four weeks, and our service was once in four

weeks, and the Australian and Mauritius services were once in four weeks, connected with our service, would not that give the whole of the present postal communication which we have with China, and at the same time reduce the amount of what you call the loss?—Probably it would. Of course, however, we have not the gratuitous use of the French boats. We should have to pay a certain sum to the French Government; and if that sum were greater than the saving by the discontinuance of one of the services of the Peninsular and Oriental Company, then there would be no gain, but a loss.

245. At least, we should not suffer a part of the present loss?—I cannot say absolutely; I can only speak speculatively.

246. Do you think it might be wise, as one of the alternatives for meeting this increased loss upon the once-a-week Bombay service, to endeavour to use the French line of mail communication for part of our China service?—I think that we might do, with respect to the French Government, as we did with Belgium; that is to say, so frame our tenders, when we call for the service, as to enable, I will not say the French Government, but the French contractors, for it is not the French Government, to compete and make a tender.

247. And to compete for one, if not for two, of the monthly services?—Yes.

248. Do you believe, as far as you are aware, that the French Company would have any insuperable difficulty in substituting a four-weekly for a monthly service?—I cannot say.

249. Have the Post Office ever had any negotiations with the French Company on the subject?—None. If the French Government were called upon to increase their subsidy in a like proportion, that is, by 1-12th, I should expect that they would have great difficulty, because their subsidy is a very heavy one; it is more than four times that which we pay to the Peninsular and Oriental Company.

250. But you would not exclude from view in any future arrangements, particularly if they comprised a weekly Bombay service, the possibility of saving something through the means of the efficient French service?—No, I should anxiously endeavour to include that service.

251. And is it your opinion, upon the whole, that such an arrangement may offer some prospect of diminishing the loss?—Certainly.

252. With reference again to the service between Galle and Calcutta, you are aware, are you not, that at the present time the railway is not completed between Bombay and Calcutta, or between Bombay and Madras?—I am.

253. Is it not the result of that state of things that passengers returning from Madras or Calcutta to this country, ladies particularly, as a matter of course must go round by Galle?—It is a matter upon which, of course, I can have no precise knowledge; but I presume that very many would prefer going round by Galle.

254. As you said before, is it not the case of the Peninsular and Oriental Company that they must keep up that service between Galle and Madras and Calcutta on account of their passengers?—That is what they said when we last asked them about it.

255. But when the railway is opened from Bombay to Calcutta, and from Bombay to Madras, would there not be an alternative route for passengers through the shorter sea voyage to Bom-

bay,

F. Hill, Esq. bay, and a very pleasant railway journey to Calcutta?—A journey; but whether pleasant or not is another question; it is one I should not like to perform myself.

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256. At any rate, any objection which the Peninsular and Oriental Company raised some years ago to reducing the price of their contract, because they must keep up passenger-boats from Galle to Calcutta by railway, would be considerably reduced when the passengers were carried from Bombay to Calcutta?—I have no doubt from all I have heard from Indian officers and others on the subject that that would be the case.

257. Therefore, would it not be prudent to postpone any definite contract between the Indian Government and with the Peninsular and Oriental Company for the service to Bombay until they were assured as to the probable passenger service between Bombay and Calcutta?—I think it would be prudent to defer entering into any permanent contract, that is to say, for a long series of years, but if the contract were terminable as our Australian contract is, upon a notice of two years, I do not think that there would be any necessity for delay.

258. When you use the word "permanent," would it not be prudent to delay any permanent arrangement for the service between England and Bombay with the Peninsular and Oriental Company, or with any Steamboat Company, until there were the means of testing what would be the facilities for passenger traffic from Bombay to Calcutta?—Certainly.

259. And if those facilities should be greater, do not you think that the Peninsular and Oriental, or any other Steamboat Company would be able to tender for much less than what they said some years ago they would tender for for the additional service to Bombay?—No doubt that would be so.

260. *Chairman.*] We have it in evidence that the line of communication between Bombay and Calcutta, and also between Bombay and Madras, will be completed within a reasonably short time from now; do not you think it is desirable for us to take measures at once for forestalling that completion, so that when the communication is opened it may be immediately availed of?—I do, no doubt.

261. *Mr. Childers.*] And not to contract for a fixed sum for a long period until that question is tested?—Not for a long period; but if the contract were terminable upon a couple of years' notice that might be done.

262. *Chairman.*] Have you a printed copy of the Messageries Time Table?—We have a return of their actual performance of their voyages; we instruct our own officers to keep a record.

263. Have you got their advertised Time Table?—No, I have not.

264. Will you be able to procure it and put it in as evidence?—Yes.

265. Do you think that if we had a weekly mail from Marseilles to Bombay it would be necessary to keep up four despatches from Southampton to Alexandria monthly?—I do not think that alteration would make any difference. The Post Office inquired of the company, some time ago, what deduction they would make from their subsidy. At that time we had three boats from Southampton in the month; and they then said that they could strike off 5,000 *l.* a year, if I recollect rightly, (and my memory is generally

very good for figures,) if we would relieve them of one of those boats. My object in making the inquiry was to see whether we could not send all our mails through France as economically as sending a portion of them *viâ* Southampton; and I found that that deduction, as compared with the heavy payment that we have to make to France for transit through that country, would leave us greatly the losers by the change. Time went on, and a fourth boat was put upon the Southampton service, and I think we were called upon to pay 5,000 *l.* a year for that boat; and again the question arose. I think it was when I was about to go over to Paris to attend the Postal Congress. It has always been my wish to see the whole of the mails sent through France, and again I put the question to the Company what deduction they would make if we relieved them of this Southampton service. They said that they could not reduce the subsidy at all; that there was then traffic enough by the Southampton route to require all four boats; that they could not withdraw a boat even if we withdrew our mail; and therefore they could not reduce the subsidy.

266. *Chairman.*] Looking at it, not with reference to the cost of the service, but purely from a post office point of view, with reference to the public convenience in the transmission of the mails, do you consider that it would be necessary to have four mails a-month to Alexandria from Southampton, and *vice versa*, if you had a weekly communication from Marseilles to Alexandria?—Not irrespective of expense.

267. What is the general character of the despatches which are sent by way of Southampton, as contrasted with those sent by way of Marseilles?—First, all heavy official communications go by way of Southampton, and no doubt all the soldiers' letters, (and we know that our troops are numerous in India,) otherwise they would not be conveyed at 1*d.* a-piece; then there is, no doubt, an immense number of newspapers that go that way because they are charged more heavily the other way; and I presume that the poorer class of writers who do not care much about time, and other writers, where they were not pressed for time, prefer the cheaper route.

268. Have you ever made any proposition to the French Government for reducing their rates of postage?—Yes.

269. What is the reply that they have given to you?—They do not meet our views.

270. Do they stick to the 4*d.*?—I do not say that they stick to the 4*d.*; the charge is not in that shape. They charge us so much (10*d.*) an ounce; and knowing that there are more than two letters to the ounce (in fact, there are about three letters), we charge the public 4*d.* for a half-ounce letter.

271. And the French post office take your return, I presume, of what you send?—Yes, they do; and we take their return, in similar cases.

272. They have no means, have they, as your mails are closed, of ascertaining for themselves what are the contents of the mails?—No; but if they take our accounts we take their accounts of the mails, which they send by our packets to America, India, and elsewhere.

273. *Mr. Weguelin.*] You have been asked by the Chairman whether an arrangement could be made with the French Government or the French Messageries to carry once a month, and you have informed us that the subsidy given by the French Government

Government is four or five times the subsidy given to the Peninsular and Oriental Company?—Yes.

274. You infer from that, I suppose, that the loss to the French Government must be greater than our loss in carrying the correspondence of the country to the East?—Yes.

275. Therefore, if we divide our correspondence, and one quarter goes by the French steamer, the French Government would be bearing, in point of fact, one quarter of the loss which we now incur, or should incur, if we had a weekly communication ourselves?—I cannot say that. Whatever we might pay them would be in diminution of their loss.

276. But still they would suffer a loss from it?—Yes, from their packets, I should think a very heavy loss.

277. Do you think that it would be a permanent arrangement with the French Government, and that if we depended entirely for one portion of our communication upon them, they would continue to carry our correspondence and yet suffer a loss by it?—I think they would only be too happy to continue to carry our correspondence, because it would be really no loss to them—it would be a gain. Every pound of letters that we sent by their ships would be so far a diminution of the loss arising from their subsidy.

278. Might they not say this: This service costs us so much, and that divided upon the correspondence would come to so much an ounce or so much a letter, and we call upon you, as you depend upon us, to pay us so much an ounce?—Yes, but they would call in vain; we should not listen to such an appeal.

279. And we would then have to substitute a service of our own?—Yes; and knowing that they would not drive us to it.

280. Our service is conducted, is it not, for about one-fifth of the subsidy which the French Government pay to their company?—Nearer a fourth; between a fourth and a fifth.

281. Mr. Stansfeld.] You stated, did you not, that the Peninsular and Oriental Company proposed to charge 60,000 *l.* a year for an extra fortnightly service from Suez to Bombay?—Yes, for two additional services in the calendar month.

282. Have you not had official communication with reference to a different and very much cheaper offer which has recently been made to the Government of Bombay?—Yes.

283. Do you recollect the terms of that offer?—Yes; 24,000 *l.* a year, but at a speed of only eight knots an hour.

284. That is one knot per hour lower of speed than the present, is it not?—Two knots.

285. I thought you stated that the average speed to Bombay was only nine knots?—They are bound to have boats able to run at a speed of ten knots an hour, but as I say, of course they cannot navigate in a straight line; and when you come to judge of the actual performance, you must not expect that boats able to run at ten knots an hour will perform the voyage at that speed; but they are bound to have boats that can run at that speed, and they are now subject to penalties and premiums founded upon that calculation. That system has as yet been in operation only a short time, but during that time their premiums have very considerably exceeded their penalties, showing that there is a *bonâ fide* performance at that rate.

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286. Do you remember whether in the proposal of the Bombay and Bengal Company, as I think it was called, they intimated their expectation that after a certain time they would be able to ensure a greater speed?—No, it did not come to us in that shape; all our knowledge is from an official letter from your own office, informing us that the offer had been made, the nature of the offer, and that it had been rejected.

287. At any rate, the offer was very considerably lower, being 24,000 *l.* instead of 60,000 *l.*?—Yes.

288. As I understand it, your expectation is that if we were to endeavour to carry out a weekly mail to Bombay, it must result in an additional loss of charge, either to England and India conjointly, or to India alone?—Yes, certainly.

289. That you stated to the Committee as your impression?—Yes.

290. But you would not be prepared to give that as a positive conclusion?—No.

291. Your impression was founded, was it not, so far as figures are concerned, upon this offer of the Peninsular and Oriental Company to perform the service for 60,000 *l.*?—Not exclusively upon that; I took into consideration the time that had elapsed, the increasing traffic with Bombay, and other matters of that kind, and I then formed an estimate.

292. Did you take into consideration the 24,000 *l.* being the offer of the Bombay and Bengal Company?—Yes; but bearing in mind that it was for a lower speed, and knowing that increase of speed is purchased by a greater consumption of coal and increased cost of navigation.

293. Then your calculation of the probable increased cost was not at all a calculation of what might be the cost of an entirely new scheme of service; for instance, such a scheme of service as that which has been put to you hypothetically by the Honourable Secretary to the Treasury?—I have allowed for that as well as I can, but as I have said I should not be very hopeful upon the subject. It would be very desirable to bring the thing to the test of actual experiment; but considering what we should have to pay to the French Government on the one hand, I should not be very hopeful of any very large saving or of any saving, but on the contrary, I should expect an increased expense so long as the Peninsular and Oriental Company are obliged to send their large and powerful ships to Calcutta; and I am unable to say when they would be able to discontinue them.

294. One of the questions of Mr. Childers had reference to the time when the railway from Bombay to Calcutta, and from Bombay to Madras would be completed, when probably that view of the Peninsular and Oriental Company would lose much of its force?—Yes.

295. But then, on the whole, I understand your evidence only to amount to a general impression that, with all those things being taken into consideration, you could not get a weekly mail to Bombay without probably some additional cost?—Yes, a cost which I have estimated in my own mind at about 30,000 *l.*; and I can state to the Committee, briefly, how I arrive at it. The present cost of the packet services to India, China, and Australia, all of which are linked together, is, roughly speaking, 360,000 *l.* a year. These services now depend upon the calendar month; and so to alter them as to make them depend on the lunar

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month, would be to add one-twelfth to the duty. Instead of 12 voyages to Australia in the year, you must have 13; instead of having 24 to China, you must have 26; and instead of 48 to India, you must have 52; so that you increase in all cases by one-twelfth; and the Peninsular and Oriental Company have stated that they would be prepared to make that addition to the service for a corresponding addition to the subsidy; and that is one-twelfth. There you have 30,000 *l.* added to the 360,000 *l.*; but of that 30,000 *l.*, 10,000 *l.* has relation to the Australian service alone, so that you must strike that off, bringing the sum down to 20,000 *l.* Then, I estimate that there would be an increase of postage, even according to the present scale, from the increased frequency of transmission, and the improvement which would take place in this transmission; and I estimate that this increase would be about equal to the 20,000 *l.* Thus all that remains is the increase in the demand for the packet service by having the services to India entirely to Bombay, instead of alternately to Bombay and Calcutta; and that I put down this increase at 30,000 *l.*, which is one-half of what was asked four or five years ago, but somewhat more than is asked for a service at the rate of eight knots an hour.

296. That calculation is based upon the present contracts continuing precisely as they are, with the exception of the additional mails to Bombay? --Yes, together with the alteration from the calendar to the lunar month.

297. It is not based at all, as I understand the calculation, upon the hypothesis of a complete change of the system of postal communication?—If you call it a complete change, the alteration would be of that nature. I am not aware of any other change that could be attended with a saving of expense.

298. There is the change, for instance, of the employment of the French service?—Yes; they would come in as competitors.

299. Mr. Childers.] They are competitors now, are they not?—Yes; but they then might tender to us to perform all the services.

300. Surely, if you took off the fortnightly boat from Galle to China, that would be a saving of some kind, would it not?—If we took it off absolutely, it would, but if you merely use the French boat instead of an English boat, I cannot say, with certainty, that it would save anything.

301. According to your present calculation there is a loss, is there not, on the China service of 34,000 *l.* a year?—Yes.

302. If the China contract were made for one boat, instead of two boats, you would not suffer the whole amount of that loss, would you?—I cannot answer that question.

303. Probably you would not?—Probably not; but it depends much upon the requirements of commerce.

304. On the other hand, the employment of the French service, with the payment to the French Government, involves no loss at all?—It involves the payment.

305. That is the difference between the amount of the postage received upon the letters and the amount to be paid to the French Government?—Yes; we put the cost of the service on one side, and the amount of the postage on the other side. If we employ the French boats we must, either to the company who tender to perform the service, or to the French Government, according to our present convention, pay so much a year.

306. Which is no loss, because you get the postage?—Yes; we get the postage in all cases.

307. In the other case, you not only pay to the French company the amount of postage, but you pay something, which in the technical language of the Post Office, is called loss?—I think you will find that it comes to the same thing.

308. Mr. Weguelin.] You have an arrangement, have you not, with the boats from Belgium?—Yes, we have.

309. But the Belgium packet service is in the hands of the Government?—It is so.

310. It is not a contract service, I believe?—Not in the ordinary sense; it is with the Belgium Government.

311. They support it, do they not, at some loss, for the sake of maintaining a certain amount of naval service?—That is supposed to be so, but we have of course no absolute knowledge on that point.

312. Mr. Childers.] The Government themselves in that case are the contractors?—Yes; they placed themselves in the position of private parties tendering, and they made us a very advantageous offer, which was accepted.

313. Mr. Weguelin.] Do you think it would be wise or politic for this country to depend upon France for a portion of its communication to its eastern possessions?—I see no objection to that; they have to depend upon us for the larger part of their communication.

314. Do you think that, as a general rule, it would be advisable?—Yes, I do not see any objection to it.

315. Either in peace or in war?—In case of war some temporary difficulties might arise, but I think they would not be sufficient to deter us from using their boats.

316. And do you think that it would be a dignified proceeding on the part of this country to throw a portion of the loss that it suffers from its postal communications with the east upon the French Government?—I do not think it would be possible, however undignified it might be; I think that the French would say nay to any proposition of that kind.

317. Mr. Childers.] Is it not the case, with respect to South America at this moment, that we and France have an alternate fortnightly communication?—Yes, and we work very harmoniously together.

318. And it is the case also with respect to the West Indies, that we and France have communications which fit into one another?—Yes.

319. That is also the case, I think, with respect to the West Coast of Africa; we and France have a line of communication?—No, I think not.

320. Not to Senegal?—I think not; there was a Portuguese line, but we found it so irregular that we could not use it.

321. But with respect to the West Indies and South America, we alternate with France?—I should hardly say that we alternate with them with respect to the West Indies; we send letters by their boats which go there; but with respect to Buenos Ayres, Monte Video and Brazil, it is a regular alternation.

322. Mr. Weguelin.] The original position was this, was it not, that the French Government having established those lines, not for the sake of profit or loss, but for reasons of State, with which we need not interfere, we encourage that course of proceeding on the part of the French Government by coming in and bearing a portion of the loss which they incur by supplying them with a portion

portion of the correspondence which otherwise would be carried by our own vessels?—Yes; we encourage them in that way; but not nearly to the same extent to which they encourage us by employing our boats, which they use far more than we use theirs.

323. Because they find it profitable to do so?—Yes; and that would be our motive for employing theirs.

324. Mr. Childers.] Did we not, for many years, run alternate contract boats with the American Government, with the Cunard line, and the Collins line?—Yes.

325. That was never looked upon by the Post Office as a disadvantageous arrangement, was it?—No.

326. Mr. Weguelin.] Has the Collins line been subsidised by the American Government?—Yes.

327. What was the subsidy, as compared with ours?—I do not know.

328. Mr. Stansfeld.] You read a letter of the Treasury in 1856, stating their view of the quality of the interest of India and England in the China mail, but you did not state whether that view was acquiesced in, except so far that it was submitted to by the Court of Directors at that time?—We have no reason to suppose that it was not acquiesced in; but any reply on the subject would not come to us; it would go to the Treasury.

329. Are you not aware that that decision was protested against, and was only submitted to it?—No.

330. Chairman.] In the event of the service being established between Suez and Bombay, as proposed, would there be any objection on the part of the Post Office, with the view to saving time to the vessel not calling at Aden?—None, whatever.

331. Does the contract with the Cunard Company leave a loss, or does it result in a gain?—A large loss; a loss of nearly 100,000 *l.* a year.

332. What loss does the Brazil service leave?—It does not produce any loss now; it is self-supporting.

333. What is it in the case of the West India Pacific service?—The West Indian service is attended with a heavy loss, about 80,000 *l.* a year; but the Pacific service is nearly self-supporting.

334. So that, in point of fact, the loss upon the India service proper, compared with those you have mentioned, is the least largest loss sustained in the case of any contract?—It is about the same as the West Indian loss.

335. Would the Post Office consider the question of the profit or loss upon the India service by itself, or would it take it into account in conjunction with the total loss sustained by the Post Office upon its whole business?—The Post Office is very much averse to loss of any kind on any part of its business; it is a constant object with us to diminish and ultimately to do away with loss. As regards the Cunard service, we lately served them with notice that at the earliest possible opportunity we should terminate their contract; and with the termination of that contract we fully expect that the present heavy loss will also wholly terminate.

336. Have you any objection to give the same notice to the Peninsular and Oriental Company?—I should have no objection, except for the reason that I have stated, that if we do so pre-

maturely, we may get into a scrape, and have to pay a great deal more than we do now.

337. In point of fact, the Peninsular and Oriental Company have the whip-hand of the Post Office?—Just so; but seeing how they have got the whip-hand of us, they have behaved with great forbearance and liberality.

338. Mr. Weguelin.] Has the Post Office now a contract with the French Company Government for an alternate communication with Brazil?—No.

339. Mr. Childers.] You have an arrangement with the French Government under which they send your letters?—Yes, we have an arrangement under which they send our letters, and they have an arrangement under which we send their letters.

340. Mr. Weguelin.] Is it a contract at so much a year?—No, we pay so much an ounce; we pay them 12 *d.* an ounce, and they pay us 12 *d.* an ounce.

341. Do they pay you anything different from what you charge the public?—Yes.

342. What do you charge the public?—That is different to different places. To the Brazils and the Argentine Republic we charge 1 *s.* per half-ounce letter.

343. In the case of your making an alteration in the postal service to the East on the same principle as the service to the West is conducted, would you contemplate making a contract with the French Messageries Impériales Company, or with the French Government?—I think the best way would be, as I say, so to frame our tenders that the Messageries might make an offer, and if their offer as a company were more advantageous to us than the terms under which we can send letters by means of the convention, we should accept their offer.

344. Do you think that it would be an equitable thing on the part of the Government that a company which is subsidised at the rate of four or five times in the way which the English company is subsidised, should be allowed to compete on the same terms for the carrying of the mails?—I do not see any departure from equity in that matter.

345. So that you see no inconvenience, in short, in this country giving up its whole postal service to India, provided the French Government would bear the loss which is now incurred by the Post Office in carrying the mails?—As that is not yet in contemplation, I would rather not give an opinion upon it.

346. You say that you see no inconvenience in contracting upon equal terms with the French Government and with an English company which is subsidised at about one-fourth of what the French company receives?—No, I do not see any objection whatever.

347. From that the natural inference is, that we might give up the whole of our service with India, provided the French Government would bear the loss which the Post Office now incurs?—That does not necessarily follow, in my opinion.

348. Chairman.] Is there not some difference between a partial use of the French service and the entire use of it?—Yes; it may be of extreme importance that, periodically, we should have the means of sending Government despatches by our own boats.

349. Mr. Weguelin.] What interval would you like to have between the communications with the

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F. Hill, Esq. the East by means of our own steamers; once a month or once a year?—I have not been required to consider that point.
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350. *Mr. Childers.*] You consider that the last course to take would be to give the Messageries an opportunity of tendering for the alternate service?—Yes.

351. You would not exclude, of course, the answer of the French Government, if they would agree to a rate upon letters for the alternate service?—There is no occasion to put that question, because we have it in the convention that we are both bound to carry letters for each other.

352. For the alternate service once in four weeks instead of once a month?—No.

353. Probably it would be prudent to ask that question before anything was definitively done?—Yes; I think it would.

354. *Chairman.*] One word with regard to the Italian route; have you anything further to say or to put in with reference to the proposal which has been made with respect to utilizing the Italian system?—No, nothing further; we are waiting now for the report of Captain Tyler.

355. Upon reading the correspondence, may we not assume, as the conclusion to which it brings us, that so long as the communication over Mont Cenis is incomplete, and so long as there is only a single line of railway from Turin, or rather from Susa to Brindisi, it is hardly worth the while of the English Government to pursue a negotiation having for its immediate object the substitution of Brindisi for Marseilles as the port of departure for Alexandria from Europe?—That is our opinion as regards Mont Cenis; but whether it is necessary to require that the lines should be made double is a question upon which Captain Tyler will report.

356. You are waiting then for his report?—Yes.

357. And therefore now, probably, we may arrive at the conclusion that 15 hours is the largest amount of time that would be saved by using Brindisi?—No; we expect a larger saving in time than that; 31 hours.

358. At the present moment is not that the expected saving?—At the present moment we think that the probability is that instead of there being a saving of time, taking irregularities into account, there would be a loss.

359. Has any suggestion been made to the Post Office with regard to sailing from any other port in Italy than Brindisi, for the purpose of sending on the mails to the East?—Yes.

360. Has Naples been named?—Yes.

361. Does that come from any authority?—I know from personal conversation with Captain Tyler that he has a very good opinion of Naples, and I am inclined myself to think that the chances are in favour of Naples.

362. At the present moment the fact is that you are waiting for a final report from Captain Tyler?—Quite so.

363. *Mr. Childers.*] Is it not the case that one of the main objections to using the Brindisi route has been that at present there is no day mail from Paris to Italy?—I cannot say that that has been considered a main objection.

364. Has not that objection gone through the whole of the correspondence with the head of that department in the French Government?—Yes, with the French Postmaster General.

365. Has not one of the grave objections been that the route through Italy would involve

sending the letters from here in the morning instead of sending them in the evening, there being no day mail from Paris to Turin?—That is an objection, but not a very material one.

366. That clearly is an objection which in process of time could be got over?—Yes.

367. With regard to Brindisi itself, is it not the case that the Post Office are satisfied that for landing and embarking sufficient facilities would be found there?—At present the case is doubtful. The Admiralty report that Brindisi is a suitable harbour for such vessels as would be required for the Indian service, but on the other hand there is a report from a gentleman who was employed by the Peninsular and Oriental Company to survey the ground, who seems to have made a very careful examination, and from his report one would suppose that the harbour requires a considerable expenditure upon it before it would be ready in all respects for such use.

368. I suppose the effect of going from Brindisi would be that you would get some further competition for the Mediterranean traffic?—If we went to Brindisi, we should get one kind of competition, but we should lose another.

369. You would lose the Messageries?—Yes, we should lose the Messageries; and we should, no doubt, increase largely the sum which the Peninsular and Oriental Company would demand for the service. If we touched at Naples or Reggio, then the boats, both of the Peninsular and Oriental Company and of the Messageries, without deviating from their course, might readily take in the mails.

370. Is not Reggio a little nearer Alexandria than even Brindisi?—Yes, a trifle.

371. And Reggio would be quite convenient for the Peninsular and Oriental Company?—Quite so; but then the railway does not at present go to Reggio.

372. Do you know when the railway is expected to be finished to Reggio?—No; the matter is so uncertain that I could not venture to say.

373. It has been suggested that the line up the Tyrol will be finished within a short time, and that that route would be available as an alternative route; has that ever been considered by the Post Office?—No.

374. Has the line over the Brenner and by Verona been considered?—No.

375. If that line were available, you could then be entirely independent of France on this side of Alexandria?—Yes.

376. Your mails then would go through Belgium?—Yes, through Belgium and Germany.

377. That would also be the case if the project were carried out of conveying the mails over the Saint Gothard, through Switzerland?—Yes, as far as that particular alteration goes.

378. Which is now in contemplation by the Italian Government?—I am aware that it is. We go to Switzerland, at present, by way of France.

379. But you have an alternative service by way of Belgium, have you not?—Yes, we have.

380. *Chairman.*] Will you furnish the Committee with the printed time-table of the Messageries Company, and the table of arrivals and departures, which I think you are now supplied with by your mail agents?—Yes, I will put it in.

381. Will you also put in in detail the last annual adjustment of expenditure upon the Indian mail services?—Yes, it shall be prepared.

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Captain JAMES RENNIE, C.B., called in; and Examined.

382. (*Chairman.*) You were formerly in the Indian Navy, were you not?—Yes.

383. And you have been employed for some time at Calcutta?—Yes, in charge of the Marine Department of Calcutta for four years.

384. You have seen a great deal of service upon the southern coast of Arabia, have you not?—Yes, and in the Red Sea.

385. And you can inform by-and-bye what is the general character of the southern coast of Arabia for telegraphic purposes?—Yes, all along the south coast.

386. With regard to Aden, are there any reasons in your mind why, if possible, with a view of expediting the service, steamers bound from Suez to Bombay should not call at Aden?—I should say that certainly there are objections to their calling at Aden.

387. What are those objections?—Aden is a tidal harbour, and deeply-laden vessels, such as the Peninsular and Oriental Company's vessels are, cannot leave Aden at all times of the tide, so that any postal communication between Suez and Bombay is liable to from six to ten hours' detention from tide alone. And, in the second place, they cannot leave at night, or they very seldom do; they could not do it without risk, and they certainly could not go in at night without risk.

388. Have you considered the question of the establishment of a line of packets between Suez and Bombay?—I made it my special study while in charge of the Marine Department in Calcutta, and I brought it prominently to the notice of the Financial Member of Council, Sir Charles Trevelyan, pointing out what I conceived to be the very inadequate return that we got for the money spent upon the postal communication between England and India, and strongly recommending that the service should be remodified.

389. Was that representation made in an official form?—No, it was made in a demi-official note, which he informed me he had sent on to Sir Charles Wood.

390. Do you happen to have kept a copy of that communication?—No, I am afraid not.

391. What was the general view at which you arrived?—The general view was that a postal service ought to be a distinct one, entirely separated from the passenger and cargo service; that by placing vessels of superior speed upon the line direct to Bombay, without reference to the China mail, which might be included afterwards, there was nothing to prevent a weekly communication being kept up between England and Bombay in some considerably less time than is done at present.

392. How many days should you say?—My calculation is that there is nothing to prevent vessels running the whole distance at the rate of 12 knots an hour, or 300 miles a-day. I have not got the distances from Marseilles, but my calculation was that we should land our mails always on the morning of the 17th day. I have a memorandum upon the subject, which I shall be happy to put in.

393. What sized steamers do you contemplate employing?—I think it could be easily performed with vessels of about 1,600 tons, with about 450-horse power.

394. What consumption of coal do you con-
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template?—By the present improved system of using coal, it could be done with somewhat less consumption than is done now by the Peninsular and Oriental Company's ship. I should calculate about 2½ lbs. per indicated horse power.

395. Your idea was that those steamers might be so employed to run between Suez and Bombay, and *vice versa*?—Yes, in ten days. There would be nothing to prevent those steamers conveying passengers and a little cargo, as the whole of the space would not be occupied by the mails, and any passengers who chose to push on through Egypt in time with the mails, could always be conveyed on by them. There would always require to be one spare vessel at Suez, and she could load with 40 or 50 tons of packages, which most of the outward cargo consists of, and be ready to weigh the moment the mail arrives at Suez.

396. And there being weekly communication, the detention in Egypt would be of much less moment than now?—Yes.

397. Probably, many persons going to India would prefer to stay a week in Egypt, to see the sights of Egypt?—Yes, they would not be hurried through; they would, probably, take two or three days in Egypt. The Southampton steamers must continue for the general cargo, so that people doing it in that way, may go out quietly to Egypt, remain in Egypt a few days, and then go on by the mail.

398. How could the cargo go on if the steamers were to carry only light goods?—There would have to be two totally distinct services if they are to be performed satisfactorily.

399. Do you think that the establishment of a thoroughly complete mail service between this country and India is of sufficient importance to justify the establishment of it upon what would appear to be rather an expensive footing?—Unquestionably.

400. You have been a considerable time at Calcutta; can you state what is the general feeling of the mercantile community there with regard to the present service?—We have virtually only two mails a month to Calcutta, because the second Bombay mail is always delivered before the letters arrive by the steamer which comes direct to Calcutta.

401. Generally they are within a day or two of each other, are they not?—Generally a day or two before. The Bombay mail, of a week later, is generally delivered at Calcutta from one to two days before the Calcutta direct mail arrives, so that, virtually, we have but two services to Calcutta.

402. That is the Marseilles portion?—Yes; both mails go by Marseilles; but the Marseilles and Calcutta direct mail, without going to Bombay, comes round by Ceylon, and we only get these letters delivered two days after the receipt of those by the later steamer from Marseilles *via* Bombay. It is paying all that money for a service which is not rendered.

403. That is to say, a service from which the community get no benefit?—We get no benefit from it. At Madras I do not think there is more than from 12 to 18 hours' difference; so that, even at Madras, they derive only 18 hours' benefit, but nobody else does.

404. As far as the expenditure of money goes,
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the money that is expended upon the maintenance of the Madras and Calcutta line from Aden is, in your opinion, money thrown away?—Quite so, so far as the postal arrangements are concerned.

405. Is the community at Calcutta tolerably satisfied at the present time with the manner in which the Peninsular and Oriental Company performs its service?—I have nothing personally to say against the Peninsular and Oriental Company, but complaints are tolerably loud, I think, that the service is not performed satisfactorily.

406. Of course this Committee takes no cognisance of passengers' comforts, or the complaints of passengers, but the speed of the vessel is all they have to deal with; what is your opinion with regard to that?—I think it is notorious that the speed is disreputably slow upon the Calcutta line.

407. How long is it since you were in Calcutta?—I left two years ago.

408. Have you not heard of any material change for the better since you left?—No, not on the Calcutta line, but there has been a decided improvement on the Bombay line. They are keeping very good time on the Bombay line.

409. Mr. Childers.] You stated that you thought there were disadvantages in touching at Aden between Suez and Bombay; would not the effect of the steamers not touching at Aden be that there would have to be a much larger stock of coal kept at Suez?—The vessels that I propose to run would carry coal for the whole distance without requiring to coal at Aden, and the difference of expense to them from the best information that I can obtain would be about 15 s. per ton.

410. But would not the result of their not stopping at Aden be to require a much larger stock of coal to be kept at Suez?—Not for the mail steamers. It might or might not; but that would be no very great consequence.

411. Do you think that large steamers would run from Bombay to Suez and back again without coaling?—No, they would coal at Suez.

412. Do you know anything of the comparative price of coal at Suez and at Aden?—I think from the inquiries I have made that the price of coal at Suez would on the average be 15 s. per ton dearer than at Aden.

413. Have you taken into consideration what that would come to in a year?—Yes.

414. How much would it be?—I suppose that my vessels are to expend 500 tons of coal upon a trip.

415. Upon 52 trips that would amount to 26,000 tons?—Yes.

416. That would be an additional cost, therefore, of 20,000 l. a year upon coal?—Yes, probably it would be so.

417. £. 20,000 is a serious difference for the Government to pay, is it not?—I am not talking about expense, but of the necessity of improving the communication; you certainly must have to pay for it.

418. Mr. Weguelin.] You stated that the rate of speed of the Peninsular and Oriental boats between Suez and Calcutta was disreputably slow; does that mean that the company has not kept the time fixed by its contract?—I have not got a copy of the contract to refer to, therefore I cannot say.

419. Or does it mean that the rate of speed fixed by the contract is in the opinion of the community disreputably slow?—The rate of the

contract is too slow, and my belief is that the contract is so worded, that they take advantage of it, to keep time by running about eight miles an hour; that they are allowed too many hours of stoppages upon the route, much longer than is necessary, so that they can complete the voyage within their contract time at about eight miles an hour; but I am speaking of course under correction.

420. Would it be the interest, do you suppose, of the Post Office or the Admiralty, who supervise this contract, to make such a disreputable compromise with the Peninsular and Oriental Company?—I do not consider that it was disreputable at the time it was made.

421. I am referring to your term of disreputably slow?—I mean disreputably as compared with the speed that they are running between England and America on that postal service, or that the French steamers run.

422. Have you ever made any comparison between the two?—Yes.

423. Are you prepared to put in an exact comparison between, for instance, the Brazil line and this country, or we will say the Cunard line, which is supposed to be the quickest?—I could put it in if I could get the returns.

424. Have you seen the returns?—I see the time occupied by the Cunard line in running between Halifax and England, and I compare that with the time occupied by the Peninsular and Oriental Company between Suez and Calcutta.

425. Have you seen the returns between England and Halifax?—I see the weekly returns of vessels when they come in.

426. Have you seen also a return of the time occupied on the outward voyage?—I do not know that I have seen that; but the Indian Sea from my knowledge is admirably adapted for steam navigation.

427. There is this to be considered, is there not, that the coals taken in at Liverpool or at Halifax are perfectly fresh?—Yes; that makes a very great difference.

428. Whereas the coals at Aden and Bombay have had a long voyage in a tropical climate, and have been left in a tropical climate, and have lost much of their strength?—Yes; but on the line which I propose we should take in our coals at Suez, and they would not have been very much exposed. The consumption would not be very great, so that there would be no necessity for keeping a large stock. There is the railway across from Alexandria, and you can arrange for your coal with as great certainty as you can for coal from Wales at Liverpool.

429. Mr. Laird.] Do you know any vessel of 1,600 tons and 400-horse power going a distance of 2,800 miles with 500 tons of coal at the speed you have mentioned?—I have had an offer from a builder to prepare such vessels.

430. Do you know the quantity of coal taken by the New York steamers?—No; I do not know that.

431. The distance is about 2,800 miles, therefore very nearly the same distance as your proposed steamers would go?—Yes.

432. And you calculate upon a speed at about 12 knots?—Yes, at about 12 knots.

433. Do you know any vessel yet built, of the best kind, and with all the improvements that have been adopted, that can go at that speed per hour

hour with such a consumption of coal as you calculate?—I am informed that vessels which are built for the New Zealand service from New Zealand to Panama are capable of performing that speed with that consumption of coal.

434. We know that offers are made very often to do those things, but do you know of any instance in which it has been done?—I say that I do not know of any case in which it has been done, but I am quoting the opinions of eminent shipbuilders who tell me that they are prepared to build vessels capable of doing it.

435. But you cannot say that it ever has been done?—Not from my personal knowledge.

436. Do you know the amount of coal that is required to drive one of those vessels across the Atlantic at that speed of 12½ knots an hour?—No; I should think it would be very much more than I mentioned.

437. Mr. Childers.] Do you state that the postal service from Panama to New Zealand is performed at 12 knots an hour?—No, it will be very much slower; but the vessels are capable of going at that speed.

438. Are any such vessels contracted for; have any builders contracted to build them?—I am not aware whether they have or not. All I say is, that I have a letter in my pocket from a builder who guarantees to do it.

439. Do not shipbuilders sometimes guarantee a good deal?—I am connected with a ship-building yard myself, and we always perform what we guarantee.

440. Mr. Laird.] I presume you are aware that the Peninsular and Oriental Company, as has been stated to-day in evidence, have kept their time according to the contract?—Yes.

441. And that vessels in order to go at 10 knots average have to go at a speed of 12 on trial?—Yes, I should think so.

442. It is generally considered, is it not, that you require a speed of at least two knots more at measured mile than you do to make an average?—Yes.

443. Then vessels such as you have described would require a speed at measured mile and loaded of 14½ knots?—Yes.

444. It is a very difficult thing, as you are aware, to get that speed?—I should think that the French boats are not considered superior to the English boats. I suppose that the English builders would be able to build equally as good boats as those employed by the Messageries Impériales Company, and I know that in one of their vessels, in very moderate weather, with a very small amount of sail, we ran 337 knots in 24 hours, and we did 240 knots against a heavy north-wester in the Red Sea.

445. Can you tell us what their average speed is?—The average on that passage was very good indeed.

446. But can you give us their general average?—I have no returns from them, I only know what I saw performed; when I was on board one of their vessels, we certainly averaged over 13 knots an hour the whole way from Calcutta to Suez.

447. Sir Charles Bright.] What was the name of the vessel?—The “Cambodge” was the vessel, from Galle to Suez, the other was the first they put on the line, the “Erymanthe.”

448. Mr. Childers.] In your opinion, those French boats in those seas do good service?—Excellent service.

449. And that we should not do wrong to take advantage of them to some extent for the Indian mails?—I think most decidedly, that we should take advantage of them.

450. Sir Charles Bright.] Do you think that their coaling arrangements at Aden are better than ours?—No; nothing can be superior to our coal arrangements at Aden.

451. But they do coal their ships more quickly, do they not?—I should not think so; the coaling arrangements are all conducted by the same party.

452. Mr. Weguelin.] Are you aware how often the boats of the Peninsular and Oriental Company beat those of the Messageries Impériales in speed?—I should think never.

453. Have you never seen a return of that kind?—I know that we had a race with one of the Peninsular and Oriental boats on one occasion, and we beat her; I should think never, because the Messageries Impériales work up to their power, which the Peninsular and Oriental never do on the Calcutta line; to the best of my belief, lately they never have. I made one voyage with the Peninsular and Oriental from Suez to Calcutta, and we averaged 300 miles a day.

454. That was as good a performance as the French boat, was it not?—Not quite, but it was a very good performance.

455. In short, taking the bad and the good together, on the average, do you think the Peninsular and Oriental Company do their service as well as the Messageries Impériales?—Most unquestionably not; I do not want to throw the slightest reflection upon the Peninsular and Oriental Company; I believe that they perform their contract service, and that they keep to time; but the contract itself is what I complain of, as being an improper contract, and I have no doubt that the Peninsular and Oriental Company would be delighted to enter into a new one.

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Mr. RICHARD RANDALL, called in; and Examined.

456. Chairman.] WHEN will the East Indian Railway Company's line probably be opened to Jubbulpore?—In the course of next year.

457. What will be the distance from Calcutta

to Jubbulpore?—Eight hundred and fifty-four miles by the main line; and when the Chord line is finished, 794 miles.

Mr.
R. Randall.

ROBERT KNIGHT, Esq., called in; and Examined.

458. Chairman.] You have resided for some years at Bombay, I believe?—Yes, for 17 years.

459. In what capacity?—I was for the last 0.43.

seven years editor of the “Times of India;” prior to that I was in business in Bombay.

460. You have therefore had peculiar opportunities

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tunities under those circumstances of making yourself acquainted with the views of the Indian community upon all subjects?—Yes.

461. What is the opinion of the community generally in India upon the subject of their postal communication with this country?—I can speak with confidence as to opinion in India upon the subject—

462. Do you speak with reference to Bombay only?—No, with reference to all India; for as editor of the paper, of course I saw all the journals of the country, and they teemed with complaints upon the subject. There is but one feeling in India, that of profound dissatisfaction, from the Government downwards.

463. What were the grounds of the dissatisfaction that was expressed?—Whatever the contract time may be, there is a general impression in India that the mails are not carried with such rapidity as they ought to be carried. I have not had the advantage of seeing the papers lying on the table, but I took out from "The Times of India" a day or two ago, the time occupied by the Bombay mails *via* Marseilles in the last 12 months, I mean the mails from England to Bombay *via* Marseilles; and with the permission of the Committee, I will read those dates. I may say that, unfortunately, I differ from a great deal of Mr. Hill's evidence, and I should like to reply at length to it if I have the opportunity. The mail of December the 19th was just 27 days in transit at the finest period of the year, when from Suez to Bombay the sea is a mill-pond, yet 27 days was occupied in the transit. The next mail was 26 days, the next 24 days, the next 26 days, the next 24 days, the next 25 days, the next 26 days, the next 22 days, the next 23 days, and the next 24 days. Then came the good luck of the monsoon for the Company, and now, as their vessels were driven by a powerful south-west wind, they managed to do it in 21 days for six successive mails; but as soon as the monsoon was over it was again 24 days, 23 days, 25 days, 27 days, 22 days, 27 days, 26 days, and 26 days. I am neither an engineer nor a shipbuilder, but I think there is no one sitting here who knows anything of mail communication but must be under the impression that there is something wrong here upon the face of it. I have taken the whole season through, and find that it gives an average of 24 days and 13 hours for carrying the Marseilles mail from London to Bombay.

464. You apparently complain of the irregularity more than anything else?—It is pretty regular in regularity. As I have stated I am not able to say what steamers are capable of doing; but I have been reading for years upon this subject, and I find a speed talked about of 12, 13, or 14 knots, while I find that the average speed on the Bombay line is less than nine knots. We are under the impression that we ought to be very much better served, and that if there were any competition we should be better served.

465. Your complaint resolves itself primarily into this, that, however regularly the service is performed, it is performed at a rate of speed which, although in accordance with the provisions of the contract, is below what the community would have a right to expect in the present state of science?—Quite so. I say that the conviction in India is universal, from the Government down to the lowest member of the community interested in the matter, that the service is not

so efficient as it might be. There is the profoundest dissatisfaction, moreover, on our side of India from our being completely at the mercy of the Peninsular and Oriental Company with regard to the passenger traffic. I heard it stated here this morning that this Committee could not enter into the question of passenger fares, but you do so in the case of railways, and if you give a subsidy to a steamboat company, equal to a 10 per cent. dividend upon their capital, as you do to the Peninsular and Oriental Company, you virtually give them a monopoly of the line they navigate.

466. In what respect do you connect that with what I may call passengers' comforts; do you complain of the want of speed in the conveyance of passengers, or do you complain of the want of the comfort of passengers while on board the steamers?—We are entirely in the hands of the Peninsular and Oriental Company, so far as Western India is concerned, and if the public funds were at our own disposal, and the Lords of the Treasury confined themselves simply to the service from this side, which should start an independent service from our side, and under no circumstances give the Peninsular and Oriental Company the contract. Sir Bartle Frere, the governor of our presidency, himself told me (I am speaking from personal knowledge of the opinion of our society) that he thought it highly undesirable the present state of matters should last. The effect of it is, that the Peninsular and Oriental Company charge whatever they please for the transit of passengers. It is a consideration of no consequence to Indian merchants, but it is a most vital matter to the 10,000 officers of the Indian Army. It is frequently death to an officer of the Indian Army, who has, perhaps, a wife and children dependent upon him, to force him round the Cape, while he cannot get home in any other way from the extortionate charges of this company. He cannot get home by their vessels without plunging heavily into debt, and the company will take no second class passengers. I have tried on some occasions from motives of charity to get second class passages for individuals, but they refuse to give them as a matter of policy, while all competition is forced out of the field by the heavy subsidy which the Company derives from the Government. Of course that is not felt here, but if we were legislating upon the matter in Bombay we should immediately start a rival company, as the Americans started the Collins line, to teach the Cunard Company moderation. It is only 12 months since that, on behalf of a company in existence, with a fine fleet, I made a proposal to the Post Office, to establish an alternate fortnightly service from Marseilles to Bombay if they would give us the same subsidy which they pay to the Peninsular and Oriental Company. We were prepared to start the service within two months.

467. You mean to run in *quasi* competition with them at different times?—Yes, alternately to Bombay. If the Peninsular and Oriental Company ran one week we would run the next. I had not the slightest personal interest in the matter, it was taken up by me on public grounds.

468. That was a proposition made on behalf of the Bombay Company, was it not?—It was made on behalf of the British India Steam Navigation Company. When I told Mr. Hill I was prepared to make a tender of the kind he said, "It is useless to do so, because there is a resolution

tion of the House which requires that any contract shall lie upon the table of the House of Commons a full month." We could not come forward openly to compete upon the mere chance of success, because, if we did so, the Peninsular and Oriental Company would have run competing steamers with us upon the Indian Coast.

469. Of which the public would have the benefit, at your expense?—Not eventually; the subsidy being given exclusively to the Peninsular and Oriental Company precludes anything like a cheap service in India; the Company is too powerful for the interests of India. The pressure is not felt here, but it is felt bitterly there.

470. What is the course of dealing which you, representing Indian feeling, would suggest?—Let the Peninsular and Oriental Company continue its fortnightly service, but under no circumstances give the alternate week to them. Give us the same terms as you give them, and we will carry on the alternate service, and you will have a better service.

471. You have, probably, heard to-day a suggestion made that there should be a weekly service from Suez to Bombay; am I to understand that you would suggest that, in inviting tenders for that service, the parties shall be requested to tender for alternate weeks, so that there may be competition?—I am hardly prepared to say how it should be done; but under no circumstances should we remain as we are now, at the mercy of the Peninsular and Oriental Company, by a heavy subsidy being given to them for the exclusive carriage of the mails. And it seems to me only fair and just, as there is an expenditure of Indian money as largely as of English money, that Indian wishes should be consulted in the matter. I am sure that, if we had the conduct of our own finances, we should under no circumstances give an exclusive contract to the Peninsular and Oriental Company for the weekly service.

472. I understand you to suggest that it would be desirable that the Indian Government, either at Calcutta or at Bombay, should be empowered to enter into a contract there for their own service?—That has occurred to me as probably the wisest plan. Let the Bombay Government be empowered to form a contract for a fortnightly service, and the Peninsular and Oriental Company be excluded from tendering for it.

473. Do you think that that would be for the interest of the public?—I am sure it would eventually.

474. Is it not possible that the despair of the Peninsular and Oriental Company might under the circumstances lead them to make a very suitable tender as far as the public is concerned?—The Committee will pardon me expressing my own surprise that I have heard so much this morning about the cost of the mail service. Commerce waits on communications. It is not a question of what it costs; we shall come probably to having a mail service every two days to India, but one must have lived in India to understand with what severity the present state of matters presses upon the poorer part of the Anglo-Indian community; and when I say "poor," it is comparatively few of our own community who are wealthy. I do not know much of the legislation of this country, but I believe that, in the case of railways, you insist upon their carrying passengers by third class trains; and if you give the highway to India into the hands of a single company, you must do something, in

some way or other, to make them carry the servants of the Government, who are generally poor, upon reasonable terms.

475. Probably you see some difference between the case of a railway company, which has compulsory powers given to it, and that of a steamboat company, which is simply rewarded by payment for performing a particular service over a route which is open to every one?—But the route is virtually closed the moment you give the subsidy.

476. That is to say, you put them in a position to make much better profits than other parties?—Yes; the Peninsular and Oriental subsidy amounts to nearly 10 per cent., I think, on their capital, and what company can compete with them? If you will allow me, I will read a few words from a memorandum which I have with me, showing the cruel way in which this monopoly is made to press upon Bombay. It is a memorandum which I drew up upon the subject a few months ago: "The directors of this company simply know that Bombay passengers have no means of getting to Suez but by their boats. Let the reader who would know the extent to which the community of Western India is wronged by the Company, glance at the following comparative table of fares and distances: "From Suez to Bombay, a distance of 2,972 miles, or a 13 days' voyage, the lowest fare charged is 75*l.*; Suez to Madras, 3,987 miles, and 20 days, 75*l.*; while from Suez to Calcutta, which is 4,757 miles, and 23 days' journey, the fare is but 80*l.*; only 5*l.* more than is charged from Suez to Bombay."

477. Sir Henry Rawlinson.] What is the actual difference of mileage?—There is 1,800 miles difference, while they make the Bombay passengers pay within 5*l.* of what they charge Calcutta passengers.

478. Mr. Weguelin.] Is their greater competition to Calcutta than to Bombay?—There is the Messageries Impériales competing with them.

479. Chairman.] What is the fare now by the Peninsular and Oriental Company's boat from Suez to Bombay?—It has been reduced a trifle. "The charges upon the Bombay line were 5*l.* 15*s.* per day, while upon the Madras and Calcutta lines they were but 3*l.* 15*s.* and 3*l.* 9*s.* respectively." I speak before this Committee as representing the feeling of India, and I say that the Company's monopoly is crushing upon men in India, who constantly have to come home, with their wives and families, in search of health.

480. Your statement is that this arises from the fact that the Peninsular and Oriental Company possesses a monopoly resulting from the money-payment made to them?—Exactly so.

481. Mr. Weguelin.] That is to say, the Company receiving the subsidy are forced to charge a higher rate of passage-money because they receive the subsidy?—No; as the Company receive a heavy subsidy, they have a dividend upon their capital before they start, and so defy all competition; no one can compete with them.

482. You say that the subsidy amounts to 10 per cent. upon their capital?—Yes; it is about that, I think.

483. Are you at all aware what it costs per annum to sail a steamer?—No.

484. Mr. Laird.] You stated, did you not, that the Peninsular and Oriental Company perform their speed according to the contract?—I doubt it very much. I said they probably perform

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form their contract fairly, but I doubt, much doubt, whether the evidence which Mr. Hill gave this morning upon the point will bear thoroughly sifting. I have not had an opportunity of going minutely into the matter; I only know that, taking the arrivals of the mails for the last 12 months from England to Bombay, I find the average to be $24\frac{1}{2}$ days; and I am strongly persuaded that that is not within the contract.

485. What is the contract rate?—Ten miles an hour, I believe. It is unjust to compare for a moment so difficult and dangerous a service as the Atlantic, with so peaceful a service as the Indian Sea; for nine months in the year it is a mill pond that the Peninsular and Oriental Company's vessels go over.

486. *Chairman.*] Then I suppose you represent it to be the general opinion of India, that Bombay ought to be what may be termed the chief postal port of India?—Unquestionably.

487. And that when the railways are completed, you will be able to transmit letters from Bombay to Calcutta and Madras, and the north of India, without the slightest difficulty?—Yes; by the last Overland Mail we received notice that the Calcutta portion of the Bombay mail had been forwarded by express from Bombay, right through to Calcutta, in 4 days 13 hours.

488. And that involved land carriage, did it

not, as contradistinguished from railway carriage, for the distance between Nagpore and Mirzapore?—From this side of Nagpore; from Suez to Bombay it is 13 days' voyage, and from Bombay to Calcutta, as arrangements now stand, it is four to five days; while it is 23 days from Suez to Calcutta.

489. Is not the result of the evidence which we have had given us to day that when the railways are completed, the distance from Bombay to Calcutta will be, in round numbers, 1,400 miles, and that that, at 20 miles an hour, which is the speed at which the railway carries its passengers between Bombay and Delhi would be 70 hours?—Yes; while it is 23 days' steam from Suez to Calcutta.

490. Is not it your opinion that the inference to be drawn from that is that with such a perfect system of communication in India as the railway system will provide, the greatest pains should be taken by the Government here to provide an efficient service between Suez and Bombay?—Unquestionably, there can be no mails carried any longer by sea on the other side of India, it is out of the question. If the matter had been to be determined by a merchant's office, it would have been done long since; but governments are slow to move.

Tuesday, 17th April 1866.

MEMBERS PRESENT:

Mr. Ayrton.
Sir Charles Bright.
Mr. Childers.
Mr. Crawford.
Mr. Laird.
Mr. Moffatt.

Sir Henry Rawlinson.
Admiral Seymour.
Mr. Stansfeld.
Mr. Turner.
Mr. Weguelin.

ROBERT WYGRAM CRAWFORD, Esq., IN THE CHAIR.

The Hon. ROBERT GRIMSTON, called in ; and Examined.

491. *Chairman.*] I BELIEVE that you are the chairman of the Electric and International Telegraph Company?—Yes; I have been so since 1859.

492. Your company is one of the companies to which messages for transmission to India are delivered in this country?—Yes.

493. Will you describe to the Committee the course which is taken by your company with those messages after you have received them?—We speak direct from London to Frankfort, and we send messages by the Frankfort route in preference to the Berlin route, where we also speak direct, because between Berlin and Vienna there are many more internal messages belonging to those countries than between Frankfort and Vienna. A message when it gets to Frankfort is transmitted from Frankfort to Vienna, and from Vienna to Belgrade. There are other routes through Moldavia and Wallachia, but the Belgrade route is the best route, and so to Constantinople (I cannot say positively whether the Turks have any transmissions between Belgrade and Constantinople), and so through by the Persian Gulf to India.

494. You communicate through two channels with the Continent, the one by Berlin and the other by Frankfort?—Both cables go to Holland; but the foreign Governments give us direct wires, that is to say, they are never cut off, to both those places, Berlin and Frankfort.

495. Exclusive wires?—Yes, exclusive wires; they are never cut off. They are joined to the wires of our cables, and are never cut off. But we always send the Indian messages *via* Frankfort for the reason which I have given.

496. Your message is then sent from London without interruption either through Frankfort or through Berlin?—Practically, we send them all to Frankfort.

497. From Frankfort; am I right in presuming that they come under the management of what is termed the Austro-Germanic Union?—Yes.

498. Which takes the message as far as Vienna, does it not?—The real fact is, that it gets into the Austro-Germanic Union as it passes over our wires directly it gets into Holland; but practically it is Frankfort.

499. From Vienna does it not pass by a separate cable?
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rate system, termed the Servian System, to Belgrade?—There is a route through Servia.

500. But it is separate from the Austro-Germanic Service?—Directly it gets to Belgrade it is out of the Austro-Germanic Union.

501. Does the Austro-Germanic Administration extend as far as Belgrade?—Yes, and there it ceases.

502. From Belgrade to Constantinople it is in the European part of the Turkish system?—Yes, and still continues in the Turkish dominions until it gets to Fao at the head of the Persian Gulf.

503. The first repetition then is at Frankfort, is it not?—Yes, at Frankfort; but there is no reason why that should be the first repetition. If the foreign Governments were so minded we might speak right through to Constantinople, as we do very frequently.

504. Without the necessity of repeating anywhere?—Yes, without the necessity of repeating anywhere.

505. That would require, would it not, a wire throughout exclusively appropriated to your own purposes?—Either that or when we do speak they join up the wires. At night when there is no work on any of their wires they then sometimes join them up, and then we can speak direct through to Constantinople; and if there were a wire devoted exclusively to that work, of course we could always do so.

506. Did you not make a proposition to the India Office some time ago, stating that you would lay down a separate cable to the Continent if the Government of this country could procure you the exclusive use of a separate wire all through the Continent?—We offered not to lay down a cable, but give up a wire for that purpose if the Government would use their influence to get the Austro-Germanic Union to devote a wire for carrying the messages on. That was the letter which I wrote to Sir Charles Wood in 1863, I think.

507. I see in these papers there is a letter bearing your signature; it does not say to whom it is addressed; I presume it is to Sir Charles Wood. The first letter is dated the 5th of November 1862, and the second the 30th May 1864?—Yes.

508. Lord Wodehouse writes in reply to your letter,
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letter, "In reply I am directed to state that Sir Charles Wood is not as yet in a position to come to a decision on your suggestion, which, however, shall receive due attention when the arrangements in connection with the telegraph to India are more matured." Have you heard anything more of that since then?—No, practically I have never had an answer to that letter. I understand that it was placed in the hands of Colonel Stuart, who was then alive; but as nothing came of it, I asked Sir John Lawrence, who was then one of our directors, to speak to him, and he told me that Colonel Stewart's difficulty was, that it would be practically giving my company a monopoly. So I wrote to Colonel Stewart and said, "It is very ridiculous to say that you should not make one good route, on the ground that it would be so much better than the other routes, that it would become a monopoly; you should try to get 20 good routes."

509. I presume there would have been no objection on your part to any other company obtaining any similar concession?—No; the more routes there are, and the better routes there are, of course the better the service will be done.

510. The more facilities and the more business?—Yes, certainly.

511. In the case of your having to make reclamations upon the foreign Governments, to whom do you apply yourselves?—To the Dutch Government.

512. Are you in communication with the Dutch Government only?—Yes, only.

513. If the cause of complaint lies further on, do they pass the complaint on to the Austro-Germanic Union?—Yes.

514. Do you find a readiness to attend to complaints?—No; I think it is very unsatisfactory; and I think that the Governments do not attend to the complaints, practically, hardly at all; and there is very great delay before we get any answer at all.

515. Have you any means of putting your finger upon the place where the mistake was made, or have you any other method of arriving at the causes of complaints?—Only so far as our own lines go; of course we could tell if the mistake was made at Berlin, or if the mistake was made at Frankfort; but we could not tell anything beyond the point that they put it through to.

516. Can you furnish the Committee with the dates of the receipts at the various stations between this and India of the messages forwarded by you?—I have yesterday made out for the Committee the work of the last two months, and I know in particular cases the time of the shortest transmissions. The work has rather improved in speed during this month of April.

517. In the case of a complaint made to you in London by persons who have delivered messages to you for transmission, you communicate only with the Dutch Government?—We do not attend to the complaint of the receiver of a message at all. The contract is with the sender of a message, and, therefore, all that we do is merely a sort of act of courtesy. People are constantly coming (I am sorry to say it is too frequently the case) with messages that are unintelligible, and they ask us if we can give them any clue; we do our best; we have the slip examined, and the only satisfaction that we can give them is (and a very poor satisfaction it is) that it is as it was handed to us.

518. In the case of complaints with regard to messages which have been delivered to you for transmission, do you make your representation to the Dutch Government only?—To the Dutch Government only. We forward the complaint to the Dutch Government, and then they forward it to the next administration, and so it goes on.

519. That is to say you are not in communication yourselves with the Austro-Germanic Union or with the Turkish Administration?—We are with the Austro-Germanic Union, because Holland is one of the members of it, but not with the Turkish Administration.

520. Or with the Indo-European Administration?—No; nothing beyond Holland.

521. Then you have no means of identifying the causes of mistake or of recovering compensation beyond the Government to which you apply yourself?—Yes; we have. Holland applies them to the Austro-Germanic Union.

522. Then you in London do not make application?—Through Holland we do.

523. You receive, do you not, 5*l.* 1*s.* for every message of 20 words for India?—Yes, for India. That is nearly to the whole of India, to all the important places. There are just a few places where the charge is a little more.

524. Practically to Kurrachee, at all events, it is not more than that?—To Kurrachee, it is less than that, it is 4*l.* 10*s.* 6*d.*

525. Practically, to all India, then, it is 5*l.* 1*s.*?—Yes; to all important places.

526. Have you any objection to state to the Committee how much your company receives out of that money?—No; we get 3*s.* 6*d.*; the Austro-Germanic Union get 10*s.* 6*d.*, or as nearly as possible that; the Turkish get 1*l.* 8*s.*; and the Persian Gulf and the Indian lines get 2*l.* 19*s.*; which will make up the 5*l.* 1*s.*

527. Do you settle up with them individually?—With Holland entirely, in the same way that we make complaints to them. The balance is always, of course, very largely in their favour, and we settle with them every three months.

528. Where does the Turkish Government get its share from?—It is paid by the next telegraph administration, the Austro-Germanic Union.

529. Have you not occasionally sent messages by way of St. Petersburg to India?—Yes; I am sorry to say we have. It was a case with regard to which the Member for Liverpool made a complaint in the House of Commons. That was at the time when the Turkish lines were broken down, and we were officially informed from St. Petersburg that the line through Persia was open and working, and we sent those messages that way. From inquiries which we made, we believe that they went perfectly well through Russia, but when they got to Persia no further trace could be obtained of them; but the Russian Government are always pressing us now to send messages by that route, and they assert that it is the best way.

530. But, practically, your experience is quite the reverse?—We only had occasion to try it once, when the Turkish lines being broken down, and we being informed specially from St. Petersburg that the line was open, we sent those messages, and the result was, I suppose, that Jonadab, the son of Rechab, lit his pipe with them.

531. Did you select any particular messages for that experiment?—No; we sent whatever might have been given in to us.

532. Then you are aware, I dare say, of the fact,

fact, that those messages were very late in reaching their destination in India?—I fancy they did not reach it at all.

533. Have the Russian Government kept the money which you paid them for forwarding those messages which they did not deliver?—We paid the money, we had received it from the senders, and we paid it in the regular course of matters, and I suppose they paid the Persians.

534. Are you able to give the Committee any idea of the extent of the telegraphic business with India which passes through your Company?—Yes; in a rough way, I should put it at not more than 30 messages a day both ways; but then that would be including Sundays, because you cannot know when they come; messages come irregularly, at all sorts of times; sometimes you do not get a message at all, and then all of a sudden, as if they had been like a stream penned up somewhere, they burst upon you, and it is almost always at night, and it would seem as if they delayed them during the day for their internal messages, and then sent them when their wires were free. The greatest number that we have ever had in one day from India was 175, but then those, of course, were the accumulations of several days.

535. It is a matter of notoriety, that the public in this country were very much dissatisfied with the manner in which the Indian messages were carried to and fro until recently. Has not there been a considerable improvement within the last month or two?—Just lately, there has been an improvement, as you will see when you look at this paper, which I beg leave to hand in (*delivering in the same*); there has been a great improvement just lately, we have had a message from Calcutta to London in an hour and 50 minutes. That was a message from Sir John Lawrence to Sir Charles Wood, and, that being a Government message, they probably gave it precedence.

536. Mr. Childers.] Is that allowing for the difference of longitude?—I am taking English time in both places. The reality is that it would be seven hours and 50 minutes, but, taking English time, one hour and 50 minutes. A few days ago we had a message very quickly from Sir Jamsetjee Jeejubhoy at Bombay to Messrs. Garrard in about four hours. That would be really 10 hours, but there is no reason if the lines were in English hands, and we could do what we liked, that it should be more than so many minutes.

537. Chairman.] Have you any suggestions to make to the Committee as to the method by which our telegraphic communications with India could be improved?—The best course would be to get as many alternative routes as possible. Although we have had bad luck with that Russian line, still the Russian line through Persia might be made available. Then, of course, the Turkish line through Constantinople ought to be the best line of all. Then if there was a cable laid from Ragusa to Bengazi, that, no doubt, would make a very good line, because you get a good service all through Austria, through the Austro-Germanic Union. Then there is a route through Alexandria, Malta, and Paris. Then, of course, it would be a very great advantage if you could get the foreign administrations to devote wires through their dominions for the purpose of the Indian messages, and if you could get English telegraphists. No doubt, if the service were well

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performed, it would be very remunerative to those countries also to put up wires especially for the work, but, of course, so long as the work is so very badly done, the telegraph will not be so very much used.

538. Do you find in continental transmission of telegrams that messages sent in the English language are generally faithfully rendered?—Of course it is a great advantage that a person should know the language in which he is sending; but good telegraphists ought not to mind that; they have to send messages in languages that they do not know; they have to send messages in cypher, and a good telegraphist would not make a mistake whatever it was sent in.

539. Are you aware whether messages sent through to India from this country are read and recorded at any of the intermediate stations?—Of course they could be read and recorded at every transmission.

540. But do you know whether they are or are not?—No, I do not know that; I believe that in Paris, but that is mere hearsay, that they make four copies of all that they think of importance, and send them round to the different bureaux. I do not know that of my own knowledge, but I believe it to be the case.

541. You do not communicate with Paris, do you?—No.

542. Mr. Childers.] What system of telegraph is adopted over your line?—The Morse.

543. Do you know what system is adopted over the Austro-Germanic line?—The Morse also; we must use the same.

544. Is it the Morse system throughout to India?—Yes, over all the line.

545. Is that also the system throughout Russia and Persia?—Yes.

546. That is to say, does the Morse system prevail over all the lines between England and India, to which this Committee will have its attention drawn?—I cannot tell that.

547. Does it prevail in the Mediterranean?—Yes; our clerks have gone out to the Mediterranean.

548. By the Morse system, do you mean the old Morse system, the original system?—Yes.

549. Has the printing system been adopted at all?—It is a printing system.

550. But I mean ordinary printing, type printing?—No, you cannot adapt it to the type.

551. But is the type system practically used at all?—I think not.

552. It is the old system of dots and lines?—Yes, of dots and lines, and then the messages are copied out as delivered. When they are printed you have to paste the slips before delivery on to a form, so as to make it a continuous letter, because many people keep their telegraph messages, and it would not be convenient to keep them in the form of slips; and therefore, they are sent in that way, and pasted.

553. What I meant was this: does the message leave the instrument in London in the same shape as it reaches the instrument at Calcutta?—I imagine so; the person in London makes his marks to the man at Frankfort, and then the man at Frankfort makes his marks to Vienna, and so on.

554. Are the repetitions exact transmissions?—Yes; or they ought to be.

555. Do you happen to know whether the same fault is found in France as is found here, as to the numerous mistakes that are made on the line

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Hon. line?—No, I cannot tell you much about France ;
R. Grimston. we have no dealings with France.

— 556. But you do not happen to know whether
 17 April the complaints which are so common in this
 1866. country of errors in the transmission of messages
 are made in foreign countries?—I do not know
 whether they are or not; the errors are very
 numerous, indeed, but people who use the tele-
 graph to India are people who telegraph a good
 deal, and they know how to make allowances;
 they are not a complaining class at all, although
 they have a very just cause of complaint. There
 is a very large proportion of messages which are
 really quite unintelligible, and our people do not
 know whether those messages are not cypher-
 messages; they are so unintelligible as that.

557. When a message reaches you, do you cut
 off the slip and send it, or do you transcribe it?
 —It is written out on a message form, and deli-
 vered so in a sealed envelope.

558. Are you aware that now on the Con-
 tinent it is becoming more and more the custom
 merely to cut off a message, and deliver it to the
 receiver?—No, I am not aware of that.

559. *Sir Charles Bright.*] Is not it the fact
 that foreign Governments delay their through
 messages till their own messages have been all
 transmitted?—Yes.

560. And is not that a great source of the
 delay which exists?—Yes, no doubt.

561. Would not that be obviated if we could
 get a direct special wire to Constantinople, or by
 way of Italy to Malta, or by Ragusa, in con-
 nection with a line joining the Alexandrian line,
 if that were continued to India by way of the
 Red Sea?—Certainly; a wire either to Con-
 stantinople or to Ragusa would obviate that very
 great delay.

562. Have you ever received any return mes-
 sages from India through Persia by way of
 Russia?—Yes, I think we have, but I will not
 be quite certain.

563. They would probably be received in
 better time, would they not, than the messages
 the other way, because the authorities in the
 Persian Gulf would know that the Persian line
 was at work?—Yes, of course they would; be-
 cause, where the delay takes place is through
 Persia, and, therefore, if you can get through
 that in tolerable time, you may make pretty sure
 of having the rest of the route pretty well before
 you.

564. If you had a line of independent wire to
 India entirely in English hands, should you con-
 sider two hours to be an impossible average for
 messages between Calcutta and London?—I
 should think it would be a very disgraceful time
 to take; I think there is no reason whatever, if it
 was all in English hands, why a message should
 take much more than an hour.

565. *Sir Henry Rawlinson.*] That is inde-
 pendent of longitude?—Yes; and which is a very
 common thing; it would be delivered in London
 before the event took place.

566. *Sir Charles Bright.*] In fact, there is no
 reason, is there, on account of distance, why there
 should be, at all events, more than two circuits
 between India and England?—We know per-
 fectly well that we can speak to Constantinople,
 and if the line were equally well beyond, I do
 not exactly know what the length of the Persian
 Gulf is, whether that might be an obstruction,
 but otherwise it might almost be done in two
 circuits.

567. What is the greatest length that you have
 spoken in Russia; I believe you have spoken
 to the extreme east of Russia?—Yes; we have
 spoken as far as Odessa; and we have spoken
 farther than that, we have spoken to some point
 farther east, to Omsk, in Siberia. We speak
 often from Moscow, but that is not so distant;
 but, of course, that was a mere trial message
 during the night.

568. *Mr. Moffat.*] You stated that much delay
 is caused by foreign Governments; do you find
 that all foreign Governments delay the telegra-
 phic messages?—They all give precedence to
 their own messages.

569. It is not exclusively Persia that causes
 the delay, but the mischief goes through the
 entire telegraph route, right through every sys-
 tem to India?—They all give precedence to their
 own messages, but we know that the great de-
 lays and errors in Indian messages are through
 the Turkish dominions, and in India itself.

570. Do you find greater delay in the Turkish
 or in the Indian department of the telegraphic
 system?—I think that one is as bad as the other.
 Messages will take from 11 or 12 hours to as
 many days; and the delay, I think, is generally
 half and half between the Indian and the Turk-
 ish administrations.

571. To what cause do you attribute the ex-
 treme inaccuracy in messages which you have
 described to the Committee?—With regard to
 the errors in the messages, I should fancy that
 the great majority of them originated in India
 itself. I suppose it is from having natives to
 work the telegraphs.

572. As far as your information goes, it is
 from the want of a proper system of machinery
 for working them?—Yes, just so.

573. How would you propose to remedy that?
 —I should like to put Englishmen there.

574. That is the remedy which you would
 suggest as the only effective means of securing
 accuracy?—Yes, I should like to have English
 superintendence.

575. *Sir Henry Rawlinson.*] Can you tell me
 with regard to the most rapid message that you
 have received, whether it came through Persia or
 through Turkey?—Through Turkey, by the
 route I described, by Belgrade.

576. I mean the lower part of the route?—
 Yes, it came through the Persian Gulf, and
 through Bagdad and Constantinople, and so to
 Belgrade.

577. Are you aware that the Persia line in
 connection with the direct line through Turkey
 is entirely under English superintendence, but
 there are two lines through Persia?—Yes, but
 when I was speaking of the Persian line, I meant
 the Persian Russian line; but I should state that
 the Russians are always impressing upon us, that
 if we would but use that line it would be the
 speediest and best, but the only experience that
 we had of it was very unfortunate.

578. It is important, is it not, to bear in mind
 that the line through Persia is double, one being
 the Persian-Russian, and the other the Persian-
 Turkish line?—Yes.

579. The Persian-Turkish line is entirely under
 English superintendence, whereas the Russian-
 Persian line, from Teheran to the Russian
 frontier, is under native Persians?—Yes.

580. *Mr. Ayrton.*] Will you explain what you
 call the Persian-Turkish line?—The line which
 goes through Bagdad.

581. From

581. From Bagdad to the head of the Persian Gulf?—Yes.

582. When you wrote your letter to the Indian Government in 1862, it would seem that you did not get an answer until the 9th of June 1864; do you know whether that is correct, that the answer was delayed from the 5th of November 1862 to the 9th June 1864?—Yes, it would seem that it was. I had seen Sir Charles Wood, and pressed him for an answer several times, but I did not get it.

583. When you got it, it seems that it contained this important information: "That Sir Charles Wood is not as yet in a position to come to a decision in your suggestion"?—Yes.

584. Which does not seem to be an answer, but a postponement of the answer?—Just so.

585. Have you ever received an answer to that letter?—No; my reason for writing that letter was, that previously the Austrian Government had undertaken, when there was a question of laying the cable from Ragusa, to give a wire for Indian messages, and therefore I thought that it would be the simplest thing in the world for the Government to use it.

586. Do you think it a very difficult thing for a commercial company like yours to carry on your business, when the Government does not give you an answer to your letter for 3½ years?—All Governments are alike, and foreign Governments are worse than the English.

587. You appear to have got an answer from the Austrian Government, or to have got some intimation that you could have a through wire?—No, that was a Government affair; it was negotiated through the Government; it was a regular convention, and the Austrians undertook then to put a wire up, in fact, across Europe. It was a question about laying a cable, I think, from Ragusa, for the purpose of Indian messages.

588. Have you a copy of the rules of the Austro-Germanic Union for regulating the use of telegraphs?—Not with me, but I will furnish the Committee with a copy of them.

589. You have spoken of the errors and neglects in transmitting messages between England and India; have you taken any means to ascertain, by special inquiries, where the errors and delays exist, or are you giving the Committee general impressions?—I am giving the Committee my general impressions from the inquiries which I have made with respect to specific complaints. Of course we have had complaints, and then we have applied to the Governments, and tried to have them traced out.

590. Do you, in every case of complaint, forward it on for investigation?—Yes, we forward it for investigation.

591. Do you do that by telegraph, or by letter?—The actual message itself has to be sent.

592. By letter, of course?—Yes, by letter.

593. Then, in every case do you get an answer?—Ultimately we do, but the delay is very great, indeed.

594. Then the general statement which you have made is the conclusion from those letters which come before you?—Just so.

595. When messages are received which the receivers declare to be unintelligible, do not you send any telegraphic request to repeat the message?—We have done that, but we see and examine the slip, and then we ask, whether such

and such a word in it is correct, and that is all we can do for them.

596. And on those occasions, what is the result of the references by telegraph to correct errors in the telegraphic message?—We find that we have got the message as it was handed to them.

597. Then that reference would only go back the first stage, not all through?—No, because foreign Governments would not allow us to send a message over their lines without our paying for it; therefore, for a message for which we got 3 s. 6 d., in order to find out a mistake we might have to pay 5 l. 1 s.

598. I mean, is there no arrangement or convention by which the telegraphic systems aid one another in the correction of errors for the benefit of the public?—No, the foreign Governments refuse to do anything of the kind; they will not be responsible for anything.

599. Do you think that it would be desirable that, as far as possible, the telegraph lines should be in the hands of private companies, who would be responsible?—Yes; but of course the foreign Governments would never admit that; they make too good a thing of it themselves.

600. But the British Government, in the communication to India, appear to charge 2 l. 19 s. out of 5 l. 1 s.?—£. 5 1 s. is the total cost of the message, and the Indian lines and the Persian Gulf line have 2 l. 19 s. of it.

601. They do not set an example to the foreign Governments of cheapening telegraphic communications?—No. The Governments have a tendency, on the Continent, I believe, to carry as cheap as possible; the communications being in the hands of the Government, and they do it not to make any profit by it, but for the sake of trade.

602. Do you consider, on the whole, that the German Union line is very accurately, and very well worked?—Yes, very well worked.

603. And that you have no cause of complaint?—No cause of complaint whatever.

604. Do you consider that their rates are reasonable for the service performed?—Yes.

605. You do not consider then that the Austro-Germanic Union do make any unreasonable profit on their telegraphy?—I do not suppose they make any profit at all; I should think they lost money.

606. I understood you to say that they were carrying it on for an unreasonable profit; that observation does not apply to the Austro-Germanic Union?—No.

607. With regard to the Turkish line, do you think that their charge is unreasonable?—I think that it is rather high.

608. And it is the Turks who seek to make this profit, you think, beyond what would be a fair remuneration for the service rendered?—I think that the rates in Turkey are too high, but I do not exactly know the mileage.

609. Sir *Henry Rawlinson*.] The mileage would be about 2,000 miles?—Then I do not know that it is an unreasonable charge.

610. Mr. *Ayrton*.] Then you think that that is not an unreasonable rate on their part for the service performed?—I still think it is too much.

611. You do not know, as a matter of fact, how much money is paid into the Imperial Treasury at Constantinople as the net profit of this telegraphic system?—No, I do not know that.

612. Did you ascertain accurately where the break down occurred in the attempt to communicate through Russia?—I believe that the messages

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messages went perfectly well all through the Russian dominions, and that the breakdown was somewhere in Persia.

613. Do you suppose that it was on the frontier of Persia or in Persia itself?—In Persia itself; that is what we were told.

614. *Chairman.*] Is not the inter-communication between the different Continental States regulated by a general convention?—There is the Austro-Germanic Union, and then there is the French system. The Austro-Germanic Union consists of Austria, Prussia, Hanover, Holland, and the other German States, and the French system consists of France, Switzerland, Belgium, Italy, and Spain.

615. What was the Convention of Brussels of the 30th of June 1858?—That would be with respect to the French.

616. I see in a Convention between this Government and the Ottoman Government this expression: "The Convention of Brussels of 30th of June 1858 in all that relates to the details of the Telegraphic Service shall be mutually observed by the two contracting Governments in so far as it is not opposed to the terms of the present Convention." Is the Convention of Brussels of the 30th of June 1858 a convention which has been published?—I do not think that it touches the Austro-Germanic Union. I think it is with regard to the French; but I am not acquainted with it.

617. With regard to the times which are stated

in the working returns which you put in just now, are the times of departure and the times of arrival in London the actual times?—They are all London time. I have not examined them, but I imagine that it is so.

618. Take the first message, which is this: "Left Bombay, 24th February 4.26 p.m., arrived in London 1st March 5.17 a.m.; time in transmission four days 12 hours and 51 seconds"; is that the time actually occupied in the transmission of the message with an allowance made for the difference of longitude?—No, there is no allowance made.

619. *Sir Henry Rawlinson.*] I perceive that in February last it was reported from Constantinople that the communication by telegraph, both to India and to London, has been surprisingly regular and proper; the messages scarcely occupying more than one day; will you state to the Committee, whether that improved state of communication has been kept up to the present time or whether it has relapsed into its former bad state?—It has been working better the last month than it has worked at all, as you will see by these returns which I have handed in.

620. What do you consider the average time now if you can strike the average of a month for instance?—I should think that it would be very difficult indeed to do so.

621. I see that the average is not much more than one day?—Probably that is so.

Sir MACDONALD STEPHENSON, called in; and Examined.

Sir M.
Stephenson.

622. I BELIEVE you are the Chairman of the Telegraph to India Company?—I am.

623. Was that a company which was formed under that name for the purpose of establishing telegraphic communication between this country and India, by way of Egypt and the Red Sea?—Yes.

624. It is the company which laid down the line, and to which the guarantee of 4½ per cent. of this Government applied, is it not?—It is the successor of that company.

625. What is the present position of the company over which you preside?—The object of the company was to restore the defective portions of the original Red Sea line, which intention was given up on ascertaining by personal examination by Mr. Latimer Clark, who was sent out by the company, that the defects extended almost entirely over the whole line; I may state that the company retain the firmans granted by the Ottoman and Egyptian Governments. The map which I now hand in (*delivering the same*) will show the general direction of the line as it was originally laid. The company contemplate the re-establishment of the Red Sea line as an indispensable alternative to the Persian Gulf line.

626. What is the present position of your company?—So far as I am able to describe it, it has an intention to re-establish the line, the land line being leased to Messrs. Glass and Elliott, who are working the Malta and Alexandria line till an opportunity is afforded for carrying out the comprehensive scheme which was originally intended.

627. What is the length of your line; between what two points does it lie?—3,200 miles between Alexandria, by Suez and Aden, Muskat, and Kurrachee.

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628. That was the line that was originally intended; but I mean the line that you have now in hand, and are actually working at this moment?—The only portion of the line now working is the land line between Alexandria, Cairo, and Suez.

629. You get from your local messages a very good return, do you not?—A very large return is received; but the company only receive enough to pay a 5 per cent. dividend under their arrangements with the lessees.

630. Do you contemplate carrying this line of yours down the Red Sea to India?—We are arranging for a combination of all interests, so as to get an independent line from England to India by way of the Red Sea; and for working the railway telegraphs in India in conjunction with it, for eventually completing direct communication between England and Alexandria *via* Gibraltar and Malta, for continuing the lines to China and Australia; and for making arrangements with the Government of India for bringing the Persian Gulf line as well as the Indian land lines all under one responsible and efficient administration.

631. To what do you attribute the failure of the Red Sea line, which was originally laid down?—The causes of failure of the line by the Red Sea to India were too light and weak a cable; too tight laying, insufficient surveys of the bed of the sea where the cable was laid, the want of protection of the outer wires from the action of the water, and the want of any experience in similar works for guidance in laying the Red Sea line.

632. On what grounds do you expect to be more successful in the attempt which you are projecting?—The grounds for expecting success

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in renewed operations are the greater perfection of the modern cable as to insulation and conducting powers; as to strength, weight, and protection of the outer wires, the more careful laying, improved machinery for the purpose, accurate surveys of the sea bed, selection and adoption of the line of preferable depth and bottom, and the possession of past varied and conclusive experience; and to secure efficiency in working by the employment of an experienced and adequately paid staff.

633. Do you propose to carry that line down the Red Sea from Suez?—The company are undecided as to whether to use the Egyptian lines, as has been suggested, to Massowah, or to continue the deep sea line from Suez; but the recommendation that they received in Egypt, from very high authorities there, was, in order to render it independent of any land lines, if possible, to lay the line independently from Suez.

634. Has any fresh examination of the bottom of the Red Sea been made since the time of the failure of the company which you succeeded?—None.

635. But was not the failure of that line attributable in a great degree to circumstances connected with the bottom of the Red Sea?—I speak with diffidence upon subjects upon which Sir Charles Bright, Mr. Clark and other professional gentlemen can speak so much more positively and authoritatively; but I am quite satisfied that, in order to lay a telegraph line, the survey of the bed of the sea should be almost as accurate as the survey of a land line of railway. The surveys of the Red Sea Company were originally executed by a very experienced man, Captain Pullen, who specially devoted many months to that investigation. But it was not known then how perfect the survey would have to be made, and how carefully it would have to be followed in making the line. The line occasionally fell upon rocks and hung in festoons, and was broken by its own weight, all which might have been avoided by a more careful survey.

636. Are the gentlemen with whom you are in communication now prepared to proceed to the laying down of a new line in the Red Sea, provided, of course, that you have the funds and other necessities of that kind forthcoming?—They are.

637. That is to say, upon the information which you now possess with regard to the configuration of the Red Sea?—Yes.

638. You stated just now the combination of various interests which was proposed for the purpose of carrying out this very considerable scheme; I suppose that you have very little doubt that that would meet the object which you have in view?—I am satisfied that nothing short of a complete comprehensive measure will satisfy the just expectations of the public, both of India and of this country; one which shall secure uniform regularity, which is of more importance than cost, and the want of which now renders the telegraph worse than valueless. The public reasonably object to subscribe to fragmentary schemes, imperfect in themselves, dependent upon the working of connecting lines, constantly under repair, and, under the most favourable circumstances, utterly unreliable as regards their chief value, time. I have no doubt, that a well considered undertaking, which shall combine all the telegraph interests, and shall afford reasonable evidence to the public of its means and intention

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to accomplish the great object of establishing perfect telegraphic communication between Great Britain, India, China, and Australia, will be cordially supported both at home and abroad, and would be successfully carried out, provided the complete scheme be clearly defined, and its execution judiciously regulated according to the relative importance of the several sections or divisions of the work, and to the capital called up from time to time.

639. It is a principal feature, is it not, in the scheme which you propose, that the whole of the operations of this company shall be conducted under one responsibility, and by one agency?—By one administration.

640. So that in the case of complaint, the company would be the only person to be referred to, and in the case of responsibility, they would be the only person to make good any claim under their responsibility?—Yes; there should be one undivided responsibility.

641. You have no doubt, probably, that with regular and accurate working, the public will use the telegraph very much more than they do at present?—So soon as regularity in despatch and arrival can be secured, the cost not being excessive, the public will undoubtedly make use of the telegraph to an extent far exceeding anything that has yet been known, except in the United States; and I have no doubt that within a very few years, when the contemplated lines shall have been completed, and the line is laid direct from England to Alexandria, one page at least of the "Times" and principal daily papers will be exclusively devoted to the telegraphic tidings of the preceding day from all parts of India, China, and Australia, and a corresponding despatch shewn in the papers of India, the colonies, and China, in regard to European news; I am quite satisfied of that.

642. You speak now with regard to public intelligence?—Certainly. With a proper organization, and the proper means being adopted, which have never yet been adopted, there is nothing to prevent the news of yesterday in China, India, and Australia, being in to-day's "Times."

643. Is not another principal feature in your scheme the entire avoidance of what we may call continental complications?—Yes, that is one advantage that would be derived from an alternative line; and that would be one inducement to continental nations to improve their lines when they find that people are not obliged to resort to them.

644. Are you sufficiently prepared with the details of this undertaking to state those details to the Committee?—By the 30th of this month, if the Committee would be prepared to receive them, I shall be able to lay very complete statements, with all the details, before the Committee.

645. Does your programme involve any application to the Government of this country for pecuniary assistance in the form of subvention or otherwise?—The subject has not yet been decided; but I think that the Government, when the case comes before them, will be better prepared to give some conditional subsidy, than to be at the mercy of a powerful company who may dictate their own terms to them.

646. You have at the present time no interest in applying for public money in any form?—No.

647. Except for service rendered in the transmission of messages?—Precisely so.

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648. *Chairman.*]

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648. *Chairman.*] You have been for many years largely engaged in telegraph operations, as a civil engineer, have you not?—Yes.

649. Were you employed professionally in connection with the Indo-European line?—Jointly with Sir Charles Bright, I was engineer to the submarine portion of it in the Persian Gulf, and to Kurrachee, in India.

650. What is popularly known as the Indo-European line between Fao, at the head of the Persian Gulf, and Kurrachee?—Yes, the submarine portion of the line.

651. Did you superintend the laying of it down?—I did not superintend the laying of it down. Sir Charles Bright was out there, and superintended the operation of laying it down, but our firm had the management of the cable in this country, directing its manufacture.

652. Are you acquainted with the present condition of the line by report?—Yes; it is in very excellent condition. I receive frequent reports from the officers that its insulation is better than when it was laid down (which is a very common circumstance with such lines on account of the age and the temperature), and that it is in perfect working order.

653. Had you anything to do with the selection of the operators upon it?—A great many of them I selected myself. They were all selected under our knowledge and recommendation.

654. And have they proved themselves worthy of your recommendation?—I think they have quite. The staff is very efficient, and I believe that the duties are in every way performed in a most satisfactory manner.

655. Are you in communication with the persons employed upon the telegraph?—Privately, not officially, I am in communication with some of them.

656. But still from the interest which you take in it as the manufacturer of the line, you keep yourself in constant communication with the officers of the line so as to know what the practical result of your attention to the cable is now?—Precisely.

657. Do you happen to know what time was taken in the transmission of messages?—I have seen a report in which it is stated that three-quarters of an hour was the average time for transmission during one month, which, I think, was about three months back; and I dare say that continues to be the average at the present time between Kurrachee and Fao. There are repeating stations at Gwadel, Mussedom, and Bushire.

658. In the case of all messages?—Usually they are repeated at those places.

659. Could not you pass a message right through?—We could pass a message right through very easily, but we should get a somewhat slower speed by doing so, and at present it is found preferable to transmit them to each station. But if the business increased it would not be difficult at all to use a mechanical relay for transmitting them mechanically directly through, which would give us an increased speed.

660. Then, so far as the telegraphic service between this country and India has been unsatisfactory, have you reason to know that none of that want of satisfaction is due to the Indo-European part of the system?—I may say certainly

not. During 14 days it was out of repair. But that would not of itself give rise to dissatisfaction.

661. Have you given your attention at all to that particular service between this country and India as to other parts of it than the part which you have just been speaking of?—I have always collected all the information I could upon the subject, and I have paid much attention to it.

662. Were you a party to the propositions which were made in 1863 to the Indian Government for the establishment of a different system of telegraphic communication in India?—Yes; I was rather an active party in assisting the matter, and in getting it together. It was arranged that all the telegraphs of the railway companies in India should be combined into one association, so as to form one large telegraph company, and that new lines should be erected, and that directors from each of the railway companies should be selected, in fact, they were actually selected, and appointed provisionally. That was in conjunction with the Chairman of the Electric and International Company in England, Mr. Grimston; and also the deputy chairman, and some other gentlemen connected with India and with telegraphs. It was proposed that they should be associated into one company, taking the wires on all the railway lines in India under their charge; they were, in fact, to take the telegraph lines themselves, to maintain them for the railway company, to establish new communicating wires, and to form a company worked by European operators of the very best kind. That proposition was drawn out in full, was agreed to by all the railway companies, with the exception, I believe, of one, and was, I think, submitted to the Indian Government. I believe that the reply received from them was, that the authorities in India did not assent to its adoption.

663. And nothing more has been done upon the matter since?—I believe that nothing more has been done upon the matter since; the company is still partially in existence, but not doing anything.

664. You stated, did you not, that all the railway companies but one were parties to your proposition?—Yes, I believe all but one; I can give you the names of the companies; they were the East India Railway Company, the Great Indian Peninsula Railway Company, the Madras Railway Company, the Great Southern of India Railway Company, the Eastern Bengal Railway Company, and the Bombay, Baroda, and Central India Railway Company; the Scinde Railway Company, we did not apply to, whether from neglect or design I do not know; it was our intention afterwards to have included them in the same arrangement.

665. In point of fact, the proposal which you made was this, that you and the gentlemen whom you were then connected with, forming yourselves into a company, should work the telegraphic wires of each railway, under agreement with the railway companies?—That was so; they receiving a portion of the receipts and other payments.

666. The whole of which was reduced into writing?—Yes; the whole was reduced into writing and submitted in one complete uniform form to the Indian Government for their sanction.

667. Have you made yourself acquainted with the

the general character of the Telegraph Service in India as carried on by the Government?—Only by constant hearsay, having been connected for many years with telegraphy in this country. I have had the sending out of the majority of the employes who are now operating in India and superintending the lines, and I am still in communication with many of them, and I hear from them generally the state of the lines in India.

668. They are lines, I believe, which traverse the country in various directions without reference to the course taken by the railways?—Entirely so.

669. Does not it strike you that a line of railway is the natural course for a telegraphic line of communication to take?—I think unquestionably it is the most easy line to maintain. Any defect in it is, of course, reached with much greater speed than it could be across the open country. Also it is overlooked very much more easily and more constantly by the constant passage of guards and others, who give intimation of it if they perceive any defect. So that I think the railway forms the natural route for the establishment of a telegraph, much better than the open country.

670. It is accessible at all times to inspection by every passing train, and it is equally accessible for repair?—Yes; and more so.

671. Being in that respect very differently circumstanced from the telegraphic wire which goes across the country without reference whatever to the communications?—Undoubtedly.

672. Do you think that if that arrangement had been carried out the service which you contemplated introducing into India would have been more useful as a distributor of the messages from England to Kurrachee, than the Government service has been?—I feel confident that, as we should have performed the service with the very best English superintendents and clerks, and performed it in the very best English style, it would have obviated all the complaints of the working of the telegraph in India, so far as regarded the main Calcutta lines and all the main trunk lines of the country.

673. Did you intend establishing other lines besides those which are upon the railways now?—It was part of our proposition at one time to take over the entire system from the Government into our own hands. But we had reason to apprehend that there would be difficulties in arranging it, and so we contented ourselves in the first place with arranging only for the main trunk railways.

674. You did not make any specific proposition to the Government to take over the lines?—We did not make any proposition to the Government.

675. With regard to the main line communication by telegraph between this country and India; are you of opinion that the public interests would be served by the substitution of more than one, or in fact of many lines for the single one which now exists by the Persian Gulf?—Certainly. I think that all the lines that could be formed from here to India should be encouraged. I believe that there would be plenty of traffic for several lines. I would specially point out, as being the most obvious and the most important in the first instance, the Red Sea route, which was attempted, and in fact I think I may say executed, on a former occasion, but failed in working immediately after it was laid.

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676. Had you any connection with the old Red Sea telegraph line?—I had none at the time it was first laid, but I was afterwards desired to go out on behalf of the Telegraph to India Company, and report on the cause of the failure; and I went out as far as India, being provided with a steamer and proper appliances with the view of endeavouring to restore the whole communication if it were possible, or any part if it were possible, and reporting on the cause of the failure and the best steps to be taken for reinstating the line in future.

677. To what do you attribute the breakdown of the Red Sea Line?—The chief and most immediate cause of the failure of the Red Sea Line was the rusting of the iron wire. It was a small cable of unprotected iron wires, and the ocean there is generally rather salt, and iron seems to decay even more rapidly than usual. Wherever I lifted the line, which was at a very great many points between Suez and India, I found the iron wires invariably greatly decayed and rusted away; so much so, that almost at every 100 yards we found the gutta percha perfectly unprotected by anything, and the portions of iron wire which had not disappeared terminating in sharp points like needles, the line depending for its strength solely on the gutta percha. Another cause which tended greatly to aggravate the evil was, that the line had been laid excessively taut; the breaks used in putting it down has evidently been screwed rather hard, and the line was stretched across from point to point wherever there were rocks; so much so that at some parts I found not more than 25 per cent. of the cable resting on the ground, the remainder hanging in festoons; this became covered with coral and shell and sea-weeds, and these became so heavy, that their weight broke down the gutta percha which was the only remaining strength, and the line dropped spontaneously into separate lengths; the longest length I found perfect between Suez and India was 50 miles.

678. In what year was that cable constructed?—I think in 1859 and 1860; the year that I went out was 1862.

679. I suppose that the cable which you constructed for the Persian Gulf line may be considered to represent the improvement in the practical construction of telegraph wires between the time when the Red Sea wire was made, and when the Persian Gulf wire was made?—I think it does fairly so. I think it would be considered now-a-days by most engineers to be an excellent cable.

680. Mr. Ayrton.] The Commission on the construction of Marine Telegraphs, appointed by the Government, carried on its investigations, did they not, intermediately between the laying down of the cable in the Red Sea and the time when you laid down the Persian Gulf Cable?—Yes, they did so; that Commission sat in 1859.

681. Chairman.] Should you recommend for the purposes of communication in the Red Sea a cable of a similar character to that in the Persian Gulf?—I should do so certainly. I am not aware of any great modification that could be introduced with advantage at present.

682. Have you really sufficiently advanced in science since the original Red Sea line was made to be tolerably confident in your own mind that a cable made in the present day would, for a long period of time, answer the purposes of communication

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munication by way of the Red Sea?—Yes, I feel in my own mind perfectly certain that a cable laid down now in the Red Sea, instead of failing as it did, would form a very permanent and efficient communication. I examined the route very carefully through the whole distance wherever I had reason to suspect difficulties, looking especially to the question of coral in the Red Sea and the rocks along the southern coast of Arabia; and I am of opinion that a cable could easily be laid in soundings where it could be repaired and recovered in case of damage, with the exception, perhaps, of a small portion near Muscat, a very small portion of line, and that could be avoided by a longer détour.

683. You think that you are sufficiently acquainted with the bottom of the Red Sea to enable you to speak with confidence upon that point?—I think that further surveys would be desirable before actually laying down the cable; but I am certain from what I saw that it forms a very good and efficient route for laying down a submarine cable, and that one may be laid and maintained there with perfect ease and certainty.

684. When you say from what you saw, you mean from the acquaintance that you had and the examination that was made of the bottom of the Red Sea?—From the charts of soundings that I took with me, comparing them from place to place with my own observations and soundings and examination of the route. I had a steamer specially provided for that object. I had every facility for examining the coast.

685. Your special purpose, then, was to see what the bottom was?—As soon as I found that I could not restore the old cable, I devoted myself entirely to examining the route with a view to laying down a new one.

686. Did you examine the southern coast of Arabia?—The whole length of it.

687. Is it a favourable coast for laying a line?—Decidedly so; very much more so than I should have expected. There are rocky portions along it, but by a careful survey the line might be made quite as permanent as is requisite.

688. Are there stations on the coast where the cable could be brought up for the purpose of repetition?—Yes. The route I should recommend starting from Egypt would be to cross the desert to some point; perhaps Massowah might be a favourable point. I myself went up the Nile to examine that part of the route, and crossed the Desert to a place near Kosseir, which appeared a most favourable point; it is a little spur a little above the middle of the Red Sea which points towards the southward; that point is a singularly favourable point to start from. I went as far as that, and I obtained the permission of the Pasha of Egypt to make use of his poles up the Nile and a firman from him to the Arabs who are nominally under his control; and I made arrangements with the Arabs for a subsidiary payment of such a character that I am convinced that if a line were carried over that country there would be no difficulty of any kind whatever.

689. Has the Pasha a line up the Valley of the Nile now?—He had a considerable way up the Nile, and he is now carrying the line south the entire length of the Valley of the Nile, and going across to a point on the Red Sea, Souakin, 2-3 down the Red Sea.

690. Souakin is in latitude 19°?—Yes.

691. And Suez is about latitude 32°?—Yes.

692. So that by using the Valley of the Nile you would save about 13 degrees of latitude of submarine cable?—Yes.

693. Is not that a great consideration?—Yes, I think it is a matter of the greatest consideration in point of price; and I do not think it would be any detriment in point of efficiency.

694. Do you suppose that there would be any objection on the part of the Pasha to allow you the control of that wire through the Valley of the Nile?—The late Pasha gave me every assistance, and provided me with steamboats, &c., and I think the present Pasha would do the same; I dare say expecting some payment in return, some portion of the receipts; I have reason to think, from what I have heard, that he would do so.

695. After passing up Cape Ras-el-Had, the north-east point of the southern coast of Arabia, in which direction would you take your proposed line?—I should go, I think, to Muscat, and then cross towards Churbar, on the Mekran Coast; the water is very deep there. I remember I picked up the cable in 600 fathoms there, but I believe the water goes to a very much greater depth. As far as rocks were concerned, I found that the bottom was bad and rocky, but I would avoid that portion and keep along the coast more round towards the Persian Gulf, and then cross in shallower water.

696. Would not it be practicable to take your line from Cape Ras-el-Had through the town of Muscat, and along the coast up to Mussedon?—I think not advisable. The Arabs are very troublesome and dangerous there, and at the present moment they are in a state of insurrection, and are not good people to deal with. The late Imaum of Muscat was extremely friendly, and offered, and I believe he would have given, every possible assistance himself, but he had not full control over that portion of his dominions.

697. What would you propose to do after getting to Mussedon; would you propose to join on to the other line, or to form a separate one of your own?—That is more a political than an electrical question. The present line is very efficient and very good, and at present I dare say could do all the business of that route; but in a very short time the business will increase, so that an additional line will become indispensable.

698. Has the bottom of the Arabian Sea been sounded between Ras-el-Had and Bombay?—I believe not.

699. Is it too long a distance to work by one wire?—It is not at all too long a distance to work by one wire; but at present we have had so little experience in the permanent maintenance of deep sea lines, that it would be considered, I think, rather a gratuitous risk to go direct across there, although personally I have no doubt that in a few years it will be very much the custom to cross such depths as this, and that the telegraph will be eventually taken from Muscat direct to Bombay; but our present experience would scarcely warrant an engineer in taking that course.

700. Have you described to the Committee the whole of your scheme for connecting the European system, which terminates at Cairo or Suez, with India?—Yes. I may say that I would propose stations at Massowah, at Aden, and at Macullah, (where I landed, and made arrangements for making a station, and received a very friendly reception from the Arabs), and at the Kooria

Kooria Moorla Islands. I do not think that I found Ras-el-Had a favourable part of the country. I would then proceed to Muscat, and thence to Kurrachee, crossing over to the Mekran coast, and so along the coast to Kurrachee.

701. Have you any knowledge of the line which has lately been opened between Alexandria and Diarbekir?—I have not much knowledge of it, only by hearsay.

702. You are aware that that line has been opened?—I am aware that a line has been finished, partly by the Turkish Government.

703. Will not one of the great advantages of the line which you propose be this: that in the event of difficulties in European Turkey, or in Germany, messages might be sent by way of France and Italy to Alexandria, and thence over the line from Alexandria to Diarbekir, and so by the Indo-European line?—Yes, certainly; even before the other line was completed, or in conjunction with it.

704. But after the other line was completed it would form an alternative line, useful for the purpose of security, and useful also as relieving the other line of a portion of what may prove to be too much work for it?—Yes, it would prove a perfect alternative line.

705. Sir Charles Bright.] The operations which you have spoken of for re-establishing the Red Sea line were abandoned in the autumn of 1862, were they not, in consequence of the Government of India deciding on carrying on the line by way of the Persian Gulf?—Yes. On my return to this country I made a report to the Telegraph of India Company, in which I informed them of the state of their line, and the cause of their failure, and strongly recommended them to proceed at once to form a company to lay a cable by the Persian Gulf, and the River Tigris or Euphrates to Constantinople: they accordingly formed a company with that object, and made an application to the Government for permission to do so, and then we learned that the Government had already taken in hand the Persian Gulf scheme.

706. Mr. Ayrton.] Did you apply to the Government in 1863, to carry out this scheme of taking over the Indian telegraphs; do you recollect?—An application was made by the railway companies to Government, asking them to assent to our proposition for taking over the telegraphs.

707. Do you recollect when you received an answer, and whether it was in September 1864?—I do not remember the time; it was a long time before we got an answer.

708. Would not it be very prejudicial to the progress of any private undertaking to be kept 15 months without an answer from the Government?—If that was the date, I think a delay of 15 months is of course very prejudicial to the progress of any undertaking.

709. Have you any knowledge of the arrangements that are now in force between the railway companies in this country and the telegraph companies, for the use of the telegraph lines along the railways?—Yes, I am very familiar with them; I have negotiated the majority of them, I think.

710. Will you be kind enough to inform the Committee what is the nature of the arrangements between the different telegraphic companies and the railway companies?—They are extremely variable, depending very much on the date at which they were formed. In the earliest

days, before my connection with telegraphs, it was customary for the railway companies to pay a very large price for their telegraphs, and to give a great many privileges. About the year 1861, when I first had occasion to negotiate agreements with them, it was usual for the railway companies to grant the privileges of free passes over their line, and to pay the cost of the telegraph, in consideration of the use of the electric companies' patents, and of their staff for working them. In the later arrangements, it became usual for the electric telegraph companies generally, to put up the lines at their own cost, and to receive from the railway companies a payment usually of about 5*l.* per mile for the same privileges and rules, the electric company in every case taking the whole of the commercial receipts.

711. But in any later case, did the telegraphic company undertake the whole management of the telegraph on the railway line, both for the purposes of the railway company as well as for the public?—It was usual for the telegraph company then to take the whole management of the telegraph lines into their own hands, and to supply the clerks necessary for it. Afterwards it was found necessary to establish a great many signalling clerks, and also signalling wires on different railways; and now the custom is pretty general for the railway companies still working under the original agreements with the telegraph company, to have an independent system of their own, under their own officers, for working the signalling apparatus, and to put up wires on the telegraph companies' poles, or sometimes on their own poles, for the signalling purposes of the trains.

712. That is merely for the purpose of signals where telegraphic signals are used to transmit an intimation of the approach of trains and the passage of trains?—That is merely as signals for trains only, and not for messages between station-master and station-master connected with the trains.

713. Then the messages for the conduct of the railway business would still be managed and superintended and transmitted by the telegraphic company?—Yes, by their clerks. That is a general outline of the existing agreement.

714. For which they receive a payment from the railway company in gross?—They only receive a payment of about 5*l.* for that, and sometimes 3*l.*, and they receive the privilege of free passes and an exclusive right to telegraphic communication over the line.

715. You mean free passes for the officers of the telegraph company going backwards and forwards on the business of the company?—Precisely.

716. Do you know whether that system has worked well, or whether there have been a good many complaints on the part of railway companies of the neglect of their business messages?—There have been singularly few complaints on the part of railway companies; it is a very rare thing for them to complain; it has worked extremely well; but they are feeling rather jealous now at the prosperity of the telegraph companies, and they are very much inclined, and in some cases they have actually carried out the idea of working the telegraphs on their own account.

717. That is to say, having no telegraph companies working their line at all, but taking the whole thing into their own hands as part of their

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own undertaking?—Yes; erecting their own telegraphs, and working in conjunction with the telegraph companies.

718. Do you think it desirable, not only for them to transmit their own messages for the purposes of the railway, but also to telegraph for the public for profit?—Yes; having working arrangements with the telegraph companies, each receiving a portion of the profits; that system is now beginning to obtain.

719. Do you think that there is great economy of management in the system which you have described, of the telegraph company undertaking the whole administration, and receiving an allowance from the railway company as compared with any system of joint administration, or of joint telegraph between the railway company and the telegraph company?—Yes; I think it has worked well, and perhaps it is the most economical method; but I think the time is coming when it will be found better for each party to attend to their own business; for the telegraph company to hold themselves entirely for the interest of the public, and for the railway company to attend to their own business.

720. Do you think there will be so much business for the railway for its own business, and for the telegraph company for the public, as to pay for two administrations and two sets of officers?—I think that it is coming to that, and that the amount of business is increasing rapidly on both sides.

721. But where the business is not great, is there not great economy in having only one set of telegraph clerks at each station?—There is very great economy and advantage in that system on the small lines, because by it they are enabled to maintain telegraphs and telegraph offices and operators when neither party alone could well afford to do so.

722. It would entail a loss if either party alone undertook it?—Yes.

723. But by joint action it could be carried on perfectly well?—Yes; but on trunk lines that is not the case; there there is business enough for both independently.

724. Under the system which you have described, do the officers of the railway company give any assistance, or are they bound to give any assistance, in reporting the condition of the wires along the line?—They are bound in general terms in every case to give every assistance, but it is only a general duty, and practically the duty only extends to their guards giving information when they perceive the wires visibly out of order.

725. Do you know whether that works pretty well; do they generally give information?—I think that telegraph companies rely chiefly on their own officers and on their own means of information, which are very perfect, because they are telegraphic, and they receive a telegraphic announcement of any breakdown, and probably hear of such a case long before a guard finds it out himself; therefore the guard's part of the duty is non-important now, and is not much attended to.

726. You mean that the communication between station and station is so perfect that they could detect any accident, such as the wire falling down or otherwise getting out of perfect insulation?—Very perfect. They could detect it much quicker than by any other means that you could imagine; but when the poles begin to get on one side or to decay, or the wires rub against trees, and accidents of that kind happen which do not interrupt

communication but endangers it, then the reports of the guard are sometimes of value.

727. Can you furnish the Committee with the forms of the contracts which have been entered into between the different telegraph companies and the different railway companies, showing the differences which exist in the nature of the arrangements?—I am still an officer of the International Electric Company, and therefore I have access to its forms; I could not of course, without their permission, make them public; but I shall be very happy to endeavour to obtain that information and to hand it to the Chairman.

728. From your long experience of those matters, and having regard to the amount of business conducted on the Indian Railway, and the amount of telegraphy carried on from India, what, on the whole, do you think would be the best system to adopt for the purpose of concentrating all telegraphic communication on the lines of railway in that country?—I think, looking to our experience of Indian officials in telegraphic matters and telegraphic business, that for the present and some years to come the system originally adopted in England would be the most perfect, that of handing over to experts connected with telegraphy in this country the entire management of the telegraph, both for commercial and railway purposes, until they grow in course of time sufficiently important for each of them to stand alone.

729. I presume from the traffic on the Indian lines, taking it at 54*l.* per mile per week, and from what you know of Indian telegraphy, you can form an opinion as to whether the time is likely to arrive for departing from what I may call the primitive system of arrangement, for many years to come?—I think not for a great many years to come. I think the amount of business in India, except perhaps on the main trunk line, would be best worked on the system which I have indicated, for a long time to come.

730. Are you aware that the salaries paid for European superintendence in India are much higher than those that are paid for similar superintendence in this country?—I am.

731. Probably they are twice as much in general?—Yes.

732. Having regard to that higher rate of payment, do you think that the economy would be peculiarly great in the concentration of the management and administration of the telegraph system in India in one set of lines on the railway?—I think it would be so on the main trunk lines; but I do not think that on the out-branches the telegraph could be made self-sustaining at the present time.

733. I am asking you would not it be a peculiar economy or inducement to concentration of effort on the railway that you would economise the superintendence by that system as compared with several systems working separately?—Am I to understand the Honourable Member's question as applying to the Government telegraphs?

734. To the main lines of communication?—I have thought that the most advantageous system both to the Government and to the public would be to let the Government continue to maintain their lines for a short time, till the railway lines supplant them, and then to remove that system, and make the saving which would thereby be effected.

735. So as to concentrate the whole of the main lines of communication on to one single set
of

of wires along the lines of railway?—Exactly so; gradually to do so.

736. Do you think, from your knowledge of the working of the telegraphic system in this country, that there is also a considerable commercial and general benefit from having the branch lines of telegraph in accord with the branch communications from the main railway systems?—The importance and advantage of that are very great indeed. The small lines act as feeders to the main trunk lines, and it is very much owing to them that telegraphs are profitable in this country.

737. And those feeders at the same time are of great importance to the general line of communication for all other purposes in the country, when they fall into harmony with the railway system?—Yes; a system of telegraphs confined to large towns alone in this country would not be nearly so profitable as they are now, when all the small towns feed them so well.

738. Then you think, instead of having telegraph lines drawn across the country in India, it

would be better to concentrate effort upon the main lines of railways, and to supply the rest of India by branches from the principal stations on the railways themselves?—I think so.

739. Mr. *Moffatt*.] Have you had any personal experience of the telegraphic communications now in India?—I have been there, but have had no great experience.

740. How many lines of telegraph are there actually between this country and India?—There are the Persian Gulf line and the Russian line.

741. Is there any other line?—There is no other line at present.

742. Is there no other line that could be made easily available?—None at present.

743. Is there not a line from Malta to Cairo, going to Diarbekir?—That would be the line to which we alluded before. That of course would form a new route, as far as Diarbekir was concerned, with the present line to India.

744. But as between England and Diarbekir it would be an entirely separate route?—It would.

Sir JAMES CARMICHAEL, Bart., called in; and Examined.

745. *Chairman*.] I BELIEVE you are the Chairman of the Submarine Telegraph Company?—I am.

746. Yours is one of the two companies employed in this country at present for the transmission of messages between England and India?—Yes.

747. Will you describe to the Committee what you do with a message, say for Bombay, when you receive it in your office in London?—We have four routes to India from our office. We send the message through Paris, Munich, Vienna, and so on to Constantinople; or we send it through Paris and Turin, *viâ* Otranto and Valona to Constantinople. Or if those routes are at all encumbered we send it *viâ* Brussels, Berlin, Belgrade, and Constantinople. I should mention that all those routes, with the exception of the Valona route, go through Belgrade. Then there is a fourth route, which is very seldom used, going through a portion of Russian territory.

748. You send your message according to your view of the best way of sending it at the time, either to Brussels or to Paris?—Yes, either one or the other.

749. On arriving at Brussels or at Paris, do they send the message on as they please, or do you indicate the route which the message is to take?—They send it on as they please, unless the message is specially marked.

750. For all that you know, a message that you receive in London may be transmitted from Paris by way of Frankfort and Vienna, or by way of Turin and Valona?—Quite so; I take it that if they found the Belgrade route rather encumbered, they would send it *viâ* Valona and *vice versa*, unless we marked on the message "*viâ* Valona," and then it would go by the Otranto and Valona cable, and so on to Constantinople.

751. You charge 5*l.* 1*s.*, do you not, for a message of 20 words to India?—Yes, but we did not fix that charge; that was the rate settled by the Indian Government, and it is the rate which we receive.

752. And which you distribute?—Yes, which we distribute.

753. How much do your company receive of 0.43.

it?—We receive three francs (2*s.* 6*d.*) from London, and 3*s.* 6*d.* from any stations in the country in Great Britain.

754. Do you know what the other parties receive?—We only deal with our nearest neighbour, either France or Belgium; I think the amount is 123 francs 37 centimes and something, which is the rate from Calais to India, and which would make up, with our three francs, the exact amount of 5*l.* 1*s.* 1*d.*, but we only deal with the administration to whom we transmit the message. We settle the accounts with them, and they settle with their nearest neighbour; our charge is three francs, and from Calais to Calcutta is 123 francs 37½ centimes, making a total of 126 francs 37½ centimes, equal in English money to 5*l.* 1*s.* 1*d.*

755. You do not know the Government of India in the transaction at all?—Not at all; at least we do not deal with them; we keep no account with the Indian Government.

756. In the same way, in case of having any complaints to make, of which I believe a great number are sent to you, of messages not being properly delivered, to whom do you address yourselves?—Supposing a message is sent through Paris by either of the French routes which I have mentioned, either by Valona or by Belgrade, we address ourselves to the French administration, forwarding a copy of the complaint, and a copy of the original message, and asking them to trace the error. They immediately ascertain if it has occurred within their jurisdiction; and supposing it has not occurred on the French line, they send that complaint to their next neighbour, supposing it is the Austrian or the Italian line, whichever it may be.

757. I suppose that the Committee may take it as a fact, that messages are sent on as direct from Paris to their next destination, as from London to Paris?—Certainly; you may take it as a fact that there are very few, if any, errors arising on the French territory.

758. I suppose that, generally speaking, the messages which are received from the Continent in English would be correctly rendered?—Perfectly

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Bart.

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fectly correctly; there are very few complaints indeed on that ground.

759. What do you assign as the cause of the complaints which have been made lately as to the length of time, the irregular delivery, and the imperfect condition in which messages are received from India?—It is difficult to assign the cause. I should think that possibly one is the number of different Governments and the different telegraph administrations through which a message has to pass. A message may leave, I have no doubt, an Indian Government Office and be transmitted to the Persian Gulf perfectly correct; then it gets on the Turkish lines, and how much mutilation it goes through on them it is almost impossible to state. Then it comes upon the German lines and goes through various German administrations; and then again either upon either the Belgian or the French lines, until at last the message arrives in England in a very different state from that in which it left India.

760. I suppose that, with the exception of Turkey, all messages, in whatever language they may be sent, are forwarded with considerable correctness in Europe?—No, not at all.

761. You stated, did you not, just now, that messages are generally received in the English language from any telegraph station on the Continent?—I mean from France, or Belgium, or Prussia. No doubt that is the case. I will take Spain and Portugal; I know that so far as we are concerned we would much sooner not have Spanish and Portuguese messages at all. They are subject to constant complaint on the ground of errors and delays, and they are more annoyance to us than profit.

762. Have you not found considerable improvement lately in the time in which messages are received from India?—Yes; I have put down a few statistics respecting the time, which I thought might be interesting to the Committee. The longest time of transmission through the Persian Gulf line has been 17 days, the shortest has been 17 hours; that would be probably from Calcutta or west of Calcutta. I cannot tell what station in India it would be, but 17 days has been the longest time of transmission, and the shortest has been about 17 hours. We average now about 48 hours.

763. I suppose that is about the difference between the times?—No, we allow five hours. There have been lately some favourable instances of quick transmission. For instance, a message arrived in London at 6.12 a.m. on the 1st of April last from Bombay, which left Bombay on the 31st of March at 2.20 p.m., which is 21 hours. Another was received at 6.20 a.m. which left Bombay at 2.20 p.m. the previous day, which makes 21 hours; that is allowing five hours for the difference of time.

764. Have you sent any messages through St. Petersburg for India?—No, I do not think we have through St. Petersburg. The line which goes through the Russian territory branches off. It passes through Myslowitz, then it goes by Tiflis Djoulfa, Tauris, Teheran, Isfahan, and part of Persia; and strikes the Persian Gulf at Bushire. But I think we have had very few messages that way; I think one may say that the bulk of the business which we have to transmit from this country is sent by the Munich, Vienna, Belgrade, Nissa, and Constantinople route.

765. I suppose it is your company which

brings into London most of the messages that are now sent from Egypt?—Yes; they come entirely by us.

766. The Alexandria messages come entirely through Italy, do they not?—Yes, entirely through Italy.

767. Are those messages generally found in decent order?—Yes; they have improved very much lately both in time and correctness; and I find that since the opening of the Persian Gulf line we have had about 300 Indian messages sent by Suez. I am not speaking of Egyptian messages; but 300 from India have come that way.

768. You mean that they have come up the Indo-European line to Diarbekir in Armenia, and then down the new Turkish line to Alexandria?—No; those have come by post to Suez, and thence by the old Alexandria line.

769. How many messages are you sending now to India upon the average?—I think about 150 a week.

770. And how many do you receive?—About 50.

771. Have you any documentary evidence to put in?—I will put in this memorandum relating to the transmission of messages to India through the Persian Gulf cable—(*delivering in the same*).

772. Have you formed any plan for the improvement of the telegraphic communication with India?—Yes, I have.

773. Could you state it to the Committee now?—I think it would be more satisfactory if I were to put it before the Committee in the shape of a memorandum.

774. Sir Henry Rawlinson.] Does the plan which you would propose only refer to the European portion?—Yes, only to the European portion; certainly not to the Indian portion.

775. Sir Charles Bright.] The Belgrade service is very well performed, is it not?—Yes; so far as we know, it is. I believe that the principal delays are in Turkey.

776. If it were possible that special wires could be reserved by foreign Governments and put at your disposal, would not the communication be very much improved?—No doubt.

777. Supposing the line was entirely in your hands or under any other competent English control, direct through to India, what should you consider to be a fair average time for a message to occupy?—It is difficult to say that. No doubt it would be very much reduced. I do not see why we should not work to India as quickly as to any other part of the world. With good insulated lines, and with English or French telegraph clerks, I should think that we might certainly reduce it from 48 hours to 24, and send the messages correctly besides.

778. I suppose you consider that the traffic would be very much larger if the service were done better?—No doubt. I believe that the traffic is simply very small from the reason that merchants employing the telegraph cannot rely upon the messages being correctly sent. It very often happens that a message arrives in a state which is utterly unintelligible.

779. Mr. Moffatt.] You spoke of the gentlemen finding a great many errors and misrepresentations in telegrams received through the German administration, through that part of the system which is managed by the Germans?—I think it was Spain and Portugal to which I alluded.

780. Do

780. Do you find that Spanish and Portuguese telegrams are very much inferior in accuracy to the messages which you receive from the north of Europe telegraphic communications?—Yes, very much.

781. Have you had any practical experience with regard to the management of telegraphs in India?—None whatever.

782. You have not been there?—No.

783. But have you sufficient experience to know that the work is done with exceeding irregularity and great inaccuracy?—That I cannot say, as regards India itself; but I know that messages coming from India arrive in a very mutilated state.

784. Have you any means of tracing where those inaccuracies arise?—We have to a certain extent, and we do trace them.

785. To what extent do you trace them?—I think that we have now got 109 complaints under investigation of inaccurate telegrams from India, and those are mostly under the consideration of the French Government; and the general answer is, that the mistake does not occur in their jurisdiction, and that they are trying to find out where it did occur.

786. But have you no power of tracing beyond the French Government?—No; when we hand it to them it ceases to be in our jurisdiction. As you are aware, the telegraphs belong to the different foreign Governments, and we have no control over them.

787. *Sir Henry Rawlinson.*] I believe that all the continental powers are bound together by the two International Telegraph Conventions of Brussels and Paris?—Yes; there was one signed at Berlin originally, and there was one signed last year at Paris.

788. They are all bound together on the other side of the Channel as far as the Turkish frontier?—Yes.

789. The lines intervening between the Dutch coast and the Turkish frontier are all included in that convention?—Yes, they are, I believe.

790. But England is not included in that convention?—No.

791. Therefore, England is the only European power which is excluded?—Yes; but the English Government possess no telegraphs of their own, and therefore they could not become part of this convention.

792. What is your course when you have to complain of irregularities?—We simply forward the complaint of any merchant or of any gentleman; we send a copy of the complaint with a copy of the original message to the office from which that message was originally sent. Supposing it was transmitted to Paris, and through Paris we send to the French administration; and supposing it was transmitted to Brussels, and through Brussels we send it to the Belgian administration, and request them to institute proper inquiries.

793. I presume that if the English Government had been a party to that convention, you would have applied to the offices of the English Government instead of to the different bureaux?—Yes; but supposing that the English Government had telegraphs of their own in this country, we should not have been in existence; we stand as a private company trading with foreign Governments, and we have no Government to back us.

794. If the English Government had merely been a party to that convention with regard to the transmission of their messages from England through the Continent to the Turkish frontier, then of course the English company would have had the advantage of making the inquiry through the Government officers, instead of applying direct to the bureaux?—Yes; but I do not see how the English Government could have become a party to that convention, not possessing a telegraphic system of its own. On the Continent all the telegraphs, like the Post Office, are in the hands of the Government; in fact, like the railways; and on the Continent they have a distinct administration of their own, but we have nothing of that sort in England.

795. Are there no private telegraph companies throughout the whole of the continent?—None that I am aware of.

Sir J.
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HENRY NELSON, Esq., called in; and Examined.

796. *Chairman.*] ARE you engaged in business in London?—I am.

797. In what firm?—I am partner in the firm of Crawford, Colvin, and Company.

798. And have you also resided in India for some years?—Yes, for 17 years.

799. You have had great practical experience in the working of the present telegraphic system with India, have you not?—Yes, I have had a great deal of experience.

800. I believe there is not a transaction in business, whether of purchase or sale, that is not now transmitted to India by telegraph?—For the most part it is so. There are some articles which it is not thought worth while to telegraph about, but for all the important staple articles, such as cotton, every sale, say of 50 bales of cotton, or 100 bales, is advised by telegram now.

801. There is a practice now which has been very largely introduced within the last few years, is there not, of selling goods on the water?—Yes.

802. Will you describe to the Committee the manner in which the use of the telegraph is applied in that case?—I will suppose a purchase of cotton to be made from Liverpool; the person

who wishes to purchase the cotton makes his arrangements with the agent of the firm on the spot, on the condition that it is to be telegraphed through immediately from Liverpool to, say, Bombay. The terms are agreed upon by a sort of letter which passes between the two. A telegram is sent immediately, the charges being paid by the purchaser, who also guarantees to pay the charge for the reply, and as soon as the reply comes it is made known to him: and I am aware of several cases where the cotton has been ordered and purchased, the purchase advised and the cotton sold again within three weeks; and if the telegraph lines had been worked a little more rapidly than they have lately been it could have been done in a week.

803. That is to say, a spinner in Lancashire could order his cotton from India, and could be assured of the purchase having been made, and have the satisfaction, perhaps, of knowing that he had been drawn upon, all within a week?—This being drawn upon would depend very much upon the instructions. If he were not drawn upon until the cotton was shipped it would be a long time; but if he sent orders to draw upon him immediately

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mediately he would hear of his having been drawn upon, as well as of the purchase having been made, and that might very well have been done in a week, because, in my own experience, last week we have had an answer to a telegram within four days.

804. In the case of goods shipped from India, consigned to this country, it is the practice to sell those goods on the water, is it not?—Very frequently. Whenever a profit is found to be made by sale for arrival, it is very frequently availed of; sometimes, as during last week, losses have been made in the same way.

805. Frequently it is the case, is it not, that a shipper telegraphs to his consignee in England that he has sent him so many bales by a certain vessel, and that he is at liberty to sell immediately?—Yes.

806. And the cotton is so sold?—Yes.

807. As mercantile profits consist of remuneration for capital and labour, and compensation for risk incurred, is it not the case that where the element of risk is taken out of the transaction, the owner of the cotton can afford to take a less price for it?—Undoubtedly that is the case. Taking a series of operations there is great economy in price in the use of the telegraph.

808. Therefore a spinner in Manchester who buys cotton on the water is able to assure himself that in all probability he will have cotton at a certain time, and he gets the cotton cheaper?—I think that that is unquestionable. Over a large series of operations there must be great economy in the price to the consumer.

809. Therefore the use of the telegraph is a very great economical advantage to commerce?—No doubt of it.

810. But the value of it depends, does it not, entirely upon its accuracy and certainty?—Entirely so.

811. In your own business you must, I presume, have known many instances of messages arriving in a condition perfectly useless?—Yes; the ingenuity of the perversion of telegrams, I think, is something wonderful; and the mistakes which are made are extraordinary. I can give the Committee one within my own recollection, where the sale of 294 bales of cotton was telegraphed, and the figures 294 were converted into the word "stesi."

812. In the interests of our commerce with India I presume it is your desire, and in that respect you represent the feeling of the community at large, to see this telegraphic communication made as perfect as possible?—No doubt of it; and I may add that it would be much more availed of. I think I may say, from my own business and experience, that I should despatch three times the number of telegrams to India that I do now, if we could rely upon their arriving with a moderately fair speed, and with certainty as to correctness.

813. The advantage consists in preventing loss as much as in making gains, does it not?—Yes; the uncertainty of course often creates loss. I have known many instances of loss being incurred by the improper rendering of a telegram. I may say that there is another loss now which has occurred under the present system, and that is, that my firm is in the habit of sending important messages in duplicate, and paying double in consequence. We wait for two days, and then we send the message again, so that it costs us twice the price that it otherwise would do.

814. You find, as a matter of experience, that it is worth your while to pay 5*l.* 1*s.* frequently, for conveying messages in individual transactions?—No doubt of it, because those individual transactions are an index of very large operations. More is to be learned from the advice of a sale than from any market intelligence that you may send.

815. Then it is the fact, is it not, that the post of India has become, in a certain sense, subsidiary to the telegraph?—Yes; so much so that East Indian letters, I think, usually begin with a statement of the telegrams which have been sent and received, and all references to the markets is merely complementary, and fill up the outline which has been sketched by the telegrams; the real news is in the telegrams.

816. Under these circumstances, it becomes very desirable, does it not, that the commercial interests of this country and India should be relieved of entire dependence upon the continent of Europe for the telegraphic communication?—I think it would be a most important thing, if we could have a British line throughout, but of course that is a matter of very great difficulty.

817. Do you find great difficulty in making reclamations upon the present companies?—I do not think that we ever get any reclamations for blunders; we never get any answers. We have tried the two routes by way of comparison, and we take notes of the respective sins and the blunders that they make, and the first thing we do when we get a complaint about a telegram, is to send a clerk to the office; he is received by a dirty little boy who looks through a little hole something like a railway pay place, and says that he knows nothing about it, and he seems rather glad that he does not know anything about it, and there he hopes the thing will end; then we write a letter to the secretary, and the secretary says that he is exceedingly obliged to us for calling the attention of the company to this blundering, and that he will pass it on to the next station.

818. But in the end, although the telegraph companies take a great deal of trouble about it, you get no compensation, do you, for messages incorrectly rendered?—We sometimes, but in a very rare case, get the money back; but that has only been the case, according to my recollection, where the telegram has been longer going than the letter which advised it. We have had several instances of telegrams being delivered in India after the receipt of the letter which had gone by post, and which contained a copy of the telegram; in that case, we have always applied for the money immediately, without any further explanation, and they have been obliged to pay it back after taking about three months to make investigations.

819. As matters now stand, in the event of continental complications, such as a war between Austria and Prussia, or anything happening in Turkey, our commerce would be in a very uncomfortable position, if telegraphic communication with India was at an end?—Yes; we should then have to resort again to the Mediterranean line by Suez.

820. But even that mere fragmentary mode of communication was very serviceable?—Yes; it was used exactly in the same way as the telegraph is used now by the Persian Gulf; it was used probably not to the same extent, but to a very great extent. It could not be used to the same extent, because it was not daily; it was dependent

dependent upon the steamer running from Suez to India, and consequently it was no use telegraphing, except to overtake the departure of the steamer from Suez.

821. You send a message from London to overtake the mail at Suez?—Yes, but that did not make it a daily communication; now we have a daily communication, and we can telegraph any day we like; but by the steamers we can only telegraph according to their departure from Suez.

822. During the time that you were at Madras, had you reason to be satisfied with the manner in which the Peninsular and Oriental Company performed their contract?—I think, on the whole, I was. There was a great deal of grumbling in the newspapers, and so on; but I think the mercantile community were very well satisfied with the way in which the mails were carried.

823. You were a party, were you not, to the representations made to the Postmaster General for the establishment of a weekly communication to Bombay?—Yes, I was.

824. And also to the Postmaster General in India?—Yes; in India I made a similar suggestion, under rather different circumstances, about seven years ago. I was then chairman of the Chamber of Commerce of Madras, and I wrote to the Postmaster General there in reply to a Government communication regarding a weekly mail from London to Suez. At that time the railways across India were not constructed to anything like the extent that they are now, and therefore Suez was the best point of departure for Calcutta, Bombay, and China, and the suggestion was for a weekly mail from London to Suez or Aden, and for the other mails to branch from there. Now, our later suggestion is for a weekly mail from London to Bombay, considering that the importance of Indian correspondence is probably the greatest, and that the other steamers may fairly take their departure when the Indian steamer arrives at the point where they have to separate.

825. You think that the whole of the Indian postal service should be conducted through Bombay?—I think it should now, on account of the railways being nearly completed.

826. You are aware probably that the Post Office have insisted upon an increase in the rates of postage, in order to enable them to make up the increased amount which it is supposed the service will cost?—Yes. I protest very much against that. I think it is wrong in principle; I think that the service rendered to Government by the postal steamers is of enormous importance, for which they pay little or nothing, and that if the Peninsular and Oriental Company were to strike next week, the Government could not send a despatch to the admiral on the China station without sending a frigate out with it. They do not seem to consider that, when they talk about raising their rate of postage, as they did the other day, to 1 s. 3 d., they wish it to pay for the good government of India, and that they wish the post letters to bear the charge of rapid communications which contribute in so important a manner to the defence and good government of our Indian empire.

827. It was stated the other day in evidence that the difference in the amount paid under contract to the Peninsular and Oriental Company and the amount charged by the Post Office in the shape of postage was about 48,000 l. per annum;

0.43.

do you think that that would be generally considered by the public as a very large sum to be borne by the Exchequer of this country, as representing the cost of maintaining the political connection between this country and India?—No, I think it quite trifling. Suppose they had to send all their despatches in men of war, that would be a very heavy charge to the country.

828. Probably you would be surprised to hear that at the Post Office the question is considered not so much with reference to convenience to the public and to mercantile interests as to the amount of additional loss as it is termed which would be imposed upon the Exchequer if this weekly communication were established?—The ability to send despatches to their servants by the Post Office boats is as much a matter of defence as a line of battle ship is, and it would be absurd to expect a line of battle ship to pay its own expenses. On that ground I say it is a mistake to suppose that the Post Office should pay its own expenses in a long sea service.

829. Mr. *Moffatt*.] You stated that the telegraphic communication had lately very much improved; in what respect has the improvement been?—I believe the improvement has dated from the motion in the House of Commons for a Committee on the subject, and we trace it entirely to that. I have in my hand a paper beginning in February and ending with to-day, in which the length of time of the transmission of telegraphs is shown. One on the 8th of March took 11 days from Madras; then there was an exceptional one which took one day to come from Bombay, then three days; then the next took five days, the next five days, the next five days, then two days, then four days, then one day, then two days, and then two days.

830. What was the average time in last year that a message from Bombay took to reach you?—I cannot speak with any exactness, but I am pretty sure it was about 12 days as near as possible.

831. So that they have improved in the decrease of time to the extent of over 100 per cent. at the least?—Yes, certainly.

832. Have you any mercantile relations with China?—Yes.

833. Can you give the Committee any information with regard to the telegraphic communication with that country?—I do not know that I can give the Committee any information, because I have not thought upon the subject. The practice, now, I believe, is to telegraph through India to Galle, and from there to send it on by steamer.

834. Would not it be of very great importance that there should be also as good telegraphic communication as practicable between China and India, and thence to England?—Yes; undoubtedly.

835. And also from Ceylon to China?—Yes, the China trade is enormously valuable, and it would be benefited materially by good telegraphic communication, and the Japan trade also.

836. Mr. *Weguclin*.] There is no telegraph to Singapore, is there?—No, there is not. There is one in contemplation to use up some cable that did not answer elsewhere. I believe the telegraph exists a considerable way down Moulmain.

837. If it were completed to Singapore, it would save a considerable time, would it not, comparing it with the time occupied in sending despatches from Galle?—Yes, no doubt it would be,

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be, certainly, a saving to the China trade to have a telegraph to Singapore; and it is well to remember that the articles of produce exported from China are exceedingly valuable; silk, tea, and so on, which will bear the expense of many telegrams.

838. Sir *Henry Rawlinson*.] Does your observation with regard to the improvement of the telegraph of late times refer to accuracy as well as to speed?—Yes, it does; they have come in very much better order during the last month; so much so, that we have had one or two telegrams without a single mistake.

839. Are you able to say whether that improvement refers to the European portion or the Asiatic?—No, it is impossible for anybody to say where it is, but I have a suspicion that a great deal of the previous incorrectness existed on the line from Bombay to Kurrachee, and I think that they have heard about this Committee, and that they are very particular now as to sending messages on the north-western part of the Indian line. My judgment upon that is arrived at from my experience in India of the sort of mistakes they used to make there. They were nearly all phonetic, and many of the mistakes that we have now are phonetic, arising from people reading out a message one to the other, and being imperfectly acquainted with the language.

840. Mr. *Ayrton*.] That is to say, the one not being able to spell the word as the other reads it?—Yes, not being able to spell the word, or fancying that another word was said.

841. Mr. *Wequelin*.] Was there any suspicion of bad faith?—In India corruption is the only word for it. I know of many instances, and, in fact, only lately a man has been sentenced to labour two years on the roads for corruption in a telegraph office. There have been many Government prosecutions already. The principal corruption was between Bombay and Galle on account of the opium messages.

842. Mr. *Moffat*.] Are any of the telegraphs in India in the hands of the Government?—They are entirely in the hands of the Government; there are no telegraphs permitted except Government telegraphs.

843. Except those on railways for the purpose of those railways?—Precisely so.

844. Mr. *Ayrton*.] Those lines are not in communication with the Persian line?—It is my impression that they have nothing to do with European messages.

845. Sir *Henry Rawlinson*.] I observe that the great improvement in the communication, according to the reports that have been presented to us, may be dated from last February?—According to my statement it commenced in March, and it has been gradually improving up to this very time.

846. That does not quite agree with the reports from the superintendent at Constantinople, one dated the 26th of February and the other dated the 21st of February, who states in the report of the 26th of February: "During the last three or four weeks the communication by telegraph both to India and to London has been surprisingly regular and prompt, messages either way scarcely ever occupying more than one day," that is two days for the whole line?—Yes, perhaps so.

847. I observe in reference to the same subject, the officer reports from Constantinople that he sent a message direct to Kurrachee, the

acknowledgment of which was received back at Constantinople three minutes afterwards; do you think that a statement of this sort is to be received as authentic, that a message would be sent from Constantinople to Kurrachee, and back again from Kurrachee to Constantinople, the acknowledgment of it should have taken up no more than three minutes?—I do not like to give an opinion about a professional matter with which I am not acquainted; I do not know.

848. Mr. *Ayrton*.] Are the commercial relations between England and China very much mixed up with the commercial relations between China and India and England and India?—Yes, there is a sort of triangular commerce constantly going on between the three countries.

849. Therefore all the relations of China are very much interwoven with India for the purposes of business?—Yes, and of course they would be much more interwoven if we had the means of communicating with China by telegraph; the banks especially would use them to a very great extent.

850. Is very much importance also attached to the relations and the arrangements to and from Western India, China, and England?—Undoubtedly; the Bombay merchants have a large trade with China, and a large trade with London.

851. Do you think if the China mail were brought in direct communication with the weekly mail to Bombay, it would be a great advantage to general commerce from the relations which you have mentioned?—I think that the China mail must go to Bombay; it may go to Aden first, but it must go to Bombay eventually; I think that the China mail must always have its head-quarters at Bombay, on account of the docking of vessels and repairing them. There are a great many things about this which probably the Peninsular and Oriental Company could tell you better than I can, but I doubt whether the line from China could terminate at Aden.

852. Do you think that it would be the most desirable course, in the first place, to concentrate all the effort in a direct line from Suez to Bombay?—I do.

853. And that that should be a line of the greatest speed, and with all the power that can be brought to bear upon it?—Undoubtedly I do.

854. So as to get letters as quickly as possible at Bombay for distribution in India?—Yes.

855. Is it your opinion that if the whole effort of India were concentrated on that direct line, it might be carried on at a high speed with tolerable economy?—I cannot answer as to economy, because I am afraid there would be a large expenditure for better steamers required.

856. But, on the other hand, from your knowledge of India, do you think that if the whole stream of passengers from all parts of India were brought down upon Bombay to go direct to Suez, the economy which would result from that, as well as the regularity, might induce so large a number of passengers as to admit of a considerable increase in the power and size and speed of the vessels?—Undoubtedly they would get very many more passengers, and they would be able to employ larger boats profitably.

857. Bearing that in mind, and assuming the railway communication to be made through from Bombay to Madras on the other side of India, do you think that a line of steamers could depart from Calcutta just as well as from Bombay profitably

fitably to China, touching at Madras, or touching at any point on the coast to take in the mails?—I am afraid that there would be a loss of time if they did not start from Galle; I presume the Honourable Member means in supercession of the Galle route as it exists now.

858. Yes. You stated that it would be desirable to concentrate the whole mail effort on Bombay?—Yes, but am I to understand the Honourable Member to mean that all the correspondence and passengers for China should go through from Bombay to Calcutta.

859. I mean that Madras should be the point of departure on the Eastern coast if the line of railway is extended to Madras from Bombay?—I do not feel competent to express an opinion upon that. I think that one of the large steamboat companies could give you a much better answer than I can on that subject.

860. Personally, do you think that it would be a great advantage to the community if they had the opportunity of passing through such places as Bombay and Calcutta on their way to China, between China and England?—I think that for persons going to China, and also for postal communications, the route to China should be the shortest, and I doubt whether the route through India would be the shortest. I think that the route from Aden through Galle is the one which would still be maintained.

861. You would go down the coast from Bombay to Galle?—No, I think they would prefer to send the China steamer from Bombay to Aden, to await the arrival of the Bombay mail from London, and start away from Aden immediately that mail arrives to go from Aden to Galle.

862. Then you would lose a considerable amount of the contribution in the concentrated effort between Bombay and Suez direct?—That cannot be helped; but I do not think that anything would induce China passengers to go through Calcutta, unless they were driven there.

863. Do you think that if they could get a direct line from Bombay to Suez at great speed, that would not be an inducement to them to go across India, if they could do so conveniently, by the railway?—I am not able to form a very correct opinion upon this question, but I think there is so much to be done in looking after the baggage, that the route between Aden and China would be preferred by any person who could avail himself of it. I think, as a matter of time, and as a matter of expense, and also on account of the trouble of shifting about with baggage from the steamer to the railway, and so on, the direct route from Aden would be preferred.

864. Have you been much backward and forward between India and England?—I have made the overland route six times.

865. Do you find that, after a sea voyage of seven or eight days, it is an unpleasant thing to get out of the steamer and get on land?—No, but, it is a very inconvenient thing for ladies and children. For a man by himself there is probably no great difficulty or exertion involved, but, for a family, every change from one ship to another is to be deprecated.

866. You think that it would be a serious inconvenience after a long sea journey?—Yes, a railway journey of three days from Bombay to Calcutta would be a serious thing for children.

867. But from Bombay to Madras the journey would be only two days?—From Bombay to

Madras would be nearly as bad. I do not think that there is much difference in the length of the journey.

868. But do you think that in postal arrangements we are to look to the comfort of women and children, or to consider the economy of the service?—You asked me, as a question of profit, combining passengers with high speed and large ships.

869. If that line were to be adopted you think that the inconvenience would be such that you might not reasonably sacrifice so much for the general interest?—To put it in a short way, if there were a double line going, the one from Aden to China, by Galle and Singapore, and the other from Aden to Bombay (let it be ever so fast) from Bombay by railway to the eastern side of India, with a fresh embarkation to China, I am quite certain that the steamer which went from Aden to Galle direct would have all the passengers.

870. Have you ever been down the coast from Calcutta to Galle?—Yes.

871. Have you not found a great desire on the part of the passengers to get out of the steamer at Madras, and to go on shore?—Yes.

872. And at Galle, in the same way?—Yes.

873. Do not they find it a very great relief?—No doubt; but then you must consider the convenience, and their health, and their packages.

874. And are not the ladies generally very clamorous to get out of the steamer?—They are always very glad to do so except when there is a very high surf.

875. Supposing that, by concentration of effort, you got economy and cheapness of conveyance, do you not think that that would be an element in the consideration?—I am afraid that all the advantages that you speak of would be lost as against the great difference of distance and the great difference in expense. The distance would be considerably more. There could be no question about it.

876. But would distance be an element except as measured by time?—Yes, measured in any way it would be a loss, the expense depends upon the distance.

877. But would you not also be able to keep down the expense if you had this large number of passengers which you would get by bringing them all into one stream?—If you ask me commercially I think it would be a very bad speculation indeed to send the China traffic through Calcutta or Madras.

878. Is there much merchandise brought from China by steamboat to London?—Yes, a great deal of silk and piece goods and other valuable commodities. The freight is very high; although I do not remember what it is.

879. Is there not also a large trade from Calcutta to China in valuable goods?—Undoubtedly a very large trade.

880. Is there enough to support a steamboat independent of the English mail?—There are steamboats that run now, but they are private property; they belong to some large China houses, Jardine & Co., and Dent & Co.

881. Are there not also steamers running from Bombay on private account to China?—I believe there are now; but I am not able to state positively that that is so.

882. Considering that the steamers are now going without subsidies to China, do you think that, with the addition of the subsidy, for the mail

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to India itself they would not be able to carry on the China mail?—No, I think not; I think that the subsidy required would be something enormous. I may state that those private steamers are kept for opium speculations, and therefore they do not depend for defraying their expenses upon the ordinary sources.

883. But if the opium could be sent across India rapidly, considering its value, I presume that there would be very little difficulty in shipping it at Madras, or at any other point of departure on the other coast as well as at Bombay?—No, except that probably the Government might raise objections on the score of smuggling. Madras is not allowed to grow opium now just for that reason.

884. But if the chests were sent sealed in the usual way by railway for through traffic, that objection would be obviated, would it not?—No doubt it could be arranged.

885. Is it your opinion that no Indian mail could sustain with a moderate subsidy a regular mail communication with China?—Yes, that is my opinion. I think that the subsidy required for such a service as the Post Office service between India and China would be enormous; so large that the Government would not think of offering it.

886. Mr. Turner.] I suppose that those large opium houses are very jealous of interference by any other parties; and in many cases they refuse to take passengers and cargo?—Yes; their despatches are always private, and very frequently their destination is secret.

887. And in fact they keep it as private as possible?—Quite so.

888. Mr. Laird.] You think that you could not divert the passenger traffic from Aden to China by way of Bombay?—I think not. I may be wrong, but that is my impression.

889. If the number of passengers were reduced and the cargo went the other way, would not the cost of postal communication with Bombay be very much increased, and would not the company require a much higher subsidy if they were deprived of the passengers by the existence of two routes?—No doubt. I do not think that any subsidy would keep the steamboats going on if they had no passengers.

890. Except that there would be the passengers to Bombay? If I clearly understand the honourable Member's question, I think it is this, that if the passengers from Aden to China, *via* Galle, were taken away from that route, the subsidy then which is paid by the Government to the Peninsular and Oriental Company would have to be very much raised. No doubt it would have to be raised beyond all calculation.

891. Mr. Turner]. In fact, you think the cheapest, most economical, and best plan is for Bombay to be the principal port for letters, and that they should go on from Bombay to Calcutta, and from Bombay to China?—I think that for India the only proper route is by Bombay, and for China and Australia the proper route is by Aden and Galle.

892. Then, in that case, you must have one line of steamers from Aden to Galle, and another from Aden to Bombay?—Yes; I think that the principal line should be to Bombay, and that it

should stop there, making it a sort of express train running through, and that it should drop all the Australian passengers and all the China passengers at Aden, and it should not be bound to wait for the arrival of any steamer from China or from Australia; but that if passengers were too late for the steamer which runs from Bombay to England express, those passengers should wait for the next mail.

893. Chairman.] Would they not have to wait a week under the weekly system?—Yes.

894. Mr. Turner.] Passengers for Australia and China would go direct from Aden to Galle?—Yes.

895. Mr. Ayrton.] You will observe that that system involves, does it not, having a steamboat always running between Bombay and Aden empty or partially empty, for that part of the journey, and yet large enough to receive the great influx of passengers to be carried from Aden to Suez?—I stated, in a former part of my evidence, that I feared that Aden could not be made a depôt or a terminus of the China line, and that I feared that you would be obliged to send the boats on to Bombay to be docked whenever they required it, and I still think that that will have to be done. But that can be done by means of reserve boats.

896. Do not you think that it would entail a very enormous amount of expense upon the whole postal subsidy, if the company had to run boats from Bombay to Suez large enough to take in the whole influx of passengers at Aden, and that it would involve their running half-empty ships between Aden and Bombay?—Except this, that by a weekly mail you would probably make arrangements for some of them to go by each boat. If you have steamers of very high speed to run to Bombay they must be very large.

897. Would not this be the result, that if they were of a capacity enough to take in this influx of passengers in the Australian and China business, there would be a great waste of power, at all events, in the journey between Aden and Bombay?—It might involve the necessity of sending an extra steamer from Suez to Aden sometimes as they would be so crowded with Australia and China passengers.

898. Do you think that, if all effort could be concentrated on Bombay, by a steamer going up from Galle to Bombay, and there landing the passengers, that would be an economical arrangement?—I do not feel sufficiently acquainted with the subject to give an answer about that.

899. But that would probably obviate the difficulty in expense, would it not?—I think that the officers of the Peninsular and Oriental Company would give the Committee the best information about that.

900. Can you give the Committee any idea of the comparative value of the exports from India to China, and Europe to China?—No, I cannot do that. I am not so much in that trade as to be able to do so.

901. You are probably not aware that more than two-thirds of the value of the produce exported to China goes from India to China, as compared with less than one-third from Europe to China?—No, I should not like to say anything upon that subject.

WILLIAM HAMILTON CRAKE, Esq., called in ; and Examined.

902. *Chairman.*] You are a Member of the Firm of Parry and Company, of Madras?—I am.

903. Have you resided in India for many years?—Yes.

904. When did you return from India?—In July, last year.

905. Have you found that the introduction of the telegraph between India and Europe has caused much alteration in the mode of carrying on business?—Certainly, a very great alteration. The transactions both in the produce and in the manufactures of this country are affected very directly by telegraphic communications. It is not too much to say that all transactions are based upon the advices which reach the Indian merchants by telegraph.

906. You speak of transactions in produce, and in manufactured goods from this country, perhaps you do not exclude the great monetary transactions between the two countries?—Clearly not; they are as much a part of the market as any article in which business transactions are carried on.

907. The dealing in public securities and so on?—Yes; also the course of exchange, the value of bullion, and such like matters.

908. Have you not found very often, that those transactions through the telegraph, are brought to completion before the written communications are received?—Certainly so; the transactions, as far as the purchase and the actual closing of the bargains are concerned, are in almost all cases completed prior to the receipt of the postal advices, and it may be, that the actual shipment may be completed, also very frequently that occurs, but the transaction is concluded prior to the receipt of the postal communication, and that makes the telegraph of so much more vital importance.

909. When you were in India, did you find great advantage in the conduct of your business from the power of communicating with your agents by telegraph?—Most material advantage.

910. Not only I suppose in the receipt of market advices from this country, but also in sending your instructions as to the disposal of your goods on the way?—Yes, quite so; and one most remarkable effect which it had in altering the character of the business was this, that prior to the introduction of telegraphic connection between Europe and India, the direct transactions of European houses in India were comparatively rare, whereas now, from their ability to transmit orders direct to India, they deal as principals in our markets, much more frequently; that is to say, orders from Europe are far more rife than they were prior to the introduction of telegraphic communication with India.

911. That is to say, you, residing at Madras, would receive through the telegraph, an order for a shipment of cotton on English European account?—Yes; in fact, it places European buyers as principals in our market, in a way that never obtained before, and has led to a vast number more orders being sent from Europe than could have been the case when the communication was carried on entirely by means of the post.

912. *Mr. Weguelin.*] It rendered the business safer?—Yes; it struck out an element of risk.

913. And all business can be conducted pro-

bably with a smaller capital?—The tendency of it is in that direction.

914. *Chairman.*] Upon that point is it not the fact that a man can ship any quantity of cotton, say 500 bales of cotton, from India, advise the shipment by telegraph, and then receive in the course of a few days advice of its having been sold?—It is quite possible.

915. And then he is freed from all mercantile risk in the matter?—Yes.

916. And he is able then upon his own credit to renew the operation?—Quite so; he has, in fact, disposed of his first interest, and he is free to repeat it.

917. I suppose a man shipping 500 bales of cotton on consignment to England from Madras advises his correspondent in England by telegraph that 500 bales of cotton have been shipped in such and such a vessel, and authorises his agent to sell that cotton at once on the water; he does so and telegraphs a reply back to his principal, who is then enabled immediately to repeat his operation, having drawn against the first shipment?—Yes, it is perfectly competent for a man in Madras or in the Indian markets to carry out the operation that you sketch.

918. That is not unfrequently the case?—Certainly not.

919. *Mr. Ayrton.*] Are we to understand you to mean that having received authoritative advice that a sale has been made which is profitable, when he has news that the result is profitable to him by having that information, he can gain credit for a new operation?—Yes. A shipper having obtained advices of the sale of his first shipment is in a position, if he so desires, to repeat that operation. Instead of waiting for the course of post weeks and months, for the cotton to go round the Cape, and the time that must elapse in that, he obtains his advices by telegraph, and is in a position to renew his operations; and, knowing the fate of the first consignment of 500 bales, instead of believing himself to be the owner of 1,000 bales, if he had repeated the operation, he would know that he had sold the first 500.

920. Therefore, he can conduct more business with reference to his own funds, and the risk is diminished to that extent?—Yes.

921. *Chairman.*] It is within your knowledge, is it not, that that which I have sketched out is an every-day occurrence?—Yes.

922. Therefore, it is of the utmost importance that the telegraphic service should be as reliable as possible?—Unquestionably.

923. Have you found reason to complain of the manner in which the telegraphic service in this country and India has been carried on?—Yes, I must say so.

924. Do you find it better now than it used to be?—In the last few weeks there has been a wonderful improvement, not only in the regularity of the messages, but in the time they have taken in delivery.

925. With regard to the local service in India, you, when residing in Madras had a good deal of experience, have you not, of the manner in which messages were sent up from Galle at the time when the messages were taken on from Suez by the mail boats to Galle?—Yes.

926. Did you find much to complain of with regard

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regard to those messages?—It was the subject of general note for a considerable period, that whenever a mail arrived at Galle, supposing it was bringing important intelligence, there was invariably an interruption on the line of some sort or other; that occurred almost as regularly as the mail.

927. Had not one or two messages found their way forward before the interruption took place?—It was difficult to trace; but no doubt there were motives existing for tampering with the lines, and there was unquestionably a great deal of corruption; at least, it was attributed to that.

928. There was a great deal of suspicion, was there not, of the integrity of the employés in the telegraph office?—Yes.

929. Of course you limit that to the persons in the lower departments of the office in India?—Quite so.

930. On the whole, you have not a very favourable opinion of the manner in which the intended telegraph system generally is carried on, have you?—It has been a very large service to organise in a comparatively short time, and it has been progressing so rapidly in India that no doubt the departments have the greatest difficulty in coping with the undertaking, which they have in hand; at times they have miserably failed to conduct the business, but whenever it has culminated and called for the direct interference of Government, or brought down special notice on the department it has immediately improved. I think it is within the knowledge of most people connected with India in the last few weeks, that it can be conducted with greater regularity and speed, and that there are the means of doing so there is very little doubt. Probably one great source of its failure in India has been the exceedingly poor pay that has been given to the subordinates in the office. There has been a sort of effort to make it too soon in its career a paying department, and probably the low salaries that are being given have led to much of the mischief that has accrued.

931. Do you think there is great difficulty in tracing the causes of errors?—The great difficulty both on this side and in India always was, to get anybody or any department to be responsible for any errors; we never could attach responsibility to anybody; we never succeeded in doing it; and a suggestion which I would venture to make is, that some system should be organised with all the several telegraphic departments, that whenever a message is forwarded either to or from its sphere, a copy of that message should be forwarded to a central office, so that the portion of the line on which the error first occurred might be detected. It appears to me that the Post Office offers a ready means of checking in some measure the great difficulty which we have in getting anything like accuracy in messages.

932. But there would be no necessity for that, would there, in the event of our having a telegraph service from this country to India, independent of the Continent, in our own hands, and under our own management?—I think it would certainly be necessary to have several repeating stations, even if it were under one company, and even if it were under one organisation; and at each repeating station I would ask that the officer should be obliged to transmit the form of the message in which he either received or forwarded it.

933. Do you not think that it would increase

very greatly the labour on the part of the establishment to have to do that?—I think not.

934. Mr. Ayrton.] You mean that where it was repeated by the operator, he should take down the message?—Yes, and they do so now; all messages are copied in the office, so far as I am aware.

935. Is it not the case that messages are repeated without being taken down, or it may be a self-repeating station?—I was not aware of that, I thought that they were all taken down.

936. Chairman.] Does your experience justify you in expressing your approval of the time and the manner in which the Peninsular and Oriental Company conduct their postal service on the other side of Suez?—I think so on the whole; I think that all must admit that the postal service of the Peninsular and Oriental Company is properly conducted and admirably done.

937. You do not approve, I presume, of the steamers having to wait at stations for others to come up?—Certainly not. It has been my experience to remain five days at Galle waiting for a broken-down steamer. It has always been a mistake that the main lines of postal service between India and England should be subjected to long detentions for what may be termed subsidiary lines, such as the instance which I have mentioned.

938. As a matter of practice, you would render the grand Indian postal service between Suez and Bombay entirely independent of other services, so far as having to wait for them is concerned?—Quite so. That hardship of waiting for the following steamer is reduced to a minimum now by the frequency of the services from India.

939. Mr. Ayrton.] Have you travelled much in India by railway?—Yes; in my own Presidency of Madras.

940. Have you made any long journeys?—I have been many times across the Peninsula, between Madras and Calicut.

941. Have you experienced any difficulty in travelling in India by railway as compared with travelling in this country?—Yes, the fatigue is greater; which is, no doubt, due to the climate and the greater distances. Personally I did not suffer fatigue.

942. In what sort of carriages have you been in the habit of travelling, saloon carriages or compartments?—Both. So far as the railway with which I am best acquainted is concerned the carriages are admirable.

943. Have you ever considered the expediency of using Madras as the point of departure for the mails farther east?—I should never think of it in that light.

944. You think that it would be too irksome for people to go across the Continent, from Madras to Bombay, and proceed on their journey further eastward?—It is open to this serious objection, that for some months in the year, in the monsoon months, in the south-west monsoon months, the Madras coast is not easily approachable; and practically it is closed, and no shipping communication between Calicut and Bombay during these months.

945. My question had reference to communication by railway?—It will take some years yet before that railway to Bombay from Madras is completed.

946. That is a separate matter; but supposing that you had the railway communication complete

plete between Madras and Bombay, have you ever considered the expediency of making Madras the point of departure for communication further eastward?—Any consideration that I could give to the subject, as far as I understand it, would be adverse to such arrangement. Madras in itself has but few resources for steamers; it is no harbour.

947. The Peninsular and Oriental Company's steamers for Calcutta all stop there, do they not?—Yes.

948. And from beginning to end, I believe, no inconvenience has ever been experienced with regard to the receipt and delivery of passengers?—No.

949. Mr. Moffatt.] Is not the landing at Madras exceedingly inconvenient?—It is a great bugbear, I think. There is difficulty at times, but it is merely for a very few days in the year that there is practically any difficulty. I hardly ever knew, during my own residence in Madras, of a passenger being carried on to Calcutta.

CHARLES SHAND, Esq., called in; and Examined.

954. Chairman.] You have also resided in India, at Madras, have you not?—Yes, for 20 years, but at Ceylon principally.

955. You have heard the evidence given by Mr. Nelson and Mr. Crake with respect to the postal services; do you agree with them in their opinion that the service as performed by the Peninsular and Oriental Company has been satisfactory to the public?—I see no improvement in 20 years; it is no faster now than it was 20 years ago. I do not know whether that would be considered an improvement or satisfactory; we see that the American postal service is expedited, and I do not see why it should not be expedited to India also. Generally there is no complaint as to the mode in which it is done.

956. It amounts to this, that you think that in these days we ought to have a higher rate of speed?—Decidedly.

957. The contract rate at the present time is 10 knots an hour, is it not?—Yes, but they can do it quicker.

958. Mr. Moffatt.] What is the contract rate with the American steamers?—I do not know, but it is very much higher; 12 knots, I think it is, but I do not know positively.

959. Chairman.] Have you had much experience in the use of the telegraph between this country and India?—A very large experience.

960. What is the result of that experience?—That it has been most disgracefully performed ever since it commenced, and the loss has been very serious in every respect. I will read a few words from a letter which I have received which explains clearly the loss that people are put to, who have made use of the telegraphic communication. It is a letter dated the 6th of January from Madras, acknowledging the receipt of 24 telegrams, the time occupied by which was from 6 to 30 days; they were received most irregularly. In some cases the subsequent advices by post arrived before them. The letter states, "The list comprises the whole of the telegrams we have received from you since we last wrote, and the following is a list of those which we ought to have received, but have not,—Nos. 473, 475, 477, 497, 499, 501, 503, 509, and 523; possibly these will come dribbling in in the course of the next 0.43.

950. It is an open beach, is it not?—Yes, quite an open beach.

951. Mr. Ayrton.] Is there any loss to signify in goods being landed or shipped at Madras?—Not to signify.

952. How would you propose to carry on the communication further east when the lines of railway are completed in India?—I think that the postal line must be from Aden to Galle. What port the steamer that goes from Galle to China, and to the east, should start from, is another point. I should imagine that Bombay or Calcutta was the right point. Bombay probably for their first starting point.

953. Do you think that a steamer to go to China would first start from Bombay to carry on a further communication eastward?—Bombay would be the place of great resort, but those are matters more within the knowledge of a company like the Peninsular and Oriental Company than mine. It is not a point about which I can give much direct information.

W. H. Crake,
Esq.

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10 days, but whether they come to hand at all or not is a matter of no moment now since the delay which has taken place in their transmission must have utterly defeated the object with which they were despatched; that your telegrams despatched on the 25th November should only reach us on the same date with others despatched more than a month after them is quite beyond our powers of comprehension. Redress is of course out of the question, but it is very hard to have to endure such treatment uncomplainingly. What mischief may have arisen from our apparent neglect of the many orders which would have been practicable had they come through within a reasonable time, or in their proper turn, we have yet to learn, but doubtless great dissatisfaction must have been caused generally amongst your friends whose interests have suffered from the unaccountable conduct of the telegraph officials, and who, till they receive an explanation will, we fear, lay the blame of the consequences at our door, and if they act hastily in the meantime may sever their connection with us."

C. Shand,
Esq.

961. Have you found any change lately for the better?—In the last six weeks there has been a very great improvement.

962. Can you attribute that to any cause?—It was a curious coincidence that it was contemporaneous with the motion that was made in the House of Commons.

963. But whatever the cause was the improvement has taken place?—Whatever the cause was it has taken place.

964. Do you receive your messages now with reasonable regularity?—I received three this morning in three days both from Ceylon and from Madras.

965. Were they correctly rendered?—They were correctly rendered, and that has been lately the case in every instance.

966. Have you formed any opinion as to whether the cause of dissatisfaction exists in India or on this side of India?—I think it is a good deal attributable to carelessness in India. I may mention that we have felt less inconvenience perhaps from the circumstance that all our telegrams are in cypher and in repetition at the same time; that is to say, we have one word representing

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presenting a sentence and it is accompanied by another word representing the same; so that either one word or the other reaches its destination.

967. Are they both sent at the same time?—They are both sent by the same telegram, but the cost, of course, is just double.

968. You have heard what the previous witnesses have said with regard to the great advantage of the power of sending information to India by the telegraph which exists now, do you agree with their evidence?—Yes, it has completely revolutionised the mode of carrying on trade.

969. And you think that the telegraph is essential to the proper conduct of trade in future?—It is absolutely essential.

970. In fact, you would not know what to do without the telegraph?—No; we should probably as easily know how to do without letters as without the telegraph.

971. Do you think that the telegraph is gradually superseding the post for all important purposes of commerce?—Yes.

972. Letters are becoming quite subsidiary and explanatory of the telegrams?—Yes; quite so. With regard to the subsidy to the Peninsular and Oriental Company, there is one point which I think has been lost sight of, and that is, that the loss is not so much as the gain to the English post office from the correspondence with India. For instance, we receive a telegram to-day and we send 20 telegrams out probably in consequence of it; in like manner the Indian postal communication increases the local postage.

973. Mr. Moffatt.] Are you always in the habit

of repeating through the post office what you have sent by telegraph?—Yes, always.

974. Are you in mercantile connection with China, or have you any knowledge of the commerce between India and China?—Not more than being in the East India trade. I have a general knowledge only.

975. Could you give the Committee any idea of the relative importance of the commerce of China and the commerce of India as regards England?—No; I cannot in figures.

976. Mr. Weguelin.] You stated that the local postage benefited very much by the transmission of the mails from India?—Yes, from the correspondence with India.

977. Do you think that the division of the expenses of the mail service between the Indian revenues and the English revenues, is fair upon India?—No.

978. You think that more ought to be borne by the English than by the Indian revenues?—Yes.

979. If the Indian post-office benefits by the great increase of the internal postal service, ought it not to bear an equal share in the expense?—I misapprehended your question; I wish to lead the Committee to understand, that I considered that the loss which the post-office put down to the subsidy is more nominal than real.

980. Do you think that India recoups herself for the half of the loss which she bears by the internal postal service?—No; England does.

981. But does not India also do the same?—Yes; but I was merely referring to England.

Friday, 20th April, 1866.

MEMBERS PRESENT:

Mr. Ayrton.
Sir Charles Bright.
Mr. Childers.
Mr. Crawford.
Mr. Laird.
Mr. Moffatt.

Lord Robert Montagu.
Sir Henry Rawlinson.
Mr. Schreiber.
Admiral Seymour.
Mr. Turner.
Mr. Weguelin.

ROBERT WYGRAM CRAWFORD, Esq., IN THE CHAIR.

PATRICK CAMPBELL, Esq., Examined.

982. *Chairman.*] I BELIEVE you are the sub-manager of the Oriental Bank Corporation?—Yes, in London.

983. Has that Corporation much occasion to use the telegraph to India?—Yes, very frequently.

984. How frequently, in general terms?—Nearly every day; sometimes two or three times a day; sometimes two or three days may elapse without; but we use it nearly every day.

985. Is your receipt of messages as frequent?—Yes, nearly. I think we send out rather more than we receive, but still we receive a good many.

986. Are there a good many branches of your bank in various parts of the world?—Yes.

987. Will you enumerate them?—We have branches in China, where I was a good many years manager, and we have branches in Japan, in India, in the presidency towns, and in Ceylon, Mauritius, and Australia.

988. Your telegraphic communications are with your establishments at Madras, Bombay, and Calcutta?—Yes, but our messages from Australia, Japan, and China come to Galle; last night we received a message from Hong Kong, dated the 1st of April.

989. Was that brought by ship to Galle?—Yes, brought by ship to Galle, and from Galle transmitted by telegraph.

990. Do you find the facility of communication by telegraph with your establishments in the East very advantageous?—No doubt it is.

991. Have you reason to be satisfied with the manner in which those messages of yours have been forwarded?—At first they were not at all forwarded well, and we were not satisfied with them; but lately they are very much improved. By first, I mean during the last twelve months. In October, November, and December we seldom got messages under 10, and generally 14 or 15 days from Bombay or Calcutta.

992. Were they in a good condition, or mutilated?—We telegraph in cypher, and they were mutilated sometimes; now they are very much better.

993. I suppose, as a matter of fact, your transactions are principally communicated to your agencies abroad by means of the telegraph?—Yes, we receive advices of all remittances and drafts upon us, and we know what is coming

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forward in advance of the mails, and they know what bullion we are sending out.

994. Mr. *Weguelin.*] If an order for payment is advised by telegraph, do you pay upon that order simply?—Yes, we can do so if we wish; we do not like to do it, but we can do so if we wish.

995. *Chairman.*] The principal advantage to you is this, is it not, that you in London know what remittances you have to expect by the next mail?—Yes, by two mails very often; for instance, we know what drafts are upon us, and what remittances are coming forward.

996. Are you able to tell your agents, in like manner, what remittances you are making to them?—Yes, we tell them the amount of the drafts upon them, and the amount of bullion that we are sending out, and in fact, we inform them generally.

997. Then, in point of fact, your correspondence by the post is subsidiary to your telegraphic communications to a considerable degree?—Our telegraphic communications, of course, must be brief; we can give all the heads of information that we want to give, but of course it is shorter by telegraph than by letter.

998. As far as your communication is concerned, very important interests are dependent, are they not, upon the accuracy and promptitude with which the telegrams between the two countries are delivered?—No doubt.

999. You have, of course, a very large correspondence to maintain with India?—Very large.

1000. Are you satisfied with the extent to which the public convenience generally is consulted by the present arrangements?—We think that a weekly mail to Bombay would be a great advantage to us in the Indian correspondence particularly.

1001. Do you send the greater part of your correspondence to Calcutta and Madras even at the present time by way of Bombay?—We do.

1002. Then we may suppose that when the railways are open from Calcutta and Madras respectively, to Bombay, the whole of the correspondence of India, judging by your own experience, will be forwarded to Bombay?—I have no doubt of it.

1003. And practically that the separate service between Aden and Madras and Calcutta, will be wholly unnecessary, as far as time is concerned.

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in the transmission of postal communication?—I have no doubt of it; in fact I made a memorandum of the dates, which perhaps will be of service to the Committee. Our remittance of bills for instance, coming forward from Calcutta, leaves Calcutta on the 9th or 10th, and if the first of those bills are sent by Bombay, we get them generally a week, and sometimes more than a week earlier than if they came by Galle. In the same way in sending out, the mail that left yesterday, the 18th, will reach Calcutta *via* Bombay on the 15th of next month; the mail by Galle that left on the 10th only gets there on the 14th, one day before, so that actually there is seven days' saving by Bombay to Calcutta each way, and that will be reduced by-and-by when the railways are open.

1004. Practically the expenditure incurred in the maintenance of a direct communication between Aden and Madras and Calcutta is so much money thrown away?—I should think so, as far as sending letters goes.

1005. And when the railways are completed, no advantage will be lost by the withdrawal of the sea mail to Calcutta, with regard to bulky correspondence?—I think not.

1006. What day of the week do you think

would be most convenient for the dispatch of the mail from London?—I should think Friday.

1007. Friday is the day following the weekly meeting of the Directors of the Bank of England, is it not?—Yes.

1008. When the value of money for the ensuing week is generally regulated?—Undoubtedly; and the whole news of the week can be summarised on the Friday afternoon, Saturday being a half holiday.

1009. Saturday is, as you say, a half holiday generally, consequently when the mail leaves on Monday it takes no further additional mercantile news than it would have taken if it had left on Friday?—I think very little.

1010. *Mr. Wequelin.*] Did that telegram which you mention of the 1st of April come by the Persian Gulf?—It did; it was dated Galle, two o'clock, on the 17th, and was received at six last night.

1011. *Chairman.*] Would the Committee be justified in receiving the statements which you have made as indicating the general opinion on the part of the banking corporations in London generally connected with the East?—I presume so: their interests are identical with ours as regards communication.

ROBERT GLADSTONE, Esq., called in; and Examined.

R.
Gladstone,
Esq.

1012. *Chairman.*] WHAT is the name of the firm of which you are a member?—Ogilvy, Gillanders, & Co., of Liverpool, and Gillanders, Arbuthnot, & Co., of Calcutta.

1013. Your firm is extensively engaged in trade with the East, is it not?—With Calcutta.

1014. Have you any correspondence with Bombay?—Yes, we have a corresponding house there.

1015. And generally with India and the East?—Yes.

1016. Have you frequently occasion to make use of the telegraph to India?—Very frequently.

1017. And do you receive many telegrams from India?—At certain times we receive a very great number.

1018. Do you, as a matter of business, telegraph to India the result of every important operation in which you may be engaged?—Yes; and they also telegraph from Calcutta in the same way.

1019. I presume, at the present moment, you would make known to your friends in India the present state of things in Liverpool?—Yes.

1020. Your principal purchases of goods which you are sending out to India, or your sales of Indian produce that you have here belonging to your friends in India, would be telegraphed out?—Yes.

1021. What is your experience of the manner in which the telegraphic service to India has been carried on?—Our experience until lately has been that it was very imperfect, from a variety of causes, but at the present moment the service is working remarkably well.

1022. What was the time, speaking of five or six months ago, that your messages ordinarily took to reach you from Bombay?—About five or six months ago I should think it was about a week or 10 days on the average.

1023. Did they come in good condition generally?—No, at that time they did not; they came in very bad order indeed, some of them.

1024. You had, probably, considerable difficulty in decyphering the meaning of your friends?—A very great difficulty sometimes.

1025. So far then as accuracy is concerned you had not much reason to be satisfied with the service of the telegraph?—No, on some occasions we were very much dissatisfied.

1026. Have you ever been misled by a message?—Yes, once or twice.

1027. Have you known any instances of figures being changed?—We have sometimes had figures rendered to us in such a way that we could make no use of them, and on other occasions they were so rendered that it led to mistakes.

1028. You find now that the service is better conducted?—Yes; very much better conducted.

1029. Do you concur in the desirability of there being a weekly mail between this country and India?—Certainly.

1030. What day of the week would you select for the despatch of the mail?—Considering the interests both of London and of Liverpool, I think it is desirable that the mails should leave London every Friday night.

1031. Your Manchester markets are on Tuesday and Friday, are they not?—Yes.

1032. Therefore, you would be able by that mail to communicate by post to your friends in the East the particulars of the market of Friday?—Yes; we could telegraph to our London correspondents, who could write a letter about it.

1033. And your cotton market returns are made up every Friday morning, are they not?—Yes; every Friday morning.

1034. So that Friday would be the day of the week on which you would be able to communicate the latest intelligence to your correspondents abroad, upon all matters of interest to them?—Yes.

1035. You mean that the letters should be dispatched from London at the usual hour on Friday evening?—Yes; *via* Marseilles on Friday evening. They should be despatched from London on Friday, because I suppose that in any case the mail would leave London a certain number of hours after it left Liverpool. If it was to leave Liverpool late on Friday night, it would

would put the London merchants to the inconvenience of having their mail day on Saturday, which is a thing that none of us like. It would, however, be preferable to have the mail dispatched from London early on Saturday morning, after the arrival in town of the mails from the provinces, thus enabling letters from the East to be posted all over the country up to Friday night.

1036. *Mr. Weguelin.*] It might happen, might it not, that it would not be convenient for a steamer to leave the port of Southampton in the night?—No; but I refer to the Marseilles mail, the mail that goes by Dover and Calais.

1037. *Chairman.*] The day or hour of the departure of the steamer from Southampton is perfectly a matter of indifference, is it not?—That is quite a matter of indifference.

1038. In fact you send next to nothing of your correspondence that way?—Only heavy things. We send overland samples and things of that kind by the Southampton steamer.

1039. Do you find, as a matter of experience now, that you get your advices from Calcutta and Madras as rapidly by the direct communication as when they are sent from Bombay?—As a rule we have no regular communications from Madras; our chief messages are only from Calcutta. I am personally concerned only in a Calcutta house. I have nothing to do with Madras, I mean as regards my personal experience. We find very little difference in the time that a message takes. For instance, we sometimes receive a message from Bombay and a message from Calcutta on the same day, and the time of leaving is sometimes just a difference of an hour or two.

1040. My question had reference to the postal service?—All our letters of any importance come by Bombay. For instance, it very frequently happens that the mail from Calcutta leaves for Bombay overland for England and by the steamer which will sail on the same day, and in those cases, of course, we never write any important letters by the steamer mail, because they are delivered a week after the letters that go by Bombay.

1041. Do you think that the mercantile community in Liverpool generally concur in the evidence that you have given?—I think so. I have spoken to a great many friends there about it, and they all hold the same opinion.

1042. *Lord Robert Montagu.*] You stated that until lately the telegraphic service was bad from a variety of causes; are you in a position to state what those causes were?—What I meant by saying a variety of causes was this; first of all, owing to the great delay in the transmission of the messages, we have had some messages that took a month to go out, and we had one case of a message which was delivered in Calcutta four days after the letter confirming it was delivered which was written on the same day, so that that telegram was of no possible use to us there. Then some of the messages have been delivered in such a form that we could not really understand what they meant, from the spelling of the words being so imperfect, owing to the employment of foreign clerks, who do not understand English, and who guess at the words.

1043. But you say that it has improved within the last few months?—Very much so. Since the debate upon the subject in the House of Commons we have noticed a very marked improvement. Whether it is owing to that cause or not I cannot tell, but the fact is so.

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1044. Where do you consider that the fault did originally arise, in England or abroad?—Abroad, certainly.

1045. Do you think that the debate in the House has altered the state of affairs abroad as regards the telegraph?—I believe that representations have been made in a certain quarter which have led to attention being paid to the matter on the Continent.

1046. And the service is now better conducted throughout, both abroad and in England?—I do not know that it is better in England, because we never had occasion to find fault with it in this country; but our messages take only two or three days now on the average.

1047. When is the Manchester market over on Friday?—About four o'clock in the afternoon.

1048. Then in order to take advantage of the intelligence which you have derived at the market and to send messages after the market was over, the mail would have to leave after four o'clock?—My partner, Mr. Murray Gladstone, who is at the head of the firm, and manages the Manchester business, is at present in the room, and he could answer any question about Manchester that the Committee might wish to ask.

1049. In order to take advantage of the mail, so far as the close of the market is concerned, the mail could not leave Manchester till after four o'clock, could it?—No, I should think not; but they could telegraph the Manchester advices in time to catch the mail in London.

1050. *Mr. Turner.*] You stated that about a week or 10 days was the time that a telegram usually took last December?—Yes, about that time.

1051. As it is very much better now, what is the average?—We reckon about two or three days now for a message; that is to say, speaking of the last month or six weeks, our messages have come through in about that time.

1052. And much more accurately?—Much more so.

1053. What is the time the post takes between Bombay and Calcutta overland?—It depends upon the season of the year; in the rainy season our mails are sometimes very much delayed, but it would take about four or five days, I should think, on the average.

1054. If you had a message to send to Calcutta from Liverpool or from London, which you wished to arrive as quickly as possible, you would provide for that by writing to your correspondents at Bombay, and they would send a telegram to Calcutta?—No, we should prefer telegraphing to Calcutta, direct from Liverpool; we always do so.

1055. *Mr. Weguelin.*] Do you make use of the Post Office for the transmission of samples and small parcels?—Yes, of the Overland Mail by Southampton.

1056. Previous to the regulations in that respect you used to send them by sailing vessel?—Yes, they went by sailing vessels round the Cape, or as "freight" by the Peninsular and Oriental steamers.

1057. *Mr. Turner.*] As a matter of practice, as far as postage is concerned, do you think it would be the better plan for the post to have as rapid a communication as possible by steamer to Bombay, and then that letters to other parts of India should be distributed from Bombay?—I think that the mails for India ought to go to Bombay, and be distributed from Bombay for every part of India.

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GILBERT M' MICKING, Esq., called in; and Examined.

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M' Micking,
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1058. *Chairman.*] WHAT is the name of the firm in Liverpool to which you belong?—Ker, Bolton, & Co., Liverpool.

1059. Are you largely engaged in the Eastern trade?—Yes, we have three firms in the eastern Archipelago.

1060. Do you use the telegraph much?—Yes, constantly.

1061. Are you satisfied with the manner in which the service is conducted?—By no means. To prove that to the Committee, I have a number of our messages copied out as transmitted and also as received, and I have marked in red certain words showing where mistakes have occurred, which perhaps the Committee might wish to look at (*handing a paper to the Chairman*).

1062. Have you at any time sustained any inconvenience from the incorrect rendering of the messages?—Very great indeed, from the inaccuracy with which they have been rendered.

1063. Have the figures been wrongly represented?—Yes, we have been put to great inconvenience from the words being inaccurately transmitted, and misleading us.

1064. What is your present experience?—It is better lately, but I see no reason why it should not be perfect.

1065. You get your messages in less time, do you not?—They come in less time, and with greater general accuracy, but still there are frequent mistakes.

1066. Do you regard this facility of communicating with your correspondents abroad as of much importance to you?—It is essential; I look upon the telegraph system with the East as superseding the mails to a great extent; it has become perfectly essential, in fact.

1067. Probably like other persons your correspondence by mails is principally the extension or amplification of your advices by the telegraph?—It is so; we repeat our messages, and write rather more fully about them, but we conduct our business to a very great extent by means of the wire.

1068. You find, I dare say, that one use of the telegraph is, that it saves loss, and at the same time it enables you to make profits?—It renders business much more safe, and enables you to keep your foreign houses better informed, and more under control.

1069. And as the general result of all that, probably the public get a benefit from it?—Unquestionably they do.

1070. They get their goods cheaper?—Yes, they get their goods cheaper and their produce cheaper.

1071. And the risk which you sustain as a merchant is diminished?—Very much diminished, and our business is increased by it, I think; our operations can be repeated much more frequently.

1072. That is to say, you can turn over more business with the same amount of capital?—Yes, the wheel is always going round when you use the wire in place of waiting for the mail for advices.

1073. What would be the feeling if from any circumstance the communication with India by telegraph were now cut off?—I cannot contemplate such a serious calamity to merchants.

1074. Would it not be a source of satisfaction

to you if some alternative method of communicating with India was established?—I have, of course, an idea of my own upon the subject; I think that the Government should conduct it as they do the Post Office, charging the public for the use of it.

1075. *Mr. Childers.*] Do you mean that they should conduct the telegraphic service everywhere?—No; I think that to the East it should be conducted as the Post Office is.

1076. *Chairman.*] Have you ever had occasion to make complaints of inaccuracies?—Yes, I always tell a clerk to write and send a complaint when we receive a message incorrectly, or any great delay takes place, and we receive a stereotyped reply.

1077. In the event of any possible loss being sustained by default on the part of the telegraph companies, are you able to put your finger upon the quarter whence your recompense is to come?—I should make them pay if I could, but I believe we cannot do so.

1078. Probably you think, that if the Government had it entirely in their own hands, and were solely responsible, you would be able to enforce a claim upon them?—I think that some of the gentlemen whom I see here might then be down upon them, and try to make them conduct the service better than they do.

1079. In your opinion, would Friday be a convenient day for despatching the mail to India?—I think it would be a very great convenience to merchants, in Liverpool particularly. All weekly figures and statistics are, by the brokers, made up for the Friday, and those could be communicated.

1080. You mean, that the mail should leave London on Friday evening?—Yes, I think that the mail should leave London on the Friday evening, leaving Liverpool on the Thursday evening or the Friday morning, or better still if despatched from London early on Saturday morning, after the arrival in town of the mails from the provinces, it would permit of letters for the East being posted all over the country on Friday evening.

1081. But you would be unable then to communicate with your correspondents abroad through your London friends?—We might come up to London, and have another mail-day in London.

1082. *Mr. Childers.*] You stated that you thought that the telegraphic communication to the East should be in the hands of the Government; is it your experience that the Government is well suited to conduct business of that kind?—I think that they conduct the Post Office business, as a whole, satisfactorily.

1083. If you base your opinion that the Government should conduct the telegraphic business upon the circumstance that they conduct the Post Office, would not that equally apply to our home telegraphic system?—No.

1084. Does not the Government conduct its home post satisfactorily?—Yes; but our home telegraph system is perfect, or nearly so, and I am quite satisfied with it, but not with the foreign telegraphic system.

1085. Do you think that the rates which are paid for telegraphic messages in England are satisfactory?—Yes, quite so.

1086. Do

1086. Do you think it satisfactory that in the case of two towns within 20 miles of each other, the charge in the one case should be 3s. and in the other 1s., for a message to London?—My messages are generally from Liverpool to London, Glasgow or Manchester. I do not know the local rates.

1087. You speak as to the satisfactory condition of the home telegraph between London, Liverpool, and Manchester?—Yes.

1088. But you express no opinion as to whether the telegraphic system at home generally is satisfactory?—No.

1089. You would wish that between London, Liverpool, and Manchester it should be in the hands of companies, but that, as between London and the East, it should be in the hands of the Government?—Precisely so.

1090. Have you ever considered what establishment that would involve on the part of the Government?—No, I have not.

1091. It is your impression that public establishments abroad are things which may be satisfactorily left to the surveillance of the Government?—I think so; I think that if it were in the hands of the Government we should then have a remedy, whereas as it is conducted now it appears that we have none.

1092. Sir Charles Bright.] You stated that you think that the Government should conduct the telegraphs to the East, because they are at present worked badly. Are you aware that all the telegraphs in India are at present worked by the Government?—I do not speak of those in India.

1093. But is not the telegraph in India, as well as in the Persian Gulf, worked by the Government of India?—I am talking of the line from London to the East, not of the internal telegraphs in India; I know nothing about them.

1094. But are you not aware that all telegraphs from Calais to Constantinople and thence to the head of the Persian Gulf, and thence to Calcutta, are in the hands of the different governments and not in the hands of any private administration?—I was not aware of that.

1095. Lord Robert Montagu.] Do you mean that the English Government should take the entire line of telegraphic communication to India, and conduct it?—Yes.

1096. Can you offer any suggestion as to the way in which that could be done?—By arrangement with foreign powers.

1097. Do you mean that there should be one wire devoted to the use of the English Government?—I am not prepared to go into the detail as to how it could be done, but my suggestion has reference to the great advantage that it would be, provided it were practicable.

1098. Sir Henry Rawlinson.] Are you aware that the telegraph to India, from the head of the Persian Gulf, is directly in the hands of the Government at present?—I was not aware of the entire line being so.

1099. You are not aware, then, that the line from India to the head of the Persian Gulf is in the hands of the British Government at present; that from thence to the Turkish frontier to Belgrade, it is in the hands of the Turkish Government; and from Belgrade to London it is worked by the Austro-Germanic Union?—I am not aware of the exact details, but if it could be arranged that in place of its being in the hands of three powers, it could be in the hands of one, it would be an advantage.

1100. Mr. Childers.] Do you think that fo-

reign Governments would allow the English Government to have that advantage?—I offer no opinion upon that; I say that, provided it could be arranged, it would be an advantage.

1101. Mr. Turner.] At what places in the East have you houses of business?—We have a firm in Singapore, another in Manilla, and another at Batavia.

1102. Beyond what you have mentioned, have you any particular measure which you would suggest for the improvement of the telegraphic communication between England and the East?—No, the solution of the difficulty, it seems to me, would be, if the Government would take it in their hands as they do the Indian Postal Service.

1103. When you have made the complaints of which you have spoken, of the constant inaccuracy, and the undue delay in the transmission of your telegrams, have you ever obtained any substantial redress?—No substantial redress; there is a civil answer, and that is all.

1104. Are the Committee to understand that if the telegraphic communication were in the hands of the different European Governments, the representations of the English Government would, in your opinion, have more weight with the foreign Governments than with a private company?—Yes, I think so.

1105. And that therefore you would have a better means of obtaining redress and insuring accuracy and proper speed than you would under the present system, one part being in the hands of a private company, and the other part being in the hands of foreign Governments?—Precisely so.

1106. Mr. Childers.] The telegraph system in France is in the hands of the Government, is it not?—I believe so.

1107. Consequently, messages going from France to the East are pretty much in the position in which you would wish messages going from England to the East to be; that is to say, the message is taken by the French Government, and the French Government look to its going on properly?—That may be so. I am not able to state that it is.

1108. Have you any reason to believe that French people are more satisfied with their distant messages than English people are?—I know nothing about that.

1109. Mr. Weguelin.] Would it be an advantage to your business to have the telegraph line continued to Singapore?—A very great advantage, indeed.

1110. Singapore would be a very good point for the China trade, to a certain extent, would it not?—Yes; and for all eastern trade. It seems like the centre of a wheel, whence branches go off in every direction.

1111. The telegraph goes now as far as Rangoon, does it not?—Yes; and I should continue it down the coast to Singapore.

1112. You think that that would be very desirable, considering the importance of the trade with China, Singapore, and the Dutch Settlements?—Yes, very much so. Our messages at present are transmitted by steam to Galle, and they are put upon the wires there.

1113. What difference of time would it make if the telegraph were extended to Singapore?—I should think it would save us a week; in fact, the saving would be the difference in the time occupied by the steamer from Singapore to Galle, which I think is about a week or eight days.

G.
M'icking,
Esq.

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CHARLES JAMES ROBINSON, Esq., called in; and Examined.

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1114. *Chairman.*] ARE you engaged in business in Liverpool?—Yes.

1115. What is the name of your firm?—Robinson Brothers.

1116. You have heard the evidence given by the last two witnesses from your town, do you generally concur in what they have stated?—I do.

1117. Do you use the telegraph extensively in your business?—Yes.

1118. Is it your practice to inform your correspondents abroad by means of the telegraph of every sale or purchase on their account of any consequence?—Yes.

1119. Do you think that great certainty is introduced into your business by that method of communication?—Yes.

1120. In your opinion, would Friday be a convenient day as regards Liverpool, for the making up of the mail for India?—I do not think it would. I certainly should like to have a certain day of the week for the mail to go, but as all the weekly lists are made up on Friday in Liverpool, except by telegraphing to London, we could not advise the particulars of stocks, and that sort of thing. If you have an agent in London it would be a suitable day, but for firms that have not branches in London, I do not think it would be at all a convenient day.

1121. At what hour in the day are your cotton statistics for the week made up?—They are very seldom out before 11 o'clock in the morning on Friday.

1122. Would there be plenty of time if there were an afternoon mail for them to be dispatched from Liverpool by that mail?—Yes, certainly.

1123. Do you think, generally speaking, that the establishment of a weekly mail would be a great advantage to those engaged in the eastern trade?—Yes, certainly.

1124. Have you any evidence to offer to the Committee with regard to the messages which you have been receiving from, and forwarding to, India?—My complaint is more on account of the irregularity of the service, and I have brought with me a few papers showing the time that has been taken in transmitting messages. Some messages have not been delivered at all. They are all specified in this memorandum; some relating to Madras, and others to Bombay, and I have made them up to the 31st of December.

1125. Speaking of the latter end of last year, were your messages then forwarded satisfactorily?—No, certainly not; very badly.

1126. Upon the average, how many days did they take?—I have not made up the average, but there are some shown on the paper which took 33 days, and they were a great deal longer in arriving than the letters. We sent telegraphs, but the letters arrived there first, and in some instances, messages were never delivered at all, and we got no satisfaction whatever. I wrote a letter complaining, and I got a letter from the telegraph company asking me for my evidence. I gave them the evidence, and they said that they would put it forward, but I have never heard from them from that day to this.

1127. Since the early part of this year, has there been any improvement, in your experience?—There has been some improvement lately, but I think that is owing to the motion in the House

of Commons as much as to anything, and to fewer telegraphs going.

1128. Is it the general opinion of Liverpool that the mere mention of the subject in the House of Commons and the appointment of this Committee has led to good?—I think it is; it certainly appears so, and I take it also from the newspaper reports from India; the intelligence was telegraphed out.

1129. *Sir Charles Bright.*] When you state that you think that the discussion in the House has led to a great improvement, do you know that the telegraph line to the East is generally worked very much worse during the winter, from the effect of the weather?—No, I have not noticed that. My general complaint has been in May and June.

1130. One of the witnesses stated that in October, November, and December, messages were 10 days in arriving; I wish to know whether that is your experience also?—I cannot give the average.

1131. *Lord Robert Montagu.*] Did you say that it would suit you better in Liverpool if the mail left on Saturday morning?—No; I would sooner that it left London on Friday night if the mail could be dispatched from Liverpool at 12 o'clock on Friday; but not earlier than 12 o'clock.

1132. What objection would there be to Saturday?—We like to get closed early on Saturday; it is a half-holiday everywhere nearly.

1133. *Mr. Moffatt.*] The memorandum of the telegraphs which you have given in, only appears to bring them down to the 17th of December. Can you furnish the Committee with any later memorandum of the time occupied in the transmission of messages by the telegraph wires to Bombay?—I have had some very quick messages in February. On the 25th of November we sent two messages which did not get to hand till the 31st of December, 36 days. On the 5th of December we sent one, which has never arrived out yet.

1134. What has been your experience in the months of January, February, and March?—In February, a message, dated Bombay, the 6th of February, reached our office the next morning, and one dated the 5th, reached our office the next morning.

1135. And in March has the improvement continued in somewhat the same ratio?—Yes, I think it has. Those have been the quickest telegraphs that we have had.

1136. So that the telegraph administration has recently been conducted to your satisfaction?—Yes, it is more satisfactory.

1137. You have expressed a desire, that for the commerce of the country there should be weekly mails. Can you give the Committee any information as to the probable increase in the amount of correspondence which would arise from weekly mails?—It is difficult to form an idea of it.

1138. Have you formed any estimate of the increased cost which would be incurred from having weekly communications?—No; but I think the telegraph system causes a great deal more letters and postal communication in this country, so that that should be put against any increased cost. A telegram coming from India causes

causes probably five or six or more letters to be dispatched about the country, so that it increases the postal communication infinitely.

1139. But as regards the question, as between a weekly and a fortnightly communication, if your telegraph service is very good and not very expensive, does not that rather obviate the necessity for a more frequent postal communication?—No, I do not see that it does.

1140. If you get your messages and communications with regard to your various contracts, both in buying and selling rapidly and accurately through the telegraph, you merely record and confirm the events of the past, by the postal communication?—Yes, you confirm them; but it is more satisfactory to confirm them more frequently.

1141. You are unable to give the Committee any estimate as to the increased cost that might

accrue from putting on mails weekly instead of fortnightly, or of the probable increase in the number of letters?—No; I could not do that.

1142. Mr. *Weguelin*.] Do you think that there would be any advantage in having a wire reserved for mercantile messages?—Yes, I think so; there should be a double line certainly; that would be the best thing that could be done, I should think.

1143. If that could be carried out generally for mercantile messages, it would be a very great advantage?—Yes; either to have a wire kept separately, or to have a double line for general purposes.

1144. Just now, messages are very often delayed, are they not, by the accumulation of local and trifling messages at different points?—I imagine so.

JOHN GREEN, Esq., was called in; and Examined.

1145. *Chairman*.] You represent the firm of Ralli Brothers?—Yes; in London, Liverpool, and Manchester.

1146. Have you extensive transactions in business with most parts of the world?—We have, but more particularly with India, with Calcutta, Bombay, and Kurrachee.

1147. Do you use the telegraph very much in your business?—Very much; in fact it is almost the sole medium of carrying on that business.

1148. Do you telegraph very frequently?—On an average, I should say, three or four times a week, either to one place or the other.

1149. The amount that you pay for your telegrams is a matter of indifference to you; I presume?—Yes, provided we get them correctly transmitted.

1150. In fact facility of communicating direct with your correspondents is of so much importance, that whether you pay 5 *l.* for a message, or 20 *l.* for a message, is not of very material consequence to you in the extent of your business?—No, as a rule it is not. Of course when you are telegraphing three or four times a week, it is an object to keep your expense down as much as possible, but a matter of 5 *l.* for a message is trifling, when compared with the transactions to which that message refers.

1151. That is to say, for an expense of 5 *l.* you may perhaps make a very great profit, or you may avert a great loss?—Yes.

1152. Probably your experience has led you to that conclusion in both directions?—Yes, most certainly; it enables you to prevent loss, because by means of telegraphic communication you are enabled to keep your stocks of goods down within a moderate compass, and, by the facilities of telegraphing purchases from here to India, and telegraphing back the sale of goods for shipment, the matter is simply reduced to the risk as to the solvency of your buyer.

1153. Your postal correspondence is probably little more than a *resumé* of your telegraphic communications?—Yes, it is a *resumé* of our telegraphic communications, with just simply matters of detail.

1154. The only difference being that you cannot send documents by telegraph?—That is the only difference, because the instructions which you give by telegraph are carried out, and the

matter is done with over and over again, perhaps, before the letter reaches its destination.

1155. In your experience, is the telegraphic service to India satisfactorily performed?—It was anything but so for some time; during the last three or four months, perhaps, it has been better; but for 12 months it was very bad. I have brought with me a number of instances which I can refer to. For instance, on the 17th of March last year we sent to Kurachee a message worded in this way: "Linseed lower; Calcutta, 55 *s.* 6 *d.*" that being the value. "Rape seed, 52 *s.*; sold 400 tons. Poppy seed, 48 *s.* 6 *d.* If saltpetre shipments large, buy 27 only." That message was transmitted, "Linseed lower; Calcutta, 55 *s.* 6 *d.*;" then the parts referring to rape seed and poppy seed were entirely omitted; and at the end it was, "If saltpetre shipments, buy large 27"; so that that completely altered the sense of the message, and instructed them to buy saltpetre largely, whereas it was an instruction to buy at such a price only, if the shipments were large; and the quotations for seeds were entirely left out. On the 20th of June we telegraphed them "to buy linseed for 56 *s.*, rape seed and poppy seed, 53 *s.*; saltpetre declining." They telegraphed, "Buy linseed, 53 *s.*," leaving out rape seed and poppy seed altogether; and put "saltpetre advancing."

1156. Lord *Robert Montagu*.] Were those mistakes made purposely?—It is very difficult to say whether they were made purposely, but from the fact of the mistakes suiting most closely to the position of certain markets in Calcutta, the inference is that those mistakes were made on purpose.

1157. Mr. *Moffatt*.] Did you attempt to trace out where the mistake originated?—No; it would take a great amount of time, and very likely it would lead to no result, because persons who have had any experience in India know what tracing things of that kind means, especially where native clerks are employed.

1158. Lord *Robert Montagu*.] Then you consider that it was a fraud committed in India?—At all events it has the appearance of having been done purposely, but whether it is actual fraud I do not know. I have another instance that I can mention; we telegraphed, on the 24th of June: "Buy linseed 59 *s.*, rape seed, 53 *s.*, poppy seed, 53 *s.*;" they telegraphed it, "Buy

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"Buy linseed, 57 s.," reducing the item by 2 s., "rape seed, 55 s., poppy seed, 55 s.," increasing the item 2 s. in each case. It is strange that they should increase the price of those two articles by 2 s., and reduce the price of linseed; but that is the fact.

1159. Sir *Henry Rawlinson*.] The 3 might have been mistaken for a 5, might it not, being somewhat similar?—It might have been mistaken, it being telegraphed in figures.

1160. *Chairman*.] Did you give your messages in in writing or in figures?—In figures generally.

1161. Mr. *Moffatt*.] What is the difference of cost?—The Telegraph Company take five figures for one word, so that you can transmit a sale or purchase of goods in five figures, by simply coming to an understanding with your firm on the other side.

1162. Sir *Charles Bright*.] If it was a fraud it must have taken place in India, must it not?—The inference is it can only have taken place in India, because the Foreign Governments would have no object in doing so.

1163. Mr. *Moffatt*.] If other parties thought it worth their while to have an agent employed in the Turkish administration could not the mistake occur there?—It might have occurred, of course; it could have occurred that way.

1164. Lord *Robert Montagu*.] You stated that it was done to suit the Calcutta market?—I say the fact existed that the alteration in price suited the Calcutta market; I did not say that it was done for that purpose, but it was an extraordinary coincidence.

1165. Sir *Charles Bright*.] Is it within your knowledge that there have been cases of fraud in messages in India, especially with regard to opium?—I have heard of a case with regard to opium, in which I was informed by a gentleman who came from India that the fraud was directly traced to bribery on the part of some of the officials. It is almost needless to go on with these cases; but I think I have before me 50 similar instances. Here is one, where we advised our Calcutta firm of a remittance of 80,000 l., and they telegraphed it 8,000 l. On the 7th of June our message was, "We remit 80,000 l.; silks rising": the message as transmitted was, "We remit 8,000 l. since rising. Again, on the 14th of June we transmitted a message advising a sale of 6,000 bales of jute and 1,100 tons of linseed; the jute was put 600, and the linseed was left out altogether. In one case we advised a sale of 5,000 bales of jute, and they left it out altogether. And so it goes on; it is only multiplying instances. That went on until about September or October last year, when we found that those mistakes were entailing such very serious losses that it became a matter of thought whether we could not devise some means to alter the mode of telegraphing, so as to avoid the mistakes, and we have since substituted a code of our own, in which we entirely avoid the use of figures, using simply words, and I do not suppose we have had half-a-dozen instances in which the thing has been not absolutely unintelligible, but in which it has been doubtful.

1166. Lord *Robert Montagu*.] Did you institute that code of signals with the object of preventing the Telegraph Company from understanding your message, and thus obviating the possibility of alterations being made in it?—Yes; we invented it principally with the object of preventing our messages and their contents being

divulged to other people, and our messages being altered to suit the position of the markets, and with a view to prevent the losses that had arisen from that cause.

1167. *Chairman*.] Have you any remarks to make with regard to the time occupied in the transmission of messages?—I have not gone so particularly into that question; but we have had instances in which several messages have not been delivered; but that has been declared to have arisen from accidents to the line, and so on. There is no doubt that six months ago it was working much less efficiently than it is now; but even now some unaccountable delays do occasionally take place; our Manchester firm, having had occasion to complain on this point, writes us as follows: "As illustrating these irregularities we may instance a Calcutta message, which was dispatched by our firm there at 11:15 a.m. on the 1st March last, was not delivered at Manchester till the 11th March; whilst a message sent to us from Calcutta on 8th March was delivered to us at Manchester only an hour or so after the message of the 1st March. In respect to this message of 1st March we had the more reason to be annoyed, as most of our competitors had been receiving telegrams of several days' later date before ours of 1st was delivered, and it seems evident to us that, in this case at least, messages were not transmitted in the order of receipt. We strongly urge that this point be prominently brought under the notice of the Committee appointed by the House of Commons since, if no regard is paid to the priority of dispatch, the information conveyed by delayed telegrams would be perfectly useless."

1168. Have you business relations with other parts of the world?—Marseilles, Constantinople, and Persia; with Odessa we have not so much to do now; we have given up that part of the business.

1169. Do you use the telegraphs with those places as much as you do relatively with India?—Hardly so much now; before this year we did more so; there was never a day, perhaps, that we did not send a telegram either to Russia, Marseilles, Constantinople, or somewhere else.

1170. But whether to Turkey or India or any other place you find the telegraph a necessary means of communication at the present day?—It is absolutely necessary.

1171. Why did you discontinue sending messages to Marseilles or to Russia?—In the case of Russia, because we have given up our correspondence with that country.

1172. Supposing that, in consequence of the present complications on the continent, or a disturbance in Turkey, or from any other cause, your communication by telegraph with India was cut off, should you look upon that as a very great inconvenience to the management of your business?—Most certainly so; in fact, it would completely put a stop to all business until we could get ourselves into communication with the firm in India by carrying on a correspondence on the other route through Suez and Alexandria.

1173. Do not you think it would be desirable to establish, if possible, some alternative mode of communication by telegraph with India?—It would undoubtedly be desirable.

1174. Do you think it is possible to make a communication by way of Egypt, and along the south coast of Arabia to India?—I have not heard of that exact route; I have heard that there

there has been some talk of carrying it on from Suez to Aden and that way; but I do not know the exact route it would take.

1175. Would you be glad to hear that such a plan had succeeded?—I should be glad to hear that a duplicate line existed; it would not matter what route it took, so that we got it.

1176. Would not that be desirable for the sake of security?—Yes, and also it would prevent delays, because it would lessen the traffic over the existing line, consequently you would get your message more rapidly transmitted.

1177. Have you anything to say with regard to the postal communication with India?—No, the postal communication is a matter of such secondary importance, that whether you have a mail a-week, or four mails a-month, it does not matter. The only inconvenience attaching to the present system is that sometimes the mail day falls on the Monday, and Monday being one of the busiest days in the week, after the half-holiday of Saturday and the Sunday, it is rather an inconvenient day.

1178. I presume, speaking of your London businesses, that you would concur with other witnesses in thinking Friday a convenient day?—Yes, I think Friday would be as convenient a day as any.

1179. It is one of the market days of Mincing-lane?—Yes, it is the closing day of the week for mercantile operations in London, and in the same way at Manchester; but it is impossible for a man to write all his letters after the close of the market on Friday; they would never get done; so that if you make Friday the day, your information is only up to the Thursday night.

1180. Mr. *Childers*.] You have spoken of numerous mistakes and delays in the Indian telegrams; what remedy could you suggest, or have you any other remedy except the hope of an alternative line in competition?—It appears to me that concentration is wanted, and some means by which you may bring about an understanding that a line should be devoted to the Indian telegraphic service through, from London to the head of the Persian Gulf.

1181. Do you think that if the Companies made that their object, a great improvement could be effected without any direct Government intervention?—I think so.

1182. You do not wish to see the telegraphic system to India more in the hands of the English Government than it is now?—No; my own opinion is, that things of that kind are best left to private enterprise. If you could only get the Telegraph Company to agree with the continental authorities to allow them to put up one or more wires through their states, you would then get a direct line of communication through, and you would not have the delays which now take place owing to the occupation of the continental lines by the transmission of Government or local messages.

1183. You think that private enterprise carries on business of this sort better than a Government department?—I should think so; it is simply a matter of making the most money out of it; and the more efficient they make the communication, the more money they will make by it.

1184. Do you remember the complaints which two years ago were very rife in England, as to the manner in which our internal messages were transmitted?—I have no very distinct remembrance of them. I do remember something of the kind taking place.

1185. There was a time, was there not, when

the "Times" was full of letters as to the mistakes in the telegrams between different towns in England?—Yes.

1186. That is pretty well now at an end?—Yes; as regards English messages, you get them transmitted almost as perfectly as they can be.

1187. That has been done, has it not, without any intervention on the part of the Government?—So far as I know, I have never heard of any movement having been taken by the Government in the matter.

1188. You are aware that from India, up to the head of the Persian Gulf, the telegraph is in the hands of the Government?—Yes.

1189. Have you any reason to believe that in point of delay the management by the Indian Government has been at all remiss?—I am hardly prepared to say much upon that point. I know that occasionally our Kurrachee firm have written to say that they have found delays occurring in the transmission of their messages to and from Calcutta, Bombay, and Kurrachee; but I think that that must have arisen from circumstances over which they had no control.

1190. Has there been any disinclination, on the part of the Indian Government, to inquire into the matter and to give satisfaction?—No, I have not heard of any; we have not complained of anything particular to the Indian Government. The complaint has been more especially made from this side.

1191. Your correspondents in India, I think you stated, have had reason to complain?—Yes, but they have merely made the complaint unofficially; for instance, our manager has spoken to the manager of the telegraph, or something of that kind; it has not been the subject of any correspondence.

1192. You have read, I dare say, the complaints in the Indian newspapers, about the administration of the internal telegraph system?—Yes.

1193. Have you reason to believe that that has been amended latterly?—Yes, I think so; I think that the maladministration arose more from the inexperience of the staff, and from the great pressure of business that was thrown upon them when the telegraph was opened.

1194. Did you ever send a message to India through Russia?—I cannot say that we have given instructions for them to be sent that way, but we know that some of our messages were sent through Russia.

1195. Were those among the messages of which you have spoken to-day?—They have never arrived at all; our experience of the Russian line is anything but favourable. There was a breakdown somewhere or other in the Turkish line, and the Telegraph Company said, "This message we can send through Russia; will you give us instructions?" but we said, "No, send it whichever way you think proper; that is not our business; if you say that your line is broken we cannot insist upon your sending the message; but, as regards definite instructions, we do not consider that our province."

1196. Sir *Charles Bright*.] You stated, that you used to send messages to Odessa and Marseilles, and other places on the Continent; did you ever have any cause of suspicion of fraud at all with regard to any messages to those places?—None, that I remember.

1197. Have you ever had any suspicion of fraud on the English lines?—No.

1198. But only with reference to messages distributed

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distributed in India?—Only with reference to messages distributed in India; and we do not find mistakes in our homeward messages anything like so frequent or so important as they have been in the outward ones.

1199. Do you send messages to Kurrachee, as well as to Calcutta?—Yes.

1200. Do you find a great difference in the time of delivery, between Kurrachee and Calcutta?—No, I do not think there would be very much difference in that respect.

1201. Or between Kurrachee and Bombay?—No; and then those differences have invariably been traced to some accident, through a storm or something of that kind; I think that the average time of transmission of a message through India from Kurrachee to Bombay or Calcutta, would be a day's difference between the one place and the other.

1202. The time occupied in sending a message from Kurrachee to Bombay, is about a day?—Yes.

1203. That is a distance of about 500 miles, is it not?—I cannot speak as to the distance.

1204. Should you think a message from London to Glasgow very badly transmitted, if it took a day in your ordinary business in this country?—It ought to go within an hour, I should think, certainly within two hours.

1205. Therefore you would infer that the telegraphic service between Kurrachee and Bombay is not as good as it should be?—I should think that it is not adequate to the traffic which is thrown upon it.

1206. If you could get a through line to India in English hands, and you could get messages delivered backwards and forwards regularly within two hours each way, should you consider it a very great improvement in the service?—Very great indeed; a communication of that kind is hardly, as far as I can see, necessary: we should be very well satisfied if we could depend upon getting a message from any part of India in a day; we have very few instances of that kind.

1207. If anybody told you that it was possible that a message might be delivered there accurately in no greater time than two hours, should you consider it a thing very much to be desired?—Certainly.

1208. Lord *Robert Montagu*.] The remedy, if I understand rightly, which your experience would lead you to suggest is, that a private company should obtain two wires all the way from London to Bussora, at the head of the Persian Gulf?—Either two wires or two series of wires.

1209. Though they go through foreign states, you think those wires should be in the hands of an English company alone?—If not absolutely in their hands that there should be an understanding that they were to be under their control, and not to be interfered with at all.

1210. Mr. *Moffat*.] You have stated that the telegraphic communication was exceedingly inaccurate last year; have you found any improvement in the present year?—I have found very great improvement during the last three or four months, especially during last month. Lately we have been sending a message from England and receiving a reply within five to eight days.

1211. From what point to what point?—From Manchester to Bombay, and Manchester to Cal-

cutta, or London to Bombay and London to Calcutta.

1212. Are the instances of inaccuracies which you have given in principally existing as between Bombay and Lancashire?—No, those were all between London and Kurrachee and London and Calcutta. I thought that those were sufficient without going down to Manchester for further instances.

1213. Sir *Henry Rawlinson*.] There are two telegraph companies in England, are there not, employed in the transmission of messages to India?—Yes.

1214. Which do you usually employ?—We employ the Electric and International.

1215. And in giving your messages you do not state yourselves which line you prefer?—No.

1216. You leave that entirely to their discretion?—Yes, certainly. If you tell them which way they are to send a message, it seems to me that you would release them from what little amount of responsibility you can fix upon them at present, because they would say, "You directed it to be sent by such and such a route, and we sent it, whereas, if you had not done so we should have sent it through whichever route happened to be open."

1217. You are not able to state, are you, the comparative efficiency of the different routes between London and Constantinople. I mean the one by Turin, and the other by Vienna?—No, because we have no evidence whatever which route our messages come through. The only reason for adopting the Electric International is, that they have, I believe, a wire straight from London to Frankfort. I think that is a case in which they get the permission from a foreign Government, and it saves a good deal of time.

1218. Mr. *Turner*.] Did you not state that you preferred a private company to the Government, in consequence of your being able to fix the responsibility upon a private company?—No, I do not see that in a thing of that kind you can attach more responsibility to a private company than you can to the Government. Why I should prefer a private company is, that I think all enterprises of that kind are better carried out by a private company, because it reduces itself to a question of pounds, shillings, and pence, in which private enterprise always takes a greater interest than the Government does.

1219. Supposing a private company conducted the service through from England to India, do you think that it would pay a private company, because a calculation has been given in evidence, that out of 5 *l.* 1 *s.* which is paid for a message to India, only 3 *s.* 6 *d.* in one case, and 2 *s.* 6 *d.* in the other, is received by the private company?—That is so; but a company here obtaining a concession from the foreign governments to erect a wire, or a set of wires, through such foreign kingdoms, would get the whole payment for the message, and would be only at the expense of putting up wires.

1220. If they could do it all, then the whole operation would be in the hands of the private company?—Yes.

1221. But as matters exist at present, the responsibility of the private company does not amount to much?—No; because if anything goes wrong in your message, and you complain, they simply send you an answer that your message was despatched over their wires, and that they have forwarded your complaint to the government next concerned.

1222. Therefore

1222. Therefore, unless you could get the present system altered, the responsibility of a private company amounts to very little?—Very little.

1223. In point of fact, it amounts to nothing?—I may say that it amounts to nothing.

1224. As regards the Indian Government I presume that it would be very desirable to know whether the mistakes that occur, occur in the territories of the Indian Government or not?—It would be some satisfaction, although a very poor one, because the loss is incurred, and there is no remedy for it.

1225. But you would have a much better chance of getting redress, would you not, from the government of India than you would from Turkey, or from other foreign governments through whose territories messages might be sent?—I do not know whether you would have a much better chance of getting redress, the amount involved would be so considerable that they would be paying away the whole revenue of the company.

1226. You think that the chance of getting redress would be equally hopeless in the one case as in the other?—Yes, I think so, because a mistake may occasionally happen, and it may be a very serious one.

1227. Do you think that any great advantage would result, provided a complete record were kept of all messages either received or sent from a frontier town in India to a foreign country, as to when the message has left the Indian Government; and also when it has either been received

by the Indian Government, or left the Indian Government. If such a record were kept, you could so far check whether or not any mistake had occurred within the jurisdiction of the Indian Government?—That would be satisfactory in so far as tracing it and knowing where the mistake took place, but beyond that there would be no advantage, and I think any chance of getting redress would be very small.

1228. Still it would be an advantage in this sense, that you would find out where it had arisen?—Yes, because if you found mistakes frequently occurring in the same division of the line it would be very apparent that there was something wrong, which must be altered either by changing the employees, or some other means.

1229. Mr. Childers.] Are you acquainted with the systems of telegraphy at all?—No.

1230. I suppose you are aware that the system of telegraphy to India is Morse's Recording System?—No, I am not aware of that part of it at all.

1231. Mr. Moffat.] Do you ever send messages in duplicate, one through one Company and the other through another?—Only in the case of one message. We sent one message to Calcutta through the Electric Company and one through the Submarine, and the difference of time was simply a matter of an hour or two.

1232. Were they each equally inaccurate?—There were one or two trifling mistakes in each, but they were nothing of any very great importance.

CHARLES WELLINGTON HOWELL, Esq., called in; and Examined.

1233. Chairman.] I BELIEVE you are the Secretary to the Peninsular and Oriental Steam Navigation Company?—I am.

1234. Your Company has the whole of the contracts at the present moment for conveying the mails between this country and the east generally?—It has.

1235. Will you be so good as to supply the Committee with the number, the tonnage, and the power of the vessels employed by the Peninsular and Oriental Company?—We have at the present time a fleet of 57 vessels: that is including one or two vessels which perhaps might be called tugs, but they are a large class, vessels of from 180 to 200 tons. We have 66 ships in all, including sailing and store ships, the total tonnage being 97,165 tons, and the horse power 19,180.

1236. Some of those vessels are employed in the Mediterranean and some on the other side of Suez, are they not?—Yes; the larger proportion, east of Suez.

1237. Are the terms of your contracts to be found in the contract of the 27th February 1866, and the various contracts therein recited?—What you refer to as the contract of February 1866 is scarcely a summary of our contracts. It was a special agreement, entered into between the Company and the Post Office, with reference to certain surveys. The contracts are recited there, but I do not know whether that agreement can be taken as an actual guide to what our contracts are. If you desire to separate, for instance, the money received upon one part of our line from that received upon another, I think that we should have to go back to the original contracts.

O.43.

1238. Which are recited in this, I presume?—I believe they are. Our existing contracts are referred to in this agreement.

1239. The rate of speed now is regulated by clause 9 of the contract of the 27th of February last, in supercession of any other terms contained in the previous contracts?—The rate of speed is in some measure affected now by a time-table, which is agreed upon at the commencement of every year between the Company and the Post Office, in which a date of arrival and departure at every port is fixed for the mails throughout the ensuing year; and, to a certain extent, the rate of speed is governed by that table.

1240. In the contracts themselves, the Company is bound to carry the mails at a certain speed per hour?—Yes.

1241. In the contract of the 27th of February, it appears that the Company is bound to perform the voyages between certain specified ports in a certain number of hours?—That is so.

1242. Taking, for instance, the case of Suez and Bombay; between those ports, it appears from Paper No. 7, on page 16 of the printed papers before the Committee, that the whole number of nautical miles run in performing 48 voyages was 142,656, which gives a distance from Bombay to Suez of 2,972 miles?—That is the distance upon which our calculations are made.

1243. You are bound, are you not, to perform that service in 312 hours?—Yes.

1244. Dividing 2,972 miles by 312 hours, it appears that you have to perform the voyage at the rate of $9\frac{1}{2}$ nautical miles an hour?—Yes. We have to perform the voyage at the rate of $9\frac{1}{2}$ knots an hour.

1245. How many knots are nine miles equal to?—

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to?—All our calculations are made upon the nautical mile or knot. I may mention that we are bound to deliver the Bombay mail in 24 days 16 hours in London.

1246. Why is the service split up in your contract with the Government into subordinate distances?—The Bombay service is a peculiar one, inasmuch as it grew up gradually and was taken in fragments. We had lines in the Mediterranean, and we had no lines in connection with them to Bombay. We began our communication with Bombay, by taking the line from Bombay to Aden only, in connection with the existing communication with Calcutta and other more distant places. At present there is a completely independent service direct from this country to Bombay. The history of these matters is contained in a statement which was prepared for the Parliamentary Committee of 1860, but the proceedings of that Committee took so much of a political character, that we really had not an opportunity of getting our case considered. I can put in a copy of this statement, with a supplementary one, bringing it down to the present time, and I think that these statements would be found to be very useful documents for reference by the Committee (*delivering in the same*).

1247. You have to carry the mail between Suez and Bombay at $9\frac{1}{2}$ knots an hour, does that include stoppage at Aden?—No it does not; the agreement of February last was also for the purpose of enabling the Post Office to carry out a system which they were very anxious for, bringing us under penalty and premium clauses with reference to our India and China contracts. Previously to that we had been only under the penalty system on our Australian contracts, and I may state that the company have from the commencement rather objected to premiums and penalties, entertaining an impression of their uselessness, because they have no effect in expediting the mail; we therefore generally preferred to tender in such a form as not to bring ourselves under those conditions which imposed penalties, and granted premiums, but the Post Office have all along desired to introduce uniformity in their system; while every Committee almost that has sat upon the subject seemed to be under the impression that penalties were useful, and at last we gave way upon the point.

1248. Then the whole of your services are now conducted upon the system of penalties and premiums?—Yes, the whole of them; I may repeat that the stay in port has no effect upon the matter; the penalties or premiums being governed by the time consumed upon the voyage, that time being calculated from the minute the steamer is set in motion to the time that she stops at her port of destination.

1249. When you state that you are bound to convey the mails to Bombay in 24 days 16 hours, between what ports do you mean?—That is the whole distance from London to Bombay.

1250. Are you responsible for the time that is consumed in carrying the mails through France?—No: we are not responsible for that.

1251. By clause 9 of the contract to which I have referred, you are bound to convey the mails between Marseilles and Alexandria in 155 hours, and subsequently between Suez and Bombay in 312 hours. Supposing that you exceeded your time between Marseilles and Alexandria, and that you are within your time between Suez and Bombay, is the one set off against the other?—In such a case as that, if we exceeded

the time between Marseilles and Alexandria, we should come under the penalty, as between those two places, and between Southampton and Alexandria in the same way; and if we did the work within the time between Suez and Bombay, although part of the same complete voyage, we should receive a premium in respect of that part of the line. I may mention that the penalties and premiums are not equal, the premium is a small one, and the penalty a large one; the one is double the other.

1252. The premium is 25 £, is it not, for every day that you are within the time, and the penalty is 50 £ a day?—Yes; the post office urged us to make the penalty four times the amount of the premium; but to that we objected. It is so quadrupled on the Australian Line, the penalty being 200 £ and the premium 50 £.

1253. Is this speed of $9\frac{1}{2}$ knots an hour the highest rate of speed to which you could attain with your present vessels?—That is as high an average rate of speed, I think, as we could safely enter into a contract for with our present fleet. I may state perhaps that there is a very great misapprehension existing generally with regard to the rates of speed attained not only by our own vessels, but by those of other companies carrying on ocean mail services, and by the French postal steamers also. I am prepared, if the Committee wish it, to put before them not mere opinions on this matter but actual results.

1254. Can you give us those results with regard to the French service in the east?—With regard to the French service in the East I have not got them in detail; but I yesterday looked through one of the last reports from their Board to their shareholders, in which they state that the speed that they had attained during the twelve months ending May 1865 (the date of their last report) was $9\frac{1}{2}$ knots, which is exactly the same as ours; and this is borne out by calculations which I have made upon the table of arrival and departures of their steamers which was before the Committee at their last meeting.

1255. Do you happen to have a list of the steamers if the Messageries Imperiales Company?—No, I have not a list of the vessels with me. While we are upon the subject of the Bombay service, there is a matter which I would wish to mention, because it led to a communication with the Post Office yesterday. In the papers which have been furnished to the Committee the cost of the Bombay Service is set down at 80,000 £; that is inaccurate, and I believe the Post Office authorities are quite ready to correct it. The actual cost of the service is 48,000 £, giving us a rate per mile upon that service, which I believe is the lowest paid for any ocean service. The rate per mile that we receive on that service is 2 s. $7\frac{1}{2}$ d.

1256. What do you receive in a lump sum for that particular service?—£. 48,000 per annum.

1257. And that divided by the number of miles run brings you 2 s. $7\frac{1}{2}$ d.?—Yes.

1258. What is the average altogether for the whole of your India and China Service?—It is now 4 s. $5\frac{1}{2}$ d., a trifle under 4 s. 6 d.

1259. Have you had any communications recently with the Post Office with the view of making alterations in your existing contracts with regard to the despatch of a weekly mail to India?—Yes, but not very recently.

1260. At what time did those communications take place?—I think about 12 months' ago, we were in communication with the Post Office; perhaps

perhaps not so long as that. It was in consequence, of a memorial signed by a large number of merchants in the City; and an inquiry was made of us, which was, in fact, the echo of that memorial, whether it would suit us to undertake a weekly service between England and India upon all our lines; that is, dispatching the mails on a fixed day in the week, in lieu of four times a month as at present.

1261. What reply did you make to that?—We replied, that there would probably be some difficulties at first, owing to the peculiar character of our services, the complicated nature of them, the number of junctions we have to make, and so on, but that we saw no insuperable difficulty in the plan; and would be willing to undertake it; but that as the system would involve the performance of 13 voyages per annum upon all our lines, as against 12, we should require a corresponding increase to our rate of subsidy upon all the lines.

1262. One-twelfth more?—Yes, one-twelfth more, amounting in all to 35,024 l. per annum upon all our existing services; we, however, reserved to the Company the right of claiming the restoration of the existing system.

1263. Have you considered with the Post Office the question of having a weekly mail to Bombay in supercession of the fortnightly mail to Bombay and the fortnightly mail to Calcutta and Madras?—Yes, we have given that subject some consideration. We received communications from the Post Office upon the subject some time ago.

1264. Did they ask you to consider the terms upon which you would be prepared to undertake that service?—No, I do not think they asked us for a tender. They asked us our terms for a separate service between Bombay and Aden, which should give a complete weekly service to Bombay in connection with one of the Calcutta and China lines.

1265. It is the almost unanimous opinion of the witnesses who have appeared before this Committee, gentlemen practically acquainted with the commerce of the east, that in the interests of that commerce it is desirable that a weekly communication should be established between Suez and Bombay; and they say that according to their experience it is wholly unnecessary to maintain, for postal purposes, a line of packet steamers between Aden, Galle, Madras, and Calcutta for the purposes of Indian communication; do you think that there would be any difficulty in arranging upon terms for a modification of the existing services so as to meet those views?—That is a matter which, of course, requires a great deal of consideration. The company are always ready to entertain any proposal that is put before them; but under existing circumstances, I hardly fancy that we could very well give up the communication to Madras and Calcutta. With the large number of ships that we have, we require a port such as Calcutta for docking and repairs, and other purposes. We should have to send our vessels probably up the east coast, whether we had mails or not, and I very much question whether the time has come when the railway communication would enable passengers from Madras and Calcutta to cross the country and join the Bombay line.

1266. It is stated in evidence that the communication by railway between Bombay and Calcutta will be completed in from one to two

years from the present time, and that the distance will be 1,400 miles; that would be at the rate of 20 miles an hour, only 70 hours of continuous travelling?—Yes.

1267. Should not you think that a great many passengers would prefer to go to Calcutta by that route instead of going round by sea?—As far as our experience goes upon the question as to whether passengers would prefer railway travelling to sea travelling, I should say not. We have had many years' experience upon a part of our line, which perhaps affords some test, and that test is the ability that passengers for India and China have to embark either at Marseilles or at Southampton; we find that passengers are by no means deterred from embarking at Southampton, even in the roughest seasons of the year. Ladies and families almost always embark at Southampton. The season of the year when our outward passengers are most numerous is exactly the season when the passage by the Bay of Biscay is the worst, and yet we do not find that passengers, as a rule, choose the railway route as against the sea route; in fact, the rule is the reverse.

1268. In point of fact, you do not think that there would be any very great divergence of the passenger traffic to the eastern part of India, after the establishment of the railway communication through, from Bombay to Calcutta?—So far as my personal opinion goes, I should say not.

1269. Then, so far as the profits of your company are concerned, you do not expect any falling off from your present receipts, from the conveyance of passengers between Aden and Calcutta?—I should say not. We have merchandise also to convey to and from Calcutta and Madras, and of course any change that interferes with our commercial traffic must throw a greater amount of cost upon the postal service.

1270. You would not found your claim to any increased subsidy upon any fear of losing the traffic?—I think we might have to do so.

1271. Would your company be prepared, if specific proposals were made to it by the Post Office, to consider terms for the establishment of a weekly mail to Bombay?—Decidedly so. Much of course would depend upon the nature of the conditions. Terms and conditions have sometimes been proposed, which we considered to be objectionable and onerous, as they were in the case of the very communication which was suggested, and which fell through, with regard to the communication between Bombay and Aden.

1272. In the event of that weekly mail being established between Suez and Bombay, and in the event of the Government discontinuing to pay you for the conveyance of mails between Aden and Calcutta, and you still finding it expedient for your own purposes of trade to run a line of steamers to Calcutta, should you think it desirable that those steamers should join with the Bombay line at Aden, or that they should run on to Suez?—I think that Aden would in any case, be a most inconvenient port for a junction or terminus. As it is, there is difficulty in carrying on the mere coaling business there, but it is a port that presents very little facility for the transhipment of cargo; while there is no hotel accommodation on shore for passengers, in the event of a day's detention, or anything of that kind.

1273. And not a very desirable place to put up at under any circumstances?—No; in fact, I may say that it would be impossible under existing circumstances.

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1274. So far as the arrangements of your company are concerned, should you be able to dispense with your steamers calling at Aden, on their way from Suez to Bombay?—This would no doubt render necessary the construction of vessels specially suited for the purpose, and I very much doubt whether anything would be gained by such an arrangement, because a vessel constructed to carry coals the whole distance from Suez to Bombay, which is rather a long run, must be a vessel of very large class and power; and it might be useful to save time for her to stop and take coals at Aden, rather than to go away from the terminal port very deep, and arrive at the other terminal port very light, both which conditions are adverse to regularity and to the accomplishment of the purpose.

1275. Your present vessels, as I understand, are not capable of making the voyage from Suez to Bombay without coaling intermediately?—No, I may say they are not; we never try it.

1276. Then it is hardly worth the while probably of this Committee to pursue the enquiry, without considering also the necessity of your providing a larger class of vessels for the purpose?—Not in the sense of the questions which you have been putting. Having heard the evidence given on the first day, I am prepared to state that if required by the Committee we could furnish an estimate, and I think give a very correct idea of the kind of vessel that would be suited for such a line, and I think I may say that it would not be at all the kind of vessel that was submitted to the Committee on this day week.

1277. From your experience do you think that that kind of vessel which was suggested the other day, could accomplish the purpose?—I believe that the vessel proposed the other day, suggested a combination of impossibilities, and that it is quite out of the question that such a vessel would perform the service.

1278. You stated, that you would be prepared to give the Committee something in the nature of a scheme for carrying out such a service, if the Committee desired it; perhaps you could state now, what sized vessel you would require for the purpose, such vessel not calling at Aden?—Those are points requiring professional knowledge, which I do not exactly pretend to have; but looking at what is done upon other lines, we should hardly be able to venture upon it with vessels, other than those of a large and powerful class, such as the Cunard vessels. The line is as long as theirs, and notwithstanding what the Committee have heard, we are totally opposed to the opinion that the navigation of the Indian Seas is more easy than that of the Atlantic; on the contrary we believe that we have far greater difficulties to contend against in effecting regularity of service, and in attaining speed, than are encountered upon the Atlantic.

1279. Should you require to enlarge the size of your vessel in proportion to the increased speed that might be required; for instance, if one class of vessel will suffice for the voyage at 9½ knots an hour, should you require to enlarge the size of that vessel to go 11 knots?—Certainly, if she had to carry coal for the whole voyage.

1280. And in proportion the expenses would mount up to a very great increase?—Very great, and I am now prepared to give you the prices of coals, as the subject was mentioned the other day. The return which I have here is based upon the very last price that we paid for coals at Suez,

Aden, and Bombay and it also is calculated upon the average paid for the last five years. Our last contract price for coals delivered at Alexandria, from which place we now supply Suez, was 40 s. 2 d. per ton. The conveyance of those coals across Egypt cost 28 s. 6 d. To the price at which coals are delivered at any of our depôts we always add 25 per cent., to cover the expenses of landing and re-shipping on board the steamers, waste, storage, and depreciation of the coal, and interest upon capital invested at those ports in barges and in every way. We find from experience that 25 per cent. is only sufficient to cover all the expenses which arise between the time of the delivery of the coals at a port and the time that they are placed under the furnaces of the steamer, so that this total gives for Suez a present price of 85 s. 10 d. per ton for coals.

1281. That is to say, in keeping your accounts, do you charge your vessels with coals at 85 s. a ton?—Yes, every ton of coals that we take on board at Suez costs us now 85 s. 10 d.; without that 25 per cent. it is 68 s. 8 d.

1282. Mr. Childers.] You debit the voyage with 85 s. 10 d. per ton?—Yes.

1283. Chairman.] And you make no profit upon the coal shipped?—No, the last transaction was 85 s. 10 d., but the average for the last five years for Suez is 73 s. 6 d. We are just now suffering from very high prices at Alexandria.

1284. You take those coals, I suppose, upon a large contract?—Yes, upon large contracts. We invite tenders; we do not advertise for them, but we send to 15 or 20 houses; in fact, to any ship brokers with regard to whom we are satisfied that they will be able to supply the quantity desired, and we specify a certain time when we shall be prepared to receive their tenders.

1285. Does not the price of coal depend very much upon the season; for instance, at the time that you shipped your coal for Alexandria, you got that coal cheap?—Yes, the price is influenced by seasons, and it was for that reason that I also gave the average of five years. Of course we take advantage, so far as we can do, of the seasons to place our coals at the stations on the best terms.

1286. Have you facilities for conveying coal by rail across from Alexandria to Suez?—We now supply Suez entirely by Alexandria. We hope soon to get those rates reduced, but the actual cost of our last conveyance of coal was, as stated, 28 s. 6 d. I believe that the Pasha promises us a rate of 15 s.

1287. Looking forward for five years ahead, for instance, you would hope to get your coal supplied upon the average at a sum much less than 85 s.?—I should not think it would be safe to say much less; our experience now extends over a very great number of years.

1288. What description of coal is it that you use?—We take a certain portion of Welsh coal, and a certain portion of north country coal. For Aden, our last price, when we took a very large contract for 18,000 tons, was 52 s. 4 d. per ton, and adding 25 per cent., that gives 65 s. 5 d. per ton as the cost of our last operation. The average of the five years at Aden is 44 s. 9 d., 25 per cent. upon that is 11 s. 3 d., making 56 s. per ton. Present prices are high as compared with the average, and I am afraid that those high prices are likely to continue, and that ought to be borne in mind in anything the Committee may have in view with regard to prospective agreements.

1289. Do you find outward freights to India at

at the present moment rather high?—We get coals cheaper in India when the homeward freights are high, for then ships are attracted to India to bring home cargoes; it is the low freights from India that create the high prices of coals.

1290. Is not it the fact that freights are low in India at the present moment?—*Ergo*, we are now paying high prices for coals.

1291. What is the price of coal at Bombay?—Bombay, in the last contract, was 55 s. 2 d.; 25 per cent. upon that brings it up to 69 s. per ton. The average of the last five years is 35 s. 6 d., and 25 per cent. upon that is 8 s. 10 d., making a total of 44 s. 4 d.; so that at Bombay the rate is exceptionally high at present.

1292. Do not you find that 25 per cent. is a very ample covering?—No, we have not found 20 per cent. enough; I may tell you how we first came upon this 20 per cent. In the earlier days of the Company we now and then indented upon the depôts of the Government; in carrying on the mail service they allowed us to remove coals from those depôts, sometimes paying for them, and sometimes returning in kind. When we paid for them they charged us always 20 per cent. upon the cost price; so that we naturally followed in their steps, and we now charge them the same, but we find that 20 per cent. is not sufficient.

1293. Mr. Childers.] Coming back to the general question; your contracts now are very nearly uniform, or they are all of them based upon time between different ports, and not upon knots an hour?—The contracts are upon knots an hour; and then we have a time table which we agree with the Post Office every year, which reduces it to very much what is stated in the question.

1294. And upon that time table your penalties and premiums are calculated?—Yes.

1295. So that, practically, you are working upon a time table of hours from port to port, and not upon a rate of speed?—Yes, it is so.

1296. You are also working now with respect to all your contracts upon a uniform rule as to surveys; that is to say, a special survey has been discontinued?—The principal survey that is discontinued is the survey for speed before the vessels are put upon the line. In order to make it certain that we should obtain our contract speed upon the line, there were clauses in all of our earlier contracts requiring that every vessel should make a trial trip, and that she should attain 12 knots an hour when loaded to the load line. That was, in a certain sense, a guarantee that she would, on the average, perform her work at sea.

1297. My question was that all your services are now in that respect upon the same footing?—They are.

1298. They are not, I think, quite upon the same footing as to notice; you are working this contract from Galle to Australia upon two years' notice?—Yes, we are working that contract upon two years' notice.

1299. All the other parts of your contracts are upon one year's notice?—They are now upon the one year's notice; they have come upon that by effluxion of time. Our main East India and China contract was taken in 1853, for a term, I think, of eight years; and that, of course, has long since expired.

1300. So that the whole of your contracts now, in fact, are precisely upon a uniform system of penalties and premiums, and a uniform system as

to notice, except the Australian contract, which is two years instead of one year?—Yes; the Australian contract is hardly to be called a contract as it stands at present; it is a continuation for two years of the old contract, although it is taken on lower terms.

1301. Still it is correct to say that all your service is now upon one footing, except in that one respect?—Yes.

1302. With respect to cost, I think that you stated that the return put in the other day was inaccurate, and that the figure for the Southampton, Marseilles, and Bombay service ought to be 48,000 l.?—Yes; a communication was made to Mr. Chetwynd yesterday, and he admitted that the memorandum we submitted to him was correct, and I may state that he is prepared officially to correct his figures.

1303. But the difference between the two would have to be added to one of the other two items into which the contract is divided?—Yes, the difference between 48,000 l. and 85,000 l. would belong somewhere else.

1304. It does not belong to the Australian service?—Certainly not to that; it requires to spread over the others.

1305. Therefore it belongs to some other part of the service, as to which you have now the same notice as the Bombay service?—Exactly.

1306. So that in the event of the notice being given to you upon the whole service, it makes no difference whether the 48,000 l. belongs to Bombay or Calcutta or any other branch?—Not much; the way we put it to the Post Office is this: if you take from us everything but the Bombay line, what should we have left?

1307. If notice were given to you as to the whole service it is quite immaterial, it is a mere question in dividing the whole contract into sections, whether too much or too little, shall not be attributed to the Bombay section?—It is immaterial; we are naturally desirous to have that error corrected, because we heard the other day so much about the enormous rates of subsidy, in connection with Bombay, and as the rate of subsidy for Bombay is exceptionally low, we were desirous of having it properly represented.

1308. But the same amount which would have to be deducted from that item would have to be added to one of the other items, the whole being practically now one contract?—Exactly.

1309. You stated, did you not, that you did not anticipate that at present passengers would not be much diverted from the sea route by the completion of the railway between Bombay and Calcutta?—I scarcely think they would. Many passengers coming from the interior of India, from the North-western Provinces, might find it more convenient, if communication existed, to come down to Bombay or to Kurrachee and thence to Bombay, and embark there instead of making a railway journey to Calcutta and embarking at that place.

1310. But with respect to Calcutta and Madras individual passengers, you think that they would rather lose time by going round by Galle than be subject to the inconvenience of having that kind of transhipment at Bombay?—I think they would; the conveyance of their baggage and personal effects would form an important item in this calculation.

1311. You compared that with the Marseilles route; but is not there this difference, that from London to Marseilles involves three transhipments on the way?—That may perhaps enter into

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into the calculations of those who have to adopt one course or the other; but the facilities, as between London and Marseilles, are great, and I should imagine that railway travelling in Europe must differ very much from railway travelling in India.

1312. What is the time occupied on the voyage from Suez to Galle, do you remember?—Sixteen days.

1313. What is the time from Suez to Calcutta, at present?—Four hundred and ninety-nine hours.

1314. That is 21 days?—Yes.

1315. From Suez to Bombay, what is the time?—Three hundred and twelve hours, equal to 13 days.

1316. You do not think that that difference in the sea voyage would be sufficient to induce Calcutta passengers to go to Bombay?—My own opinion is that it would not.

1317. Supposing that such a course were adopted by the Government as to establishing a weekly mail between Suez and Bombay, and supposing, which you think is not probable, that the Galle and Calcutta line would be practically little used, would your ships fill with passengers from China twice a month and from Australia once a month, by Galle to Suez?—Not at all seasons. There is this peculiarity about our service; it is like the tide; it is one way one six months of the year, and the other way the other six months. Our vessels are, comparatively speaking, empty going outwards in the spring of the year, as at the present season, and loaded coming home; and in the autumn it is exactly the opposite.

1318. Is that the case with respect to China?—Yes.

1319. To the same extent as to India?—Not perhaps to the same extent.

1320. Is it the case with respect to Australia?—Yes; the Australians, for some reason, have fallen into the fashion of going out in September, October, and November, and coming home in the spring.

1321. Do any considerable number of Australian passengers go by your line?—Not a very large number.

1322. You discourage it, do not you?—No; we like to have as many as we can accommodate, but we are in some difficulty in the matter; the steamer from China, the steamer from Calcutta, and the steamer from Australia, meet at Galle, and the passengers have to come on from there in one vessel, or rather the same vessel that leaves Calcutta and comes for Suez.

1323. Are not your passenger rates from Australia such as practically to discourage Australian passengers?—By no means; our rates from Australia are much lower in proportion, taking a rate per mile, than our rates with other distant places, with China and Calcutta.

1324. But are not your rates with Australia so much in excess of the sailing rates to Australia, that you take only a very small proportion of passengers?—We take a small proportion compared with the number travelling; but it is difficult to say what the rate by a sailing ship is, because sailing ships will take passengers at one price if they cannot get them at another.

1325. Is not it the case that the proportion of Australian passengers was for a short time very much larger than it is now by your lines, and by the other company that came up to Suez?—No; I think we are carrying more Australian passengers now than perhaps we have done at any time. I am speaking of through passengers.

1326. Are the Committee to understand that it is your opinion that the China and Australian passages would, excepting in the slack season, fairly fill your ships if the line was limited to them?—They would, perhaps, at certain seasons; in the busy season I think we should have full ships from Calcutta, China, and Australia together.

1327. Supposing that the Galle and Calcutta service came to very little, and that the ships from Suez to Galle and from Galle to Suez practically took only the China and Australian passengers, would they be sufficient to fill your ships, except in the slack times?—I think there are some months in the year when we should fill, under those circumstances.

1328. Do you ever have to run duplicate ships from Galle to Suez, or from Suez to Galle, in crowded seasons?—We have done so, but when we have done it, it has always resulted in loss. If we have done it, we have done it for the accommodation of the public, and to relieve ourselves of pressure upon the ordinary vessels; but seeing that the vessel has to go entirely empty one way, our rate of passage-money has not been sufficient to cover the double voyage.

1329. If your China service were reduced to one ship a month, and that were connected with the Australian service at Galle, would you fill that ship, do you think, satisfactorily with passengers?—I think there might be passengers enough to fill one ship a month. The service was in that condition for a time, but the necessity of a double line was very soon felt, and felt in a manner that very soon brought about its restoration.

1330. The necessity of a double line from where?—A double line from Bombay to China, creating a double line from England to China.

1331. Was it the part of the line between Galle and China which became so crowded that you were required to double it?—It was the absence of the postal communication that led to complaint on the matter, and to the restoration of the double mail.

1332. I am speaking of passengers; and I want to know whether the passenger service between China and Galle, connected with the Australian service between China and Galle, was more than sufficient for one monthly communication?—I think it would be found to be more than sufficient for a monthly communication at the present time.

1333. Do you give that as the result of figures?—I am now speaking without figures, and it is rather hazardous, perhaps, to state anything positively upon this matter.

1334. When the complaint as to the service to China being only once a month was so strong, there was no other postal service except yours, was there?—There was no other at that time.

1335. Now there is the monthly French service, is there not?—There is the French service now, monthly.

1336. Considering that monthly French service, which is to last for many years, are you of opinion that, between you, the passenger service from China to Europe, is more than sufficient for two boats a month?—I think it is rather difficult to bring us into comparison with the French steamers at all. Under the terms of the French contract, they have to carry a very large number of Government officials, and, also, troops. I observed yesterday in the "Times" the arrival of

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of one of their steamers at Galle, with 200 passengers. Many of those are probably not what we should call passengers.

1337. Is not a very large proportion of your passengers Government officers?—Yes; but now, under an arrangement which, perhaps, is not before the Committee, we do not know the distinction between Government passengers and ordinary passengers, as we formerly did; we receive the same rate of payment for both.

1338. You receive the same rate of payment, but still you know as a fact, that you are paid by the Government for Government passengers, do you not?—In some cases we are; in others we receive an order from Government to provide a passage for so-and-so, who is going out on official business, but we do not always know whether a passenger pays his passage-money out of his own pocket, or whether it is paid to him by the Government, as he pays us.

1339. Still, without knowing the fact in each case, is there any doubt that a large proportion of the passengers from China are public servants?—A very considerable proportion, from China particularly, seeing that there is always a fleet there, and especially since the communication has been opened up with Japan.

1340. Do you work harmoniously with the Messageries Impériales, as to rates and fares?—Entirely so; we are on the most friendly terms with them.

1341. And in fixing their time table, they had some regard to your time table, had they not?—I think they were guided by our time table.

1342. Did they send you over no communication?—Personal communications took place; and, with regard to fixing the dates of departure, they had a complete knowledge of what our movements were, and no doubt they were guided by that in fixing their own times of departure; but it would be a more difficult thing than appears at first sight to work the service alternately.

1343. In the first place, it could not work at present alternately, because their service is a monthly service, and any such service as would be proposed must be a fortnightly service?—Yes; and then as between Galle and China, they go to Saigon; and then again, they do not call at Penang, whereas we have to call at Penang; they make a shorter stay again at Singapore than we do; we are obliged to make rather a longer stay there than we like.

1344. To those places, Penang for instance, the service would be only a monthly service, and not fortnightly?—Yes.

1345. There would be inconveniences of that kind?—Yes.

1346. Is their time of arrival from Hong Kong to Suez different from yours?—The rate specified in their contract, of which I have here a copy, is much the same as ours.

1347. Is their actual time-table for the same time as yours?—I think it is all based upon a calculation of the same rate per mile. I observe in the last report which they made to their shareholders, and no better authority can be given than their own report to their shareholders, they say: "The steamers engaged in your service have realised, as in 1863, an average speed of 9½ knots, which, for a general average, is rather high."

1348. Coming to this side of Alexandria, have you considered the prospect of some Italian port being used as your terminus on this side?—Yes, we have considered it very much, and have

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taken steps to procure information bearing upon that subject.

1349. What is the opinion of your company upon that subject?—I hardly know how to give opinions when I represent the Board, but I think from the information we have collected, that we would look upon Naples or Reggio as far better ports for the mail service than Brindisi.

1350. Reggio would be almost in your line, would it not, from Marseilles to Alexandria?—We do not at present take that line. The French take that line; they go by the straits of Messina, and they do not go to Malta.

1351. For the direct service between Marseilles and Alexandria, Reggio is nearly all but touched at, is it not?—Yes, and a line by that part of Italy would bring us into connection with the producing portions of Italy, and the consuming parts also, it would bring us into connection with the richer provinces of Italy. The other side is a poorer district, and the reports which we have had of the Port of Brindisi are at present quite unfavourable as regards its suitability for the terminus of the mail service.

1352. Supposing that a weekly service was established to Bombay, should you conceive that a weekly service between Alexandria and Southampton would be necessary in a passenger point of view?—I think we should find it necessary, not perhaps strictly speaking in connection with the India service, but there are a great many passengers travelling between England and the ports of the Mediterranean.

1353. You do not touch at Lisbon, do you?—No, our Peninsular service has been discontinued altogether.

1354. Would the Malta, Gibraltar, and Egyptian passengers be sufficient in number to justify such a service in a passenger point of view?—I cannot say that; we are now working that part of the line in a different manner to what it used to be worked; we formerly ran very much larger ships between Southampton and Alexandria, than we did between Marseilles and Alexandria, for which line we had special vessels; we now work the ships round in a manner which brings each of them in turn upon the Alexandria and Marseilles part of the line.

1355. Your Marseilles passengers are not transhipped at Malta?—No, they go through.

1356. Do you always stop at Gibraltar?—Yes, just for a few hours only.

1357. Supposing it were proposed not to have a boat every week from Southampton, you do not think that that would at all diminish the charge for the contract?—I do not think it would, because there is not only the passengers to be considered, but what is quite as important, the cargo and the specie; anything which interferes with our present ability of meeting the public wants in the transmission of cargo, specie, and so on, would bear very much upon the question of the subsidy which we should require for carrying on the purely postal service.

1358. Going back to the question of cargo, have you sufficient cargo from China to India, and overland, to justify a twice a month boat, if the Government did not require it for mail purposes?—At some seasons we should not; that very second China line which we spoke of is an illustration; we began to run it at a time when we had no subsidy for it; but we found that the time was approaching when we must give it up, and we therefore informed the Government that we were about to give it up, and that led to their

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giving us a moderate rate of subsidy to continue it.

1359. That is the extra service for which you got 24,000 l.?—Yes, 2,000 l. the round voyage between Hong Kong and Bombay.

1360. *Chairman.*] I presume that the public of this country have no interest in that part of the voyage which lies between Bombay and Galle?—I think they have, for it is availed of to a certain extent by passengers at seasons of the year when we are pressed for room in the direct steamers for China; we then give the passengers the opportunity of going by one of the Bombay steamers which are never so full, and proceeding to China, after the Calcutta and Australian passengers have left the vessel at Galle, vacating a certain amount of the accommodation. Many passengers in our busy season go to China by way of Bombay.

1361. *Mr. Childers.*] Do not Australian passengers frequently come up to Bombay?—They do sometimes; we sometimes give them an open ticket. When our agent, in Australia, is aware that the steamer at Galle is likely to be very full, he issues a ticket to the passenger, which enables him to proceed to England *via* Bombay at the same rate of fare. We do not then make any charge for the extra distance that he goes over.

1362. The China service is necessarily extended, is it not, from Galle to Bombay, in order to make your steamers fit in?—It is so.

1363. They all go to Bombay to be docked, do they not?—Yes; Bombay now is becoming a very large arsenal.

1364. So that nothing would be saved by the China contract being only to Galle?—I do not think it would save anything.

1365. Is there any service now from Calcutta to Singapore?—I am not aware that there is any regular service. Steamers have been running frequently. We tried it at one time; we had no contract, but we ran steamers on the line, we found that it did not pay, and we very soon gave it up.

1366. *Chairman.*] Is there not any local Indian Company which has a contract for that service?—I am not aware that they have a contract.

1367. I mean the same company that has a contract from Bombay to Bussorah, and from Madras to Rangoon?—I cannot answer as to whether they have any contract. I think not with the Home Government.

1368. I mean with the Indian Government?—I really cannot say.

1369. *Mr. Childers.*] Have you any contract with the Dutch Government?—No, we have not.

1370. The service between Batavia and Singapore is a service that you have no connection with now?—We have no connection with it.

1371. You used to have, did you not?—We ran the Australian line for a while from Singapore, not *via* Torres Straits as is now proposed, but from Singapore to Matama and King George's Sound.

1372. Had you not, for a short time, a service in connection with the Dutch Government to Batavia?—No actual service; we had an agent at Batavia, and we took passengers from there by our vessels.

1373. Have you not had any service to Manilla?—Yes, we had at one time, but we were then under a contract with the Spanish Government, not with the English Government.

1374. That has been given up, has it not?—Yes.

1375. Do you know how the Manilla passengers get to and from England?—No, I do not; I believe that they are in difficulty about it at times. The Spanish Government, I need not say, are very tenacious of granting the use of their flag, in fact they would give us no facilities at all, and we found it impossible to work that service.

1376. You have a Japan service, have you not?—We are now running our vessels once a fortnight regularly between Shanghai and Japan; we began running once a month, but we have now been for some time running once a fortnight. We receive no subsidy upon that line, and we are now before the Government with a claim for a subsidy, because there would be seasons when we should have probably to discontinue it as regards our commercial purposes.

1377. The French Company, if I remember rightly, is subsidised up to Japan?—Yes; their original contract includes Japan, as it does Mauritius.

1378. Is the Mauritius service in your hands now?—It is at this moment; we make our last voyage in June.

1379. That is under a contract with the colony, I think?—Our contract, strictly speaking, is with the English Government, the English Post Office acting in the matter as the agents of the Mauritius Government.

1380. So that it is really a contract in which the colony alone have an interest?—They have the whole interest.

1381. And that is coming to an end?—That is now coming to an end.

1382. Do you know what is to be substituted for it?—The Government have accepted a tender for a service by another Company between Mauritius and Point de Galle, where it will join this Company's lines. This will bring Mauritius into more direct communication with Australia, and they will have the French line to and from Europe.

1383. Will that junction be in connection with the Messageries Imperiales, or in connection with you?—In connection with us, I believe.

1384. Is not there a French line in connection with the Messageries Imperiales to Mauritius?—Yes; the communication with Mauritius is one of the original conditions of their contract; they were to take it up at a certain period. I would like to state with regard to the Mauritius service, that it exemplifies in a great measure the difficulty against which we have to contend, when, from any cause, the passenger traffic or the cargo traffic upon a line is diminished. We were receiving what might be considered a very liberal rate of subsidy upon the Mauritius line; in fact more than double what we are now receiving upon the Bombay line; but it was always a poor paying line, and when the French came upon it, we found that we were actually making a heavy loss, and were compelled to give notice to the English Government, and through them to Mauritius, that we must withdraw our vessels; and they are to be withdrawn now very shortly, notwithstanding that the service was being performed by two most inexpensive vessels.

1385. Those vessels ran from Aden, did they not?—They ran to Suez.

1386. Did you not at first run from Aden?—Yes; but we found that it was very objectionable. Passengers had to be transferred to a vessel in which the accommodation was already occupied by passengers coming from longer distances; a process that always gives rise to great dissatisfaction,

faction, those who are on board the vessels objecting to a fresh lot of passengers crowding in upon them, and those who arrive finding the best accommodation pre-occupied.

1387. Did not your having to go to Suez instead of to Aden very much add to your expense?—We took the contract originally from Mauritius to Aden, and we received an extra amount when we consented to go on to Suez.

1388. At one time the Australian line was by the Mauritius, was it not?—It was.

1389. But it did not work at all, and you had to give it up?—It was not found to work well.

1390. Sir *Henry Rawlinson*.] Do you carry the mails to Japan now?—Yes, we do.

1391. And you get no remuneration for that?—We do not. The Post Office avail themselves of that line in the same manner as they avail themselves of any other line in respect of which we receive a subsidy; they send everything to Japan as they do on other lines.

1392. And you receive no remuneration?—No; we receive none whatever. And I may state that the Imperial interest is greatly served by the existence of that line, as it supersedes the constant necessity of sending ships of war with despatches between the ports of Japan and China.

1393. With regard to the passenger traffic as between Suez and Bombay and Suez and Calcutta, have you considered that Calcutta is only a terminus, that it is dependent for the supply of passengers on the feeders from the upper country, and that accordingly as the lines are opened to Bombay, a large portion of the passengers that have been coming to Calcutta, in order to get on board your vessels, will come to Bombay as the nearest port of shipment. You must not consider the passengers as referring merely to Calcutta, but as referring to the whole of the north-west of India; and of course, in both going and coming, they will repair to the port which is nearest and most accessible?—Exactly.

1394. And that when the lines accordingly between Agra and Bombay are once opened, your passenger supply from Calcutta will necessarily fall off?—No doubt. I think I stated, in an answer to a question from the Chairman, that probably many of the passengers who were in the interior of India, instead of proceeding to Calcutta, would, when the railway was completed, proceed to Bombay or to Kurrachee, and thence to Bombay.

1395. Do you not think that that would be much the largest proportion, Calcutta itself being a mere single town, and your great supply of passengers coming from the upper provinces of India?—We look to Calcutta and Madras both; our line on that side of India serves both Calcutta and Madras.

1396. The greater part of the Madras Presidency also will be shortly in easy communication with Bombay and all the Deccan, will it not?—Yes; but what I feel a doubt about is whether passengers will avail themselves of the railway if they have the opportunity of travelling by steamers.

1397. But you feel that whenever the distance is in favour of the western coast they will naturally repair to that in preference to going to the eastern coast?—No doubt. We must be prepared, of course, for a diminution in the number of passengers offering at Calcutta and Madras when railway communication is opened all over India, there is no question about that.

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1398. Mr. *Laird*.] You stated that the speed of the French line to India is the same as yours?—Yes; the engagement in their contract is to perform $9\frac{1}{2}$ knots an hour upon their main lines, and 9 knots an hour upon their subsidiary lines.

1399. Do you know what the speed of the Cunard steamers is?—There was a Parliamentary Paper published in 1861, embracing three years of their working. I have reduced it to a summary, and I can state the result of it. The average working of the Cunard steamers for the years 1859, 1860, and 1861, comes out at 9 knots and 7 fathoms, nearly 10 knots.

1400. Is that taken from a Parliamentary Return?—That is taken from a Parliamentary Return. It is brought down only to 1862, but at that time some of their finest vessels, such as the "Scotia" and the "Persia," were on the line. There are cases in which the voyage has been performed at $12\frac{1}{2}$ and even 13 knots. But I would like to state to the Committee with regard to that service, which of course everybody admits is most admirably performed, and by the finest vessels afloat, that the same thing occurs as with us, that there is a difference between their best voyages and those which are not so good; and looking to the circumstance that their voyage is nothing like so long as ours, if the variation were extended to voyages as long as ours, it would represent as much difference as occurs between our best and worst voyages upon our longer lines.

1401. *Chairman*.] Does that average which you are referring to relate to homeward voyages or to voyages each way?—Each way.

1402. Mr. *Laird*.] It is an average for years?—Yes, an average for years; and this return shows exactly 1 knot and $\frac{1}{4}$ th per hour difference, on the average, between the outward voyages and the homeward voyages.

1403. *Chairman*.] The fact being that at the end of a speedy voyage our attention is more attracted to the good voyages than to the bad ones?—Yes.

1404. If you were to look at New York the converse would be the case, and we should become better acquainted with slower voyages?—Yes; just the same as it is upon our Australian line. We have been very successful in delivering our Australian mails in England, and at Point de Galle also; but we have not been so successful in our delivery in Sydney. Therefore almost all the complaints that we hear of about the Australian service are from the Australian end of the line, and in the Australian papers, and from the Australian Government.

1405. What do you think it arises from?—It arises from the great difficulty of performing the outward voyage as compared with the homeward voyage.

1406. Mr. *Laird*.] It has been stated that the Indian seas are much easier to navigate, and that the average speed can be better kept up there than in the Atlantic; what is your experience with regard to the voyage from Southampton to Alexandria, and from Suez to Calcutta and Bombay?—Our experience is exactly the opposite of what has been stated. If we place a vessel upon the line eastward of Suez that has been worked at a certain rate of speed, and has consumed a certain quantity of coals on the Mediterranean side, we find immediately a greater consumption of coals and a diminution of speed. We have no hesitation in saying that the service of the Indian seas is more difficult, and that

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regularity is more difficult of attainment there than it is on this side or any line that has its terminal port in England.

1407. And the consumption of coal you say is increased as well?—Yes, the consumption of coal is increased; I can give facts if the Committee wish it upon that: coal becomes deteriorated; the temperature of the sea is very high, and consequently the condensing operation of the engine is very much affected, and, in fact, we are met by difficulties in many ways that people taking a mere glance at the matter can have no idea of.

1408. With regard to the Indian service, have you establishments at Bombay and Calcutta for repairing vessels?—We have very large establishments at both places.

1409. Have you establishments anywhere else?—Our next largest is at Hong Kong.

1410. Without establishments of that kind could the service be carried on efficiently by any company?—By no company whatever; the necessity of establishments of this nature comes upon us at every moment.

1411. Are there no private establishments there where you could get repairs efficiently and quickly done?—No, I think not. There are some private docks; and the French are establishing large arsenals, especially at Suez, as they are going to make Suez their head quarters.

1412. They find it necessary in order to keep up a service to lay out a large sum of money in making establishments?—Yes, they complain in their reports to their shareholders of the expenses of those establishments; they have begun to do that already, and I do not think that they yet know the full extent of this drawback on working a fleet.

1413. There was some evidence given by Mr. Knight, in which he stated that your Company refuse to take second-class passengers, is that the case?—No, that is erroneous; I have here a return of the number of second-class passengers that we have carried during the years 1864 and 1865. In 1864 we carried from Southampton to different parts of India 635 second-class passengers, and in 1865, 636; from Marseilles in 1864, 158, and in 1865, 92; these are the numbers outwards. I have not got a return from the homeward vessels; but I am able to state that the number would be very nearly the same. I may state that we do not advertise for second-class passengers.

1414. *Chairman.*] You do not advertise a rate for second-class passengers?—We advertise a rate for first-class passengers and the servants of first-class passengers, but it is perfectly well known that we carry a large number of second-class passengers at the same rate that we charge for the servants of the first-class passengers. We are, however, obliged to protect ourselves in certain ways against people claiming a different class of accommodation when they get on board.

1415. *Mr. Laird.*] How do the charges made by the *Messageries Impariales* tally with yours; are they higher or lower?—They charge two, or three descriptions of accommodation, but on the whole they tally very much with ours.

1416. Though you do not advertise for second-class passengers you take them, do you not?—We take them. With reference to what was stated, that there was a want of desire to consider cases liberally that came before us, I have here a return of the abatements and refunds of passage money made to passengers by our Com-

pany during the years 1864 and 1865 in consideration of the connection of those passengers with missionary or educational institutions, or in respect of passages performed to and fro within short intervals, or upon representation of pecuniary difficulty and other causes which have led them to submit their cases to the Board. In the year 1864 we refunded and returned to passengers under these circumstances 7,560 l., and in the year 1865 we returned 9,760 l.

1417. How is the expense of victualling passengers on the other side as compared with the line from Southampton to Alexandria?—The expense and difficulty of victualling passengers on the other side is very much greater than on this side. We have no markets to go to, other than for a little live-stock; we can get sheep and bad poultry, but everything in the way of stores has to be sent out from England, and perhaps kept in dépôt for a long time, and consequently is put on board the vessels and consumed at a disadvantage.

1418. Do you generally send them out from here?—We send them all out from here.

1419. Can you give us any idea of the space occupied by the mails?—The space occupied by the mails is now becoming a very serious matter with us. The Post Office are every day extending facilities for the transmission of books, and parcels, and packages, and samples, and other things, which up to a certain period were brought to the company's office, and sent out upon freight; but the Post Office, not very properly as we consider, are gradually encroaching upon that part of our business, so that we not only do not receive the freight, but we have the bulk of our mails increased to such an extent, that what were originally the mail-rooms in the steamers are now in many cases found to be insufficient in size. Our Australian mail from Southampton is now a cargo for a small ship. I have a return here showing the number of tons of each mail for two years past, and in it I see that we take 100 tons of mails now from Southampton by each steamer that is in connection with Australia.

1420. *Mr. Ayrton.*] Is that weight or measurement?—On the 4th of January 1865, we had 189 packages of mails, weight 8 tons, measurement 18 tons.

1421. *Mr. Turner.*] You do not mean two parcels, 26 tons, in all?—No, I give the weight as 8 tons, and the measurement as 18 tons; that was the India and China mail. With regard to the Australian mail of the same month, I find that it amounted to 1,098 packages, weighing 45 tons, and 99 tons of 40 cubic feet measurement. I recollect particularly that upon the occasion of the marriage of the Prince of Wales the mail was something enormous; the quantity of letters and newspapers sent out was increased by about one-third.

1422. *Chairman.*] There is no limit, is there, to the quantity of mail matter that the Postmaster General can send on board?—No, there is not. When the system of sending books by post was first adopted, we had some idea of making a protest against it, because we questioned whether it came within the meaning of our contract, and had we anticipated the extent to which the practice has grown up, I believe we should have made a protest at the time.

1423. Have you made any representations to the Post Office on the subject?—We have not made any official communication. A short time ago

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ago it was mentioned, and Mr. Frederick Hill appeared greatly surprised to find that it had assumed the present proportions.

1424. Mr. *Laird*.] Are the mails sorted on board?—On the Mediterranean side they are, but not on the other side.

1425. If it were required that they should be sorted between Suez and Bombay, would that add very much to the room that they would take; would it require a larger space to do it in?—It would require a considerable space.

1426. In addition to the 100 tons occupied by the stowage?—Yes; what we call the post office on board occupies a very considerable space on this side, but we can spare it better on this side than we can in our vessels on the other side.

1427. If it were required that the sorting should be done between Australia and India and Suez, would it require a considerable portion of the vessel to be appropriated to that purpose?—It would require probably the space at present occupied by two or three passengers' cabins, which of course represents a good deal of money.

1428. Mr. *Weguelin*.] In order to sort 100 tons you would require a large space in the room?—The boxes would be brought up a few at a time. There is a Post Office staff on board, and a certain number of boxes would be brought up every day and dealt with.

1429. Mr. *Laird*.] There is one thing stated in the evidence of Mr. Knight which I think must be a misprint. He states, "You will find that it makes an average of 34 days 13 hours for carrying the Marseilles mail from London to Bombay." Is that a correct statement?—It must either be a misprint or perhaps it was a slip of the tongue in speaking. The time actually occupied has been something less than the contract time. I think I may state that the average accomplishment is $24\frac{1}{2}$ days as against 24 days and 16 hours, which we are allowed. With regard to questions which have been asked on the subject of provisions, I may be permitted to mention that the amount which we have to send out is something very enormous. I have a return here showing that during last year there were consumed 1,301,000 bottles of wine, spirits, beer, and soda water on board all the company's steamers; and there are other figures of the same character, all of which, of course, have to be taken into consideration in connection with what has been stated about our so-called extortionate rates of passage money. I would ask permission to say a few words upon that point. Our rates of passage money, if taken at so much per mile, will compare very favourably with the rates of any other ocean company which carry passengers; they will compare with the Cunard line, or any other of the first companies; but if taken in comparison with the cost at which our service is carried on east of Suez it will be found that our rates of passage money are very much lower than those of any other steam company. A statement was made to the Committee this day week, in which our passage money from Bombay to Suez was represented to be higher than it is, namely, 75 £., whereas the rate is 60 £., and by the process of calculating how many days are consumed on that journey, a result was arrived at which appeared to be high. That, we consider, is an unfair mode of dealing with our rates of passage money, and of bringing them into comparison with others, inasmuch as our voyage from Bombay to Suez is that part of our line which is extremely costly to us. We claim that the rate

should be taken from Bombay to Southampton, and if that is done it will be found that our rate is only the same per mile, or within a fraction of it, as that of other companies. With regard to those passengers who choose, for their own convenience or for any other reasons, to travel by us for only that part of our route which is carried on at a very greatly increased cost as compared with the other part of the distance, we think it is only fair that they should pay something more in proportion. If a passenger by railway travelled between station and station, paying intermediate fares, he would probably have paid more at the end of a journey than he would have done if he had taken a through ticket; and this is the basis of all the misapprehension that exists in the East with regard to the rates of passage money on the Company's lines. If they are taken at a through rate they will compare very well with those upon any other line.

1430. You find wine, do you not?—Yes, we find wine, and the figure I have mentioned gives an idea of the quantity consumed.

1431. You are aware that they do not do it in the Cunard service?—They do not. Our provision account for a year is not much short of 300,000 £.

1432. With regard to this proposed line from Suez to Bombay, it has been proposed to run a line of vessels there in 10 days, from Suez to Bombay, without calling at Aden; that would be an average, as stated in the evidence, of $12\frac{1}{2}$ knots an hour. From your present experience, looking at the difficulties of navigating the Red Sea, which have been stated, what speed would a vessel of that kind require to go at per measured mile, in order to accomplish an average speed of from $12\frac{1}{2}$ to 13 knots an hour?—Our experience, I think, is this, that at the time we were obliged to put our vessels over the measured mile to attain 12 knots an hour in order to give a prospect of making an average of 10 knots at sea, the test of the measured mile was not anything too high. In fact, in some cases where we attained $12\frac{1}{2}$ or 13 knots on the measured mile, we did not more than succeed in keeping our contract time; but I should imagine that $15\frac{1}{2}$ or 16 knots an hour on the measured mile, with a vessel properly loaded to her load line, would not be too high a rate of speed to warrant the expectation of an average of $12\frac{1}{2}$ knots at sea.

1433. In order to keep up the average speed on the Indian side you consider that it would require a vessel to go faster at the measured mile than would be necessary to keep up that average on the other side?—Yes, that is so; our average speed on the Mediterranean lines from the 4th of January 1864 to February 1865 was exactly 10 knots per hour; during that time on those lines we performed 352,000 miles, and the hours under weigh were 34,934, giving exactly 10 knots per hour. On the other side the average speed has been $9\frac{1}{2}$ knots.

1434. *Chairman*.] What estimate do you make in calculating the contract for the expense of the mail agents?—The conditions of the tender usually state, that we are to carry mail agents; but I do not think that that has ever been regarded as so important a matter as to necessitate a separate calculation of what the cost is; we should be very glad, of course, to have the use of the mail agent's cabin at all seasons of the year, but it is only in our very crowded seasons that his cabin would be of very great value to us;

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we give him a comfortable cabin, but of course not one of the largest.

1435. It would be inconvenient in that respect, would it not, if you had to find accommodation also for a Post Office establishment of sorters?—That, no doubt, would form an element for consideration in the matter of subsidy, and a very considerable one on the other side.

1436. With regard to notice you are at present under 12 months' notice, are you not?—We are.

1437. And you have power to give notice to the Government if you please?—Yes.

1438. And the Government have the power of giving notice to you?—Yes. Perhaps I may be allowed to observe with reference to that, having heard what Mr. Frederick Hill stated the other day, that we are not only in that position at the present time, but we have been so on many other occasions; and, if I may be permitted to say it, we have never taken any advantage of that position. The observation, I think, fell from a member of the Committee, that to a certain extent the Company had the whip hand of the Government. I can only confirm what Mr. Hill said, that although at certain times we had been in that position, the Company had never exercised power in that way, but had always behaved with great liberality.

1439. Probably the meaning of the expression was this, that the Government could not put any pressure upon the Company for fear of the Company giving them notice and terminating the contract?—That feeling may have existed; but if any alarm has been felt, I do not think that they can point to any case to afford ground for uneasiness on that score. On the contrary, we could adduce cases in which we have abstained from giving notice when it would have been advantageous to us to do so.

1440. You have stated some of the practical difficulties which result with regard to the junctions of lines; for instance, that there is an inconvenience in the Mauritius passengers coming in upon the crowded steamer at Aden; would not that inconvenience be very much augmented if, on the establishment of a weekly mail from Bombay to Suez, the Australian and the China mails were made to fit in with that line at Aden?—It could hardly have been, I fancy, seriously contemplated to bring about a junction of a number of lines at a place like Aden. I do not think that plan would bear much examination.

1441. Probably you are of opinion that the establishment of such a line as that, having regard to that fact, ought to be wholly separate and distinct from any other line of service?—I think so. If it is to be carried on in such a manner as I understand the Committee to desire, as a sort of express postal line, any junctions of that kind would entirely do away with the advantage to be obtained from it.

1442. Do you make much use of the telegraph in communicating with your agents abroad?—Yes, we make considerable use of it, but we depend a good deal with regard to the movements of our vessels upon information that comes to us in

other ways. For instance, this very morning we have become aware that there are telegrams from Australia in London, and that indicates to us, that our vessel from Australia reached Point de Galle on the 16th of this month, that is the day she is due there. If anything like a serious accident occurs, our agents immediately telegraph to us, either for instructions, or inform us what has taken place.

1443. Practically, the existence of that communication is of use to you on some occasions?—Of very great use. I would not go so far as to say that it has been the means of preventing an obstruction of the mail service; but it has been of very great assistance in meeting exigencies which have arisen through accident, or perhaps the loss of a vessel. In the case of the "Jeddo," which we had the misfortune to lose the other day, near Bombay, the message came to us very quickly and in very good order, with rather full particulars; we were enabled upon that to telegraph to our agent at Suez, who was in ignorance upon the point, and to give him instructions what to do with certain vessels which were at that time there. We were also enabled to telegraph to Calcutta, and set the Calcutta agent in communication with the Bombay agent, with regard to the future movements of the mail steamers.

1444. In fact, your agent at Suez learnt the loss of the "Jeddo" at Bombay, by means of a telegram sent from Bombay through the Persian Gulf to London, and a further message sent by you in London to him through Alexandria?—Yes.

1445. You would miss enormously, would you not, the present means of communication, if anything occurred on the Continent to interrupt it?—Yes; it would be an inconvenience to us. With regard to our general service, perhaps it is scarcely known that the arrival of one of our mails in England involves the performance of no less than 17,598 miles. For instance, I find from a statement which I hold in my hand, that the last China, Australia, and Calcutta mail which was delivered in London was conveyed by one steamer from Yokohama to Shanghai, 840 miles; from Shanghai to Hong Kong, 800 miles; from Foochow to Hong Kong, 510 miles; from Hong Kong to Point de Galle, 3,031 miles; from Sydney to Point de Galle, 5,200 miles; from Calcutta to Suez, 4,757 miles; and from Alexandria to Marseilles, 1,478 miles: making altogether 16,616 miles, by seven separate steamers. From Suez to Alexandria, the land journey is 248 miles, and from Marseilles to London, 734 miles. Then the heavy portion of the mail is delivered at Southampton by another steamer, making eight in all, and the mail traverses, to reach London, 18,417 miles, employing eight steamers to effect its final delivery. That indicates the very difficult nature of the service which we have to perform, and also the difficulties which might be created if any disjuncture of those services took place. It is a matter to be approached with very great consideration. I am not speaking as a contractor receiving subsidies, but as to the risk of dislocation of the postal service.

Tuesday, 24th April 1866.

MEMBERS PRESENT:

Mr. Ayrton.
Sir Charles Bright.
Mr. Childers.
Mr. Crawford.
Mr. Laird.
Mr. Marsh.
Mr. Moffatt.

Lord Robert Montagu.
Sir Henry Rawlinson.
Admiral Seymour.
Mr. Stansfeld.
Mr. Turner.
Mr. Weguelin.

ROBERT WYGRAM CRAWFORD, Esq., IN THE CHAIR.

CHARLES WELLINGTON HOWELL, Esq., re-called; and Examined.

1446. *Chairman.*] HAVE you any corrections to offer to the Committee with respect to any parts of the evidence which you gave the other day?—I would beg permission to correct some parts of the evidence which I gave; I have only had this moment put into my hands the proof copy of it, and have not had time to read it through; but I believe I made a mistake with regard to the total number of steamers of the Company. In the list which I quoted there had been added by mistake some sailing ships and store ships that we have, and I think that I gave the number as 66; whereas the total number of steamers is 57, and the tonnage of the steamers 84,176 tons. The horse-power is, as before stated, 19,230. I would also ask leave to add something with reference to the speed of the Cunard steamers. I gave by mistake the average only of the Boston line; now the Boston line shows a lower average rate of speed, and, of course, I would desire to be correct in this matter. The average rate of speed upon the New York and Liverpool line for the three years which the Parliamentary Return comprises, namely, the years 1859, 1860, and 1861, later than which we have nothing to go upon, comes out at 10 knots and 5 fathoms. I gave only the average speed upon the Liverpool and Boston line, which appears to be 9 knots and 7 fathoms.

1447. Have you prepared a mileage table of the services performed by the Peninsular and Oriental Company's shipping, under their India and China contracts, for the year 1865?—The table which I have before me comprises the whole of our India and China work (*delivering in the same*).

1448. What was the whole number of miles run by your ships in the performance of the China and Calcutta service in the year 1865, separating that from the Bombay line?—The mileage of the Calcutta and China service appears to be 668,544 miles.

1449. And the Bombay service?—The Bombay service was 355,248, making a total of 1,023,792 miles.

1450. Have you any *pro formâ* mileage table of the number of miles that would be performed if the service between Bombay, Madras and Calcutta were omitted, and a weekly line of packets 0.43.

were established between Suez and Bombay in lieu of the present fortnightly service?—I understand you to mean a weekly service involving 52 voyages per annum; that would produce a total mileage of 1,147,900 miles.

1451. How many miles would that be in excess of the existing service?—One hundred and twenty-four thousand one hundred and eight miles per annum.

1452. Have you got any *pro formâ* mileage table of the weekly service to India *viâ* Bombay, and the weekly mail to China from India *viâ* Bombay and Calcutta alternately?—A weekly service to and from Southampton and Marseilles and Bombay, including 104 voyages, would produce 769,704 miles per annum; the China line, worked in the manner you describe, between Bombay and Shanghai, a distance of 4,742 miles; between Calcutta and Shanghai, a distance of 3,887 miles; the total number of miles being 8,629; and 52 voyages per annum at that rate would produce 448,708 miles, making a total of 1,218,412 miles.

1453. *Mr. Childers.*] Then if the service which I indicated in my question the other day were carried out, that is to say, only a four-weekly service to China, that mileage would be reduced, would it not, to 958,802?—That would reduce the distance by the half of 378,196.

1454. But the Australian service is now once a calendar month?—Yes.

1455. Therefore, if the other services were once in four weeks, would not that add one Australian service in the year?—It would.

1456. Can you give us the mileage of one Australian service from Galle to Sydney and back?—The distance from Galle to Sydney is 5,200 miles, and it would be double that, 10,404 miles.

1457. Therefore, on such a service there would be 189,098 less mileage to China, that is half the mileage you have given, and 10,400 more mileage to Australia?—Yes; if it followed, as a matter of course, that the Australian service were increased to 13 voyages a year in lieu of 12; if it were not so increased of course some detention of the mails would arise at Galle.

1458. If you had a four-weekly service to China, and Galle was the point at which the China

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China service touched practically, you must have a four-weekly service to Australia, must you not?—Yes; the Australian community would, no doubt, demand it; they would not like their mails to wait.

1459. Therefore, the result of such a service as I have indicated would be a diminution on the total mileage of your first year of 178,698 miles?—Yes, it would.

1460. Mr. *Ayrton*.] Having regard to the convenience of the Australian people having a fortnightly mail instead of a monthly mail, and, perhaps, having some economy resulting from the new accommodations, do you think it would answer their purpose to join the service at Singapore, instead of going to Point de Galle from Sydney on the other side of Australia?—We have had practical experience of working the Singapore route, and we very soon found it necessary to give up that line. There has been a project lately of bringing up an Australian mail from Queensland to Singapore, with the idea that it would, with the present line, form a fortnightly communication with England; but if that mail is brought on from Singapore to Point de Galle by our China steamers, the two mails would arrive concurrently at Point de Galle, and they would both come on to Suez in one steamer.

1461. You mean that they would get to Point de Galle as soon as they would to Singapore?—It would work this way: either they would have to despatch the two mails from Sydney at the same time, or to start from Sydney at intermediate dates; in the latter case the two mails would arrive at Galle at the same time; in the former case they would reach Galle at intermediate dates; either one thing or the other would be the result.

1462. But supposing the plan were adopted, as has been suggested to you, of having a weekly mail to China by connecting at Singapore at comparatively little expense, they could have a weekly mail to Australia, could they not?—I think the result would be somewhat like that which is complained of at Calcutta, that although they would have four communications they would have only two mails.

1463. There would be a loss of time in the Calcutta case?—There would be a loss of time by the Singapore route, from the circumstance that the two mails would arrive in and from Australia almost at the same time.

1464. If instead of going direct to Singapore you touched and took in the mail as you do now at Madras, there would be an increase of the whole sea route to Calcutta; would there be any loss of time as regards England?—Do I understand you to propose to bring the mail from Singapore to Madras.

1465. Supposing that the Calcutta mail, the one that did not start from Bombay, but from Calcutta, touched at Madras the same as they do with the English mail, would there be any loss of time in the Australian mail coming to England and going from England?—I think, speaking without having considered the matter carefully, that Madras would be a port altogether out of the question for a terminal port, or a port of junction for the mails.

1466. Supposing the mails started from Calcutta alternately and from Bombay, and that the Calcutta mail was retarded a little; but supposing the English mail were taken in outwards or homewards and delivered at Madras, then would not the mail from Australia arrive in England

as quickly by that route as it would if it went through Galle?—I think not. I think that a considerable increase of distance would be involved, and also an increase of somewhat difficult navigation; and again, the port of Madras presents no facilities whatever for the transhipment of mails and cargo. Point de Galle is not a very convenient port; but Madras would be still less so.

1467. Madras must have facilities of a sensible kind to induce you to use it for 20 years for the shipment and delivery of mails?—It is only a very small portion of the mails that is delivered there. The transhipment of the Australian mail is a very heavy matter.

1468. Still, you never experienced during the years you have touched at Madras any difficulty in landing passengers or mails?—I should not like to say that. I think I could find many cases in which the vessels have had to put to sea or to remain at sea for some hours, not being able to approach sufficiently near to effect a transfer of the mails and passengers. That does not occur so frequently now as formerly.

1469. During the last five years has it occurred in your recollection?—I have no recollection of a particular case.

1470. Mr. *Marsh*.] Carrying the mails 13 times a year instead of 12 would not cost 1-12th more; your ships would be the same and the crews would be the same; the only difference would be the wear and tear of the ships, and the coals consumed in the voyage, and instead of stopping a calendar month at Sydney it would stop a lunar month?—But the effect of such an arrangement might be to increase the number of ships that would be required upon the line.

1471. Do you think there would be necessarily an increase?—That is certain; for if the line could be worked, for instance, with three ships for 12 voyages in the year, it would require at least four to work 13.

1472. But on the Australian line the ships would only stay a lunar month instead of a calendar month, which would be quite long enough?—Yes; but the difficulty would be felt more at Galle. We make Sydney the terminus of the line, bringing the steamers up to Galle, and turning them round, we should find, because we have gone into that, that three ships would not do the work.

1473. Mr. *Ayrton*.] Have you seen the papers that were laid before Parliament, relating to the establishment of a line of steam transports between England and India?—I have seen them.

1474. Are you aware that upon those papers it is proposed by the Government to establish steam transports running between Bombay and Suez of a very large capacity and of great speed, I think about 4,000 tons, and a speed of about 15 knots an hour?—Yes, I am generally acquainted with those circumstances; I know that such ships are being built.

1475. Are you aware that it is contemplated to carry in those vessels all troops passing between India and her Majesty's possessions in this country?—I believe that that is the course proposed by the Government.

1476. Will that line, do you expect, have much influence upon your own passenger traffic?—I should imagine that it will have some influence.

1477. Can you state the number of military officers that you convey between the three Presidencies and Suez?—Yes; I have a return here showing

showing the number of first class passengers conveyed to and from India and China (that is to say, Bombay, Calcutta, and China) by the steamships of the Company during the year 1865, distinguishing officers of the army and navy and Government officials. I find that on the outward route we had 84 officers of the army, 45 officers of the navy, and 12 civil servants of the Government, against which we conveyed 269 ordinary passengers. But I should state that the numbers that are given as the numbers of officers of the army and navy only comprise those who come to us with an order from the Government to provide them with a passage, referring us to a Government department for the payment of the passage-money. It is quite possible, in fact, I know it to be the case, that a portion of the 2,996 passengers were also officers proceeding under Government orders, but who were, perhaps, furnished by Government with a certain amount of money to provide their passage either by the Cape or the overland route as they pleased, and they came to us and took their passage.

1478. Have you any idea how many persons there are, independent of orders, that pass backwards and forwards?—It is somewhat difficult to compute that; I would have made the return to comprise that information, but it was found so difficult on making the attempt, that I was obliged to confine it to those officers who presented Government orders.

1479. Can you form any general estimate as to the proportion, whether it is one-third or one-fourth?—I should think fully one-fourth. The number of officers of the army travelling under Government orders homewards was less than that outwards; there were 23 military officers, 48 naval officers, and 13 civil servants of the Crown, against 2,012 ordinary passengers. There is an order still extant, I believe, that the officers coming home from India are as much as possible to go by the Cape of Good Hope; we felt very much aggrieved when it was issued by the War Office, because we had, immediately before, consented to an abatement of 15,000 *l.* from our subsidy on consideration of being relieved from having to carry on certain terms what were previously known as contract passengers; that is to say, we were under an obligation to carry a certain number of officers of the army and navy ordered by the Government at two-thirds of the rate charged to ordinary passengers. When India was annexed to the Crown, there was, of course, a very great increase in the number of officers travelling under those orders, and as we had never calculated upon the annexation of India to the Crown, the increase pressed very heavily upon us, and the system became very inconvenient in all ways; it brought the ordinary passengers and the Government passengers into conflict, in the matter of fares. The result was our consent to receive 15,000 *l.* a-year less for our subsidy on being relieved from carrying those officers at reduced rates. Immediately after this was done, the War Office issued an order to the authorities in India stating that, as the Peninsular and Oriental Company no longer made reductions in their favour, all officers were to go by the Cape. Of course we put in a protest against this, but the deduction of 15,000 *l.* per annum has been made nevertheless up to the present time.

1480. Do you think that the establishment of this line of transport will withdraw many passengers from your own vessels?—I think it must

withdraw a number; perhaps some considerable number; but we find that there is a great deal of elasticity in the passenger part of our business, and we do not look forward to it, I think, with any great alarm.

1481. Do you think, that instead of having the opposition of those powerful vessels carried on by the Government, the work that they are to do was brought in aid of your contract service, you could have a much more efficient service at a less price?—I am hardly prepared to speak as to what might have been the cost; but our opinions on the matter are embodied in a letter, addressed by myself, to Sir Charles Wood, on the 20th of June 1863, at page 28 of the papers presented to the House on the 27th of March 1865, on the subject of Steam Transports, England and India; and perhaps the Committee will allow me to read it to them. "122, Leadenhall-street, London, 20th June 1863. Sir,—The directors of this Company having observed, by a Report of Proceedings in the House of Commons, that Her Majesty's Government have under consideration an arrangement for the transport of troops to and from India by the overland route; and having had extensive experience, both in respect to travellers generally, as well as to troops in transit by that route, trust they may not be deemed intrusive in submitting the following suggestions and proposal for your consideration. During the Indian mutiny, and between the months of September 1857, and June 1858, 235 officers and 5,171 men were transported to India by this Company's steamers; and notwithstanding the disadvantages under which the service was performed, the mail contract vessels not being fitted up as transports, the men were landed in excellent health, and without being subjected to any hardship. The experience thus obtained proved, that with a properly organised transport system, there would be no difficulty during the fair season, extending over seven months, in conveying troops overland, to and from India, with less detriment, morally or physically, than they now suffer from the long sea voyage *via* the Cape. The advantages of the overland route have already been recognised by the French Government, who now send reinforcements for their army in Cochin China, and bring back their invalids in the same manner, and it is known that they have fewer casualties and less sickness than if they were sent by the Cape of Good Hope. The directors of this Company would be prepared to tender for the conveyance of troops for the through voyage between England and India; but should Her Majesty's Government decide upon performing the service to Alexandria and the transit through Egypt, they would be ready to contract for the service between Suez and India only to be performed by screw steam-transports of 2,000 tons, specially fitted up and set apart, and capable of carrying from 600 to 800 men each. At Suez the Company has a hulk of 2,000 tons moored in the roadstead, capable of accommodating 800 men, where, in the event of the detention of the steamers, the troops could be lodged, and where they would not be exposed to the temptations of the Suez grog shops and the deleterious spirits sold in them. For communication between the shore and roadstead, a distance of about six miles, there is a steam-tug of about 150 tons belonging to the Company. The directors would be willing to undertake this service on moderate terms; but

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but to enable them to estimate what these terms should be, it will be necessary that they should be informed on the following points: 1st. The estimated number of troops that will be sent out to and return from India annually, and the probable number that will embark in each transport. 2. The ports of embarkation and disembarkation in India, and the probable number of troops at each. 3. Whether arrangements would be made that the transports bringing troops to Suez should carry back from thence the reliefs from England, as it would greatly add to the cost of the service if the transports made a voyage either way empty. From the complete organization of their establishments in Egypt and India, and the means at their disposal, the directors are confident that they could undertake this service under more favourable conditions than any other parties; but should Her Majesty's Government determine that it is not to be performed by private contract, but by Her Majesty's transports, they will be ready to render every facility and assistance through their agencies abroad. I have, &c., (signed) C. W. Howell, Secretary."

1482. Have you ever been asked to make an estimate of what you would perform the service for, in conjunction with your mail service?—When this proposition was made it was not intended, I think, to bring the transport service into conjunction with our mail service. We expressed our willingness to undertake the transport service, being aware of what the Government contemplated, and I may mention that we never received an answer to this letter.

1483. Then you have never had an opportunity of considering the question officially, whether you could combine the mail service and the transport service, and by bringing all the resources of the State to bear upon such a service make it more rapid and more efficient?—I fear that many practical difficulties would arise in any attempt to combine or alternate the two services. I should imagine that it is the intention of the Government only to send troops at certain seasons of the year. They would naturally, I think, avoid what might almost be called the dangerous seasons of the Red Sea, when the heat is so great that the health of the troops might become affected, even in a short time, owing to the number of passengers in one vessel. I also believe it is the intention of the Government that those vessels shall be also employed in other ways; in moving, perhaps, a regiment to Australia or New Zealand and back, at the season of the year when they are not required for the transport of the reliefs to and from India. A difficulty would arise, perhaps, in procuring the embarkation of a regiment or half a regiment, on a particular day in the week, as would have to be done to give the service the regularity of a mail line.

1484. Do you apprehend that there would be much difficulty in that if the railway system were complete in India?—The existence of the railway in India would probably much facilitate the matter; but in the present state of the railway through Egypt, there would, perhaps, be difficulty; as it is, we find that there is quite enough for one line of rails to do to carry through our cargo, passengers and mails, and to get away from Alexandria or Suez in proper time, and if a vessel arrived at Alexandria with 500 or 800 troops on board, in addition to mails, passengers, and cargo, I am afraid that great confusion might result.

1485. That would involve the starting of two

trains instead of one?—At present there is but a single line; but we hope there will be a double line soon.

1486. There is but a small amount of rolling stock in that single line?—I think they have as much rolling stock as they can use on a single line of rails.

1487. Have you had much experience of the cost of keeping vessels laid up in India, or on the other side of the Suez, unemployed?—We very rarely have a vessel laid up; never, I may say; we have always full employment for our ships, and if they are laid up they are laid up for repairs, or in consequence of accident; we never have an idle vessel.

1488. Is it a very costly business, keeping a vessel on the other side of Suez unemployed?—It would eat into a great deal of money, as a ship must be well cared for. Fouling goes on very rapidly, and that would necessitate docking.

1489. If you had to make a contract to convey troops at certain periods, leaving your vessels unemployed for a considerable period of the year, you would have to enhance the cost very materially, would you not, to meet that contingency?—Yes; naturally that would form a large item in our calculation of expenditure.

1490. So that such a system as that would seem to be rather an expensive one as compared with the more active system of conveying the troops regularly?—That is what we contemplated in this letter that I have just read. In the course of the mutiny we carried a great many troops on board our passenger vessels; but it is not a thing which can be conveniently done as a practice. We had to ask the forbearance of our passengers, and, as the emergency was so great, we were met in the most liberal spirit by all; but the conveyance of troops and passengers in one vessel is not at all a desirable thing.

1491. Your vessels are not 4,000 tons burthen?—They are not, but some of them are very large roomy vessels.

1492. Have you any large accommodation for second-class passengers?—Yea, in our more recently built vessels we have considerable accommodation for second-class passengers, indeed, in every vessel that we build, we are extending the accommodation for that class. The construction of railways in India makes it necessary that a large number of passengers, who cannot very well travel first class, and take their meals at the saloon table should go as second-class passengers. The Railway Companies told us that they must send them out, and if we could not take them second class they must send them first class, it was not a money question with them, they were compelled to have the people out; our arrangements for second-class passengers were perhaps at first governed a good deal by the circumstance that a number of artisans would be constantly going to and fro, now we are carrying a number of general second-class passengers, people who cannot well afford to pay the first-class rate.

1493. Do you find that the whole expense of your steamboats increases in the ratio of their tonnage?—I do not know that.

1494. Do you know whether the expense increases generally in the ratio of the tonnage, or whether the ratio of large vessels is more favourable than that of smaller ones in the east?—Speaking without any data I should imagine there would be but little difference; of course, if anything goes wrong with the machinery of a large

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large vessel, if a shaft breaks, it is more difficult to replace it or to get a new shaft out from England, than it is in the case of a small vessel. I should imagine that the ratio of expense would be against the large vessel.

1495. Have you any accommodation at Suez for repairing vessels?—No, we do not make Suez a repairing port; the French are doing a great deal there. Bombay is our chief arsenal.

1496. Did you many years ago appeal to the British Government to intervene with the Pacha of Egypt, to get proper dock accommodation at Suez for your service?—We have at different times brought to his notice the desirability of having dock accommodation there.

1497. Have you ever got anything done?—The Pacha has ceded land to us, and we should, perhaps, experience no difficulty in obtaining permission to build a graving dock at Suez, but that is a very costly affair, and if the French have one there we should no doubt have an opportunity of using it if we required to do so.

1498. Did you ever succeed in obtaining the concession of liberty to make docks at Suez from the Pacha of Egypt?—I do not remember that we ever asked permission to make docks; we asked and obtained permission to do other things there. We are constantly extending the facilities of the place; in fact, Suez has become very greatly altered during the last few years.

1499. Did the French company, as soon as they got their concession from the French Government, in a few weeks obtain a concession from the Egyptian Government to establish docks?—Yes, they did, because the French contemplate making Suez a grand terminus of their Indo Chinese line, and at a terminal port dock accommodation is essentially necessary.

1500. Have the French company obtained the right of applying any of the money charged by the Pacha for the transit through Egypt towards the construction of docks for some years to come?—I am not aware what the nature of the arrangement is, or how they expect to be repaid for those docks.

1501. Are you aware that they have a special contract with the Pacha of Egypt with regard to the appropriation of the charge for the transit through Egypt?—No, I am not; the only part of the arrangement with respect to the transit that I know about is this: that our arrangement with the Pacha is the same as with the French, namely, to carry first-class passengers through at the same rate per head, and so on.

1502. The charge to you and to them being exactly the same, are you aware of this difference, that you pay it and that they do not, but that they apply the money towards the construction of their docks?—No, I was not aware of that; I never heard of it.

1503. Mr. Childers.] You stated, did you not, that if you contracted for the transport service between Suez and India, you would not convey the troops in the same ships as you carry your mails and passengers in?—I do not think I can say that we have gone very far into this matter. The letter to Sir Charles Wood embodies all that we thought about it at the time. When we found that the Government had it in contemplation to undertake the transport of reliefs to and from India *via* Suez, it appeared to be a matter which would very well come within the range of our charter and our general operations, and, therefore, we signified to the Government that we

should be ready to entertain the question of undertaking it; but we have not gone very far into the subject.

1504. You stated, did you not, that it would be very inconvenient to carry troops in the same ships as passengers?—Generally speaking, we have no room for them. We now and then carry a few troops between Galle and China, because the vessels get relieved of many passengers on that line, and we have room; we have occasionally taken 40 or 50 men at a time; but it has been almost in the sense of obliging the Government.

1505. You are aware that now the practice is, whenever it is possible, to send a whole regiment or a whole battalion in one transport ship?—Yes, I believe so.

1506. You could not, by any possibility, convey a whole regiment or a whole battalion in a passenger ship between Suez and Bombay, could you?—Certainly not, in any one existing passenger ship; and, probably, the officers in such a case would be accompanied by their wives, and in some instances by their children and servants.

1507. Supposing that the Government considered it the most advantageous plan to convey whole regiments or whole battalions at a time from England to Alexandria, or back, in connection with the Indian reliefs, you could not, practically, convey those regiments, could you, for the rest of the route between Suez and India in your passenger ships?—Certainly not.

1508. Therefore, you would have to put on special ships for that purpose?—Yes, that was what we contemplated when we wrote that letter.

1509. And in putting on those special ships they would only be employed in that service during the period of the year in which troops could be conveyed?—Yes, I think that is the correct view of it.

1510. Are you aware that it has been decided, upon undoubted principle, that troops ought not to be conveyed to and from India except in the cool season of the year?—That, I should imagine, would be the course adopted by the Government. Our experience on that point would go to show that that would be the proper course.

1511. Therefore, unless you had some other employment for those ships, you would be put to the same expense as the Government would be put to unless they had some other employment for their ships?—Yes, they would be lying idle, unless at those seasons of the year when the conveyance of troops by the Red Sea would be unadvisable, those same vessels could be employed in moving of troops, perhaps, to Australia or New Zealand, or in other ways.

1512. But if it was in your hands, would not that be just the season of the year when you have the least employment for your ships?—Yes; we should be very glad sometimes to be relieved of the obligation of regularly despatching the steamers, and that is always to be borne in mind with regard to our mail service. There are seasons of the year in which it is really a loss to us to dispatch a vessel with mails; we have few passengers and little cargo, and we should be very glad to lie by for a time.

1513. So that if you had a contract for the transport service, as well as for the mail service, it would add to your difficulty, having a large number of unemployed ships in the hot season of the year?—It would.

1514. The

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1514. The Government, on the other hand, having the Australian and other services to conduct, might be able to employ their ships in that season?—Yes, but if the Government had thought fit to come under any arrangement with the Company with regard to the transport of troops, that arrangement between the Government and the Company might have included the transport of troops to Australia and to other parts.

1515. Mr. Ayrton.] You mean that you would have shifted the vessels?—Yes.

1516. So that if you had to make a run for Australia you would put a large ship on the line for that journey, instead of putting it on the line to Bombay?—We might do so.

1517. Mr. Marsh.] You might arrange that, might you not, by getting your ships docked at the time when they were not wanted?—The docking of a ship for cleaning is a process of only three or four days; but the docking of a ship for repairs is another matter.

1518. You stated that your ships are not very well suited for carrying troops; you have cabins for first-class passengers, both fore and aft, have you not?—Yes, we have; most of our vessels have one flush deck.

1519. That, in fact, gives no accommodation for second-class passengers or for troops?—The foremost part of those vessels is appropriated to second-class passengers on the same deck. I can give the Committee a rough idea of the proportion. For instance, one vessel, the "Poonah," on the Southampton and Alexandria line, has accommodation for 139 first-class passengers and 50 second-class. The "Pera" has accommodation for 119 first-class passengers and 34 second-class.

1520. Mr. Childers.] Reverting to the question which was asked you a short time ago, you do not think that your loss on account of the non-employment of transport ships in the hot seasons, supposing that you had a transport contract, would be greater than the loss which the Government would sustain?—I think not.

1521. Is it the case that you can turn a passenger ship into a transport ship without any serious inconvenience?—It is a work of some time and trouble; the requirements of the authorities of the transport department are rather peculiar, and, no doubt, if a vessel had to be employed frequently or permanently as a transport, they would require something very different in arrangement to the internal fittings of our vessels for general passengers.

1522. Are you aware that some years ago there was an inquiry by the House of Commons into the transport system?—Yes, I am.

1523. And that the result of that inquiry was a series of recommendations to improve the character of transport ships?—I did not see the papers.

1524. You are aware, probably, that the House of Commons recommended that the transport service should be conducted by the Government?—Yes.

1525. My question pointed to this: Could you conveniently, considering the fittings and arrangements of a passenger ship, on the other side of Suez, convert that ship, without great expense, into a transport?—It would cause a great deal of expense and much temporary inconvenience.

1526. So that the only possible way in which you could conduct a permanent transport service would be by having an establishment of trans-

port ships?—We had some vessels which were not meeting all the requirements of the mail and passengers at that time, and, in making this proposition, we thought we could devote them specially to the transport service.

1527. Would those ships be accepted by the Transport Department?—As regards their strength and the general requirements which I believe the Government wish fulfilled when they accept a transport, such as Messrs. Wigram's or Messrs. Green's, they would probably have been accepted; but, as to the mode of internal fitting, I cannot say that we should have had vessels adapted to their special purposes.

1528. But, considering the improvements which Parliament has thought fit to carry out in the sanitary conditions and comforts of the soldier, do you think that those ships would be accepted at the present time for the Red Sea service?—Probably not. I observed in the paper which Mr. Ayrton has before him, that one vessel, the "Himalaya," a vessel which was built by our company, and purchased by the Government, is referred to as a perfect vessel as a steamship; but as a "make-shift," as a transport, notwithstanding the great number of troops she has carried at different times to all parts of the world.

1529. Has she carried troops in the Red Sea?—I think not up and down the Red Sea. I do not remember that she has ever been to Suez, but she has carried troops to and from India.

1530. Is it not the case, that carrying a battalion with women and children and officers in the Red Sea is a very different matter to carrying a battalion from this country to America?—No doubt. I have heard that the French have suffered on one or two occasions, from having rather more troops on board their vessels than was safe in the hot season.

1531. So that you would have practically to build a fleet of transport ships, if you had a contract for that service?—Looking at the length to which the matter is now being carried by the Government, and to their intention to send backwards and forwards the whole of the reliefs of the Indian army, I do not see how the case could have been met otherwise than by the construction of a special fleet of vessels.

1532. And if you had such a fleet of special vessels adapted for some other than the mail service, would you not have to add considerably to your contract; because, in the event of its coming to an end, those ships could only be used as transport ships?—I do not know whether we should have looked forward to the probability of the contract coming to an end; we have some confidence that the communication with India must be an enduring thing, although modifications or alterations may be introduced into it.

1533. You think that your position in the East is such that you may look upon it as nearly permanent?—We are not looking forward to being sold up as it were.

1534. And probably getting this contract would add still more to this permanency?—Undoubtedly. I think anything that would increase what has been sometimes called our monopoly there, but which we say means our power to do the public work at low rates, would add to this permanency; it has been the possession of a large fleet of ships and dockyard establishments which has enabled us to do the public work cheaply.

1535. So

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1535. So that if it were not the policy of the Government permanently to establish that monopoly, they might be wise in not giving you the transport service?—That is one view of it, certainly.

1536. Mr. Ayrton.] Do you think that the public will continue to be satisfied with your conveying the mails under your 10-knot agreement, when the Government run those ships, at the same time, at 15 knots an hour?—I do not look forward to the Government running those vessels at 15 knots an hour. I think I saw something about 15 knots an hour, or 14 knots an hour, but it was at a measured mile, and with a view to the attainment of 8 to 10 knots an hour at sea.

1537. Chairman.] There is a paragraph in a letter from the Director of Transport Services to the Secretary of the Admiralty, dated 6th October 1864, in which he states, "On referring to the Controller of the Navy he stated that the vessels should be capable of carrying 13 days' fuel for a rate of 14 knots, which rate will enable them to give a fair average of from eight to 10 knots;" what is your opinion with regard to that?—I should understand the 14 knots to mean a trial rate of speed.

1538. Mr. Ayrton.] Are you aware that ships are built by contract, to run 15 knots at the trial mile?—Yes; I believe there are some few such vessels.

1539. The contract is that they shall run 14 knots at the trial mile?—Yes.

1540. Your vessels are only constructed to run 12 knots, I believe?—Yes, 12 knots was our trial rate, but we exceeded that in most cases; we are not now under the obligation of testing them in that way.

1541. The Government having those powerful vessels, and having troops on board, do you think they will not employ the speed that they can run at between Suez and Bombay?—Considering that a high rate of speed always involves a very great increase of expenditure, I should imagine it more likely that they will go at a moderate rate of speed. It may be very useful for them to have the power of going at a high rate of speed in case of emergency. I can understand that; but if they are merely moving troops, as reliefs, backwards and forwards, as reliefs, I should question whether they would go to the expense of the great consumption of fuel which would be necessary to attain such extreme speed.

1542. Can you answer the question which I put to you, as to the per-centage of your expenditure upon fixed establishments in India, with reference to your expenditure afloat?—I have a paper here which I think will give the Committee some information upon that point. I brought it with me, thinking it might be of interest, and it partly answers the honourable Member's question. It exhibits the amount expended on the repairs and renewals of the steamships of our fleet during five years from 1861 to 1865 inclusive. In 1861 we expended in repairs and refits 292,442 £; in 1862, 355,258 £; in 1863, 359,917 £; in 1864, 361,480 £, and in 1865, 294,459, making a total expenditure in repairs, only for five years, of 1,663,556 £, or an average of 332,711 £.

1543. Could you give us any idea of the expenditure on the vessels afloat. I am not speaking of the provisioning of the passengers, but the

expenditure in keeping up the vessels afloat?—If you mean the cost of running them, the coal expenses, and so on, I am not so well prepared to answer that question.

1544. That expenditure is made at several establishments in different parts of your system, is it not?—Yes; it exists at all times; it is a chronic state with us; we have always two or three large ships under heavy repair, and receiving new boilers.

1545. And for those purposes you find it necessary to have fixed establishments at several parts of your line of communication?—Yes.

1546. Then the Government, if it is to establish a line of transports, would have to do the same, and keep up establishments?—No doubt.

1547. And if the Government vessels are as large as 4,000 or 5,000 tons, those fixed establishments would be more expensive in their character than yours for small vessels, would they not?—Yes, they would.

1548. And they would have to keep up those establishments in addition to yours?—It is possible that they might come to the Company for facilities of docking, and so on; in fact, I think it is more than likely. There have been communications, not official, but conversations have taken place and inquiries have been made with a view to some arrangement for our meeting some part of the Government requirements, in the supply of coals and of provisions at certain stations.

1549. Chairman.] What docking facilities have you?—Our chief docking facilities are at Bombay, Calcutta, Hong Kong, and Sydney; we have no docks at any other port.

1550. What is the largest vessel that you can take into your dry dock?—The dry dock which we are now building at Bombay will take in the largest vessel afloat, except the "Great Eastern."

1551. Do you believe that the Government have any dock capable of taking in a ship of 4,000 tons burthen?—I have not the dimensions of the Government Dock at Bombay with me.

1552. Do not you find that the bottoms of your ships foul very much in the Eastern seas?—Very rapidly; that is one of the great difficulties that we have to contend against, and which confirms what I stated the other day, that the navigation of the Indian seas is not to be compared with that of the Atlantic.

1553. Lord Robert Montagu.] Are yours iron ships?—They are all iron ships.

1554. Chairman.] How often do you suppose one of your vessels, which goes constantly up and down the Red Sea, has to be docked to clean her bottom?—If she runs over nine or 10 months, especially at certain seasons, the fouling takes place very rapidly; the growth of grass is the same in water as on land; it is affected by the seasons; and if a vessel has not been docked for 12 months, we very soon begin to find out a great diminution in speed.

1555. Can you dock your vessels with similar facilities at Calcutta and at Hong Kong?—Yes.

1556. Have you a dry dock at Hong Kong also?—We have the use of a dry dock there; we have no dock of our own; at Sydney also we are obliged to provide docking accommodation.

1557. What sized vessel can you put into the dry dock at Hong Kong?—We put in our largest vessels; we have docked a vessel over 300 feet long at Hong Kong.

1558. Mr. Laird.] Are you aware that the Government have made a private arrangement

with