

OBSERVATIONS
ON
THE PROSPECTUS
OF THE
AUSTRALIAN
ROYAL MAIL STEAM NAVIGATION
COMPANY.

INCORPORATED BY ROYAL CHARTER,
March 22, 1852.

N102/255A

AUSTRALIAN ROYAL MAIL STEAM NAVIGATION COMPANY.

INCORPORATED BY ROYAL CHARTER, BY WHICH THE LIABILITY OF SHARE-
HOLDERS IS LIMITED TO THE AMOUNT OF THE SHARES.

Capital—£500,000, in 50,000 Shares of £10 each,
TO BE INCREASED AS REQUIRED.
Deposit, £2 per Share.

Directors.

WILLIAM HAWES, Esq., *Chairman.*

CHARLES GEORGE BARNETT, Esq.
HENRY V. EAST, Esq.
PHILIP WILLIAM FLOWER, Esq.
JOHN GRIFFITH FRITH, Esq.
CAPTAIN F. B. HANKEY, R.N.
R. HARTLEY KENNEDY, Esq.

GEORGE MEEK, Esq.
JOHN RICHARDSON, Esq.
ROBERT SHEPPARD, Esq.
EDWARD TOOTAL, Esq.
CHARLES WALTON, Esq.

Trustees.

HENRY EDMUND GURNEY, Esq. JOSEPH HOARE, Esq.
BENJAMIN LANCASTER, Esq.

Consulting Engineer.

ISAMBARD K. BRUNEL, Esq., F.R.S.

Bankers.

Messrs. BARNETT, HOARE, & Co. Messrs. MASTERMAN, PETERS, MILDRED, & Co.

Secretary.

ROBERT MARSHALL, Esq.

Auditor and Accountant.

G. C. BEGBIE, Esq.

Solicitors.

Messrs. WILSON, HARRISON, & BRISTOW.

Ships' Agent.

CHARLES WALTON, Jun., Esq.

THIS Company is formed to complete the chain of Ocean Steam Communication with our Colonies, It is only within a short period that the power of the screw propeller, and the increased safety and economy of iron steam ships have been thoroughly established. The application, however, of mechanical ingenuity to the construction of the

machinery and boilers of marine engines, and of science to iron steam ship building especially, have removed every difficulty which has hitherto deprived Australasia of the immense advantages which must follow the establishment of a rapid and punctual communication with the Mother-Country.

That these colonies can support a line of large auxiliary screw steamers is placed beyond doubt by the Parliamentary Returns of the exports to and imports from them.

That the passenger traffic requires such accommodation is evident from the slow progress of emigration to one of our most fertile and most healthy colonies, and where the remuneration to the emigrant for labor, and the reward of industry and capital to the more wealthy settler, are both superior to those in any other colony; nothing but the dangers and difficulties of a four or five months' passage could have prevented a large portion of the tide of emigration flowing to them. Remove this great and almost insurmountable objection, and reduce the time at sea from 120 to 60 or 65 days, and the passenger freight alone will soon be sufficient to afford a profitable return to a Company which has also secured the contract for the conveyance of the mails.

It may be as well, before leaving this part of the subject, to state, that by the Official Returns, the exports to and imports from New South Wales were, in 1849—exports, £1,371,200; imports, £1,572,600.

In 1851 there is reason to believe that the exports and imports have increased to above £4,000,000 sterling, and to this is now to be added the additional demand for manufactures arising from the discovery of gold—a discovery which, by rapidly increasing the wealth of Australasia, renders rapidity of communication more than ever essential to its welfare and progress, and the colonist more able and more willing to pay a rate of passage amply sufficient to secure every possible attention to his comfort, and to the speed and security of the voyage.

The success also attending the operations of the Great Ocean Steam Navigation Companies, which have possessed sufficient means, and have employed competent persons to superintend them, is the best guarantee the promoters of this Company can offer for a profitable return upon the capital proposed to be embarked in this enterprise.

It is unnecessary to do more than to refer to the last balance sheet and the amount of the reserve funds of the West India Royal Mail

Company,—of the Peninsular and Oriental Company,— of the General Steam Navigation Company,—and to the prosperity of the Cunard line, to satisfy every enquirer of the profitable nature of investments in these companies.

The promoters are aware it may be said that the great distance of these colonies, and the stormy latitudes through which part of the homeward navigation has to be conducted, render the voyage both dangerous and uncertain; but the evidence given in reference thereto before the Parliamentary Committee, last Session, by competent and independent witnesses, naval officers and others, is so satisfactory, that it is but necessary to refer to the report of, and the evidence taken before that Committee, to remove from the mind of the most timid the least doubt that the voyage to and fro can be performed, *viâ* the Cape, with perfect safety, and with speed and regularity. The following extract from the Report is sufficient to shew the conclusions at which the Committee arrived:—

“They consider, however, that it has been satisfactorily proved, that by the Cape, postal service with England may be conducted with sufficient regularity and rapidity to meet the present requirements of the colonies,—that it would bring into direct communication with each other, the principal colonies of Australia—that it would furnish the most economical, and, at the same time, the least inconvenient means of transit to passengers, including even the laboring classes,—that it would offer facilities for the transmission of merchandise, at a moderate cost, without the inconvenience of trans-shipment; and that it would establish a line of communication, independent of other nations, between the Mother-Country and her distant colonies, which might, in case of any sudden emergency, be useful in keeping open the communication between England and her Empire in the East.”

This Report, and the evidence on which it is founded, encouraged the promoters of this Company in their enquiries into the probable pecuniary result which would arise from the employment of iron screw steamers, to carry passengers and merchandise, as well as the mails, *viâ* the Cape, to the Australian Colonies; and the result induced them at once to tender for the contract then offered by the Government for the bi-monthly conveyance of Her Majesty's Mails to and from these colonies, and which they were fortunate enough to obtain.

All uncertainty of the success of the enterprise being thus removed, the promoters, in conjunction with other gentlemen, formed themselves into a Company to carry these operations into effect; and they now submit to the public, with the utmost confidence, the following statement of their plans, and the estimates of receipt and

expenditure upon which they base their opinion that the profitable results of this enterprise will fully equal that of either of the Ocean Steam Navigation Companies now so successfully engaged in various parts of the world.

They believe, that by the exercise of the greatest care in the construction of their ships and machinery,—by the employment of none but competent officers, as well ashore as afloat,—and by conducting the entire establishment with vigor and prudence, nothing can prevent the Australian Royal Mail Steam Navigation Company becoming one of the most important undertakings in this country.

The contract with the Government requires for the present but a bi-monthly conveyance of the mails, to accomplish which the Company proposes to provide proper auxiliary screw vessels of about 1,600 tons burthen and 300 horse power.

These vessels will be arranged so as to carry cabin, intermediate, and steerage passengers, and from 8 to 900 tons of freight.

Everything will be provided to promote the health and comfort of the passengers; and assuming that there will be 120 passengers of all classes, and 700 tons of freight, per each voyage, the following results are submitted, as those obtained from a most careful estimate of expenditure in every department. For the greater portion of the expenditure *pro forma* tenders have already been obtained. In such matters as are not capable of contract, salaries, wages, sundry expenses, port charges, &c., evidence has been taken, and information received from most competent parties, and the whole is submitted to the public as a substantially accurate estimate on which every reliance may be placed.

GENERAL PLAN OF THE COMPANY.

1st.—To establish a bi-monthly communication with Australia by means of four large iron screw steamers, touching at the Cape de Verd Islands, the Cape of Good Hope, King George's Sound, Adelaide, and Port Phillip, on the way to and from Sydney.

This will require at once an expenditure of £200,000.

2nd.—To extend this to a monthly communication as soon as possible.

For this part of the plan an additional £200,000 will be required in the course of the second year.

3rd.—To supply, as experience proves to be expedient, steam communication between Australia, the Indian Archipelago, and England; and with a view to accomplish such important objects, it is proposed to take power to increase the capital of the Company to £1,000,000.

The following is the Estimate of the Receipt and Expenditure for the 1st Plan. The adoption of the 2nd and 3rd Plans will, of necessity, depend upon the correctness with which experience proves these estimates have been formed.

ESTIMATE OF VOYAGE.

Dr.	£	Cr.	£
To Insurance—Ship and Stores and homeward Freight, per voyage	1,635	By Passengers—120 out, and 120 home, of all classes }	10,800
Wages—Officers and Crew, per voyage	2,500	Freight and Tonnage— 700 tons out, and 700 tons home*	5,145
Victualling — Passengers and Crew, exclusive of Wines and Spirits, &c., per voyage	1,575	Gold, Specie, Parcels, out and home	2,000
Coals, per voyage.	4,500	Short Freight, Passengers, &c. to Cape de Verd Is- land, and the Cape of Good Hope, out and home }	1,000
Port Charges—Commis- sion on Freight, Engine Stores, and Sundry Pay- ments, per voyage	2,500	Profit on Wines, &c	
Depreciation, and Wear & Tear, including Ships' Stores, &c., per voyage	2,600	Her Majesty's Mails, per voyage	4,233
Administration, Office Ex- penses, per voyage	1,250		
Balance, Profit, per voyage	6,618		
	<u>£23,178</u>		<u>£23,178</u>

By Profit per voyage, £6,618; or, for Six Voyages, £39,708.
Proposed first Capital for Four Boats, £200,000, at 20 per cent. £40,000.

N.B.—The estimates of the Annual Expenditure for these four iron screw steamers, of 1,600 tons burthen, and 300 horse power, have been carefully compared with the corresponding items in the last balance sheet of the West India Royal Mail Packet Company, which has 15 ships, 10 of large tonnage, (1,800 tons,) and power, (400 horses,) propelled by paddles, and built of wood.

* Homeward freights to London, from New South Wales:—Wool, $\frac{1}{2}d.$ to $\frac{3}{4}d.$ per lb.; Tallow, 45s. to 50s. per ton; Oil, 60s. to 70s. per tun; Gold, $\frac{1}{2}$ per cent.—*Sydney Paper, August 23, 1851.*

Immediate application will be made for a Royal Charter, to incorporate the Company, with limited liability; and, in the mean time, provision will be made, under the superintendence of the Provisional Directors, and out of the fund raised by the deposits, for the performance of the Government Contract in due time.

A preliminary Agreement will be executed for regulating the powers and duties of the Provisional Directors, and entitling each Subscriber to the preliminary fund, to the option of taking Shares in the Company when incorporated.

Application for Shares, in the following form, to be sent to Messrs. SHEPPARD and SONS, 28, Threadneedle Street, the Brokers of the Company, from whom Prospectuses may be obtained.

*To the PROVISIONAL DIRECTORS of the AUSTRALIAN ROYAL MAIL STEAM
NAVIGATION COMPANY.*

GENTLEMEN,

I wish to subscribe for the option of taking _____ Shares in this
Company, when incorporated.

Date _____

Name _____

Address _____

Description _____

Name, Address, }
and Descrip- } _____
tion of Referee }

Signed, by Order of the Board,

W. HAWES,
Chairman.

December 26, 1851.

OBSERVATIONS.

It being impossible for the Directors, within the limits of a Prospectus, to place before the public in a full and comprehensive form, all the information they possess relating to this important undertaking, they have resolved to add to that document further explanations of the reasons which induced them to form the Company they now strongly recommend to the notice of the public.

Such a statement appears to be required for the information of our Colonies:—as also from the notice the Prospectus has received from the daily press:—and from the erroneous views which have, by some, been taken of its statements.

That the introduction of steam navigation to the Colonies is of the greatest importance, all but those who have capital invested in the shipping now employed in that trade, will admit. That such interests will be injured must be a matter of regret—but the injury of a few must not stop the progress of improvement, or deprive the colonies of Australasia and the Mother-Country for a day longer than can be avoided of the inestimable benefits which will arise from practically reducing by one-half the time necessary for the interchange of communications, and thus lessening, indeed almost entirely removing, those difficulties and dangers which have prevented all but a comparatively small number of emigrants from availing themselves of the certain independence and wealth which these colonies offer to every industrious person, whether male or female, who resorts to them.

The security of the Colony and the prosperity of the Colonists are at stake, and the Directors of this Company believe that, whilst, by a union of capital and enterprise, they will be able to establish an important and profitable Company; they will also, by providing the means for a quick, convenient, and comparatively certain communication, ensure such an increased supply of labour to the colonies, that in a few years the date of the establishment of this Company will be

acknowledged as that of the commencement of a new era in their prosperity.

Let not then unauthenticated statements in opposition to this great and important undertaking be received without much caution, nor without carefully comparing them with the facts now to be adduced to show, that whether considered in a national point of view, or in a purely commercial aspect, this Company must be advantageous alike—to Shareholders—to Colonists—to Merchants—to Emigrants—to the Colony, and to the Mother-Country—Commercially and Politically—for unless it be shown that this will be the result of the introduction of steam navigation to Australia, our appeal to the public will be unavailing.

*Iron Screw
Vessels v.
Wooden
Paddle
Vessels.*

1. We will take up the various points proposed to be considered in the order in which they appear in the Prospectus—first then, as to the merits of iron steam-vessels provided with auxiliary screw propellers, in lieu of the wooden paddle-boats of other Ocean Navigation Companies.

The propulsion of vessels by paddles has, until lately, been considered the only safe and efficient means of applying steam power to that purpose. The introduction of the screw has been slow, and costly to its promoters; but a propeller has now been contrived, which promises to supersede the paddle, especially in long voyages, where success depends upon the quantity of cargo which can be carried. To the West Indies, to the East Indies, and to the United States and Canada, the passenger traffic is so great and so important in its character, and the voyage, comparatively, so short, that the increased expenditure in fuel, necessary to propel a vessel relying almost exclusively on its steam power, is of little importance, more particularly as it is yet believed by many, (though time will soon show how incorrectly,) that the same speed cannot be attained with the screw as with the paddle.

It is admitted that the paddle-boxes retard the progress of the vessel by very materially increasing the surface exposed to the wind and sea; but wooden vessels are also exposed to dangers and accidents from which iron screw steamers are entirely free, and of which the recent destruction of the noble ship “Amazon” by fire is a lamentable example; nor is there, whilst avoiding these sources of difficulty and

danger, any other introduced to iron vessels to detract from this great advantage. In the event of an accident happening to the screw propeller, the vessel is in every respect as efficient under canvas as an ordinary merchant vessel; being fully rigged with respect to tonnage, her sailing powers are of the highest order, consequent on the fine lines of iron vessels, and she ought therefore to perform her voyage (even in the case of such an emergency) with speed and safety.

The importance of the screw propeller as an auxiliary motive power is further shown in the very general manner in which it is now in use in Her Majesty's Navy; and by the very great speed attained by vessels recently built for, and fitted with, the screw.

A paddle steam vessel having only the partial advantage of the great spread of canvas, which is possessed by the screw steamer, is obliged to be constantly under steam, even under the most favorable circumstances, whereas with a fair wind which would propel the screw steamer from 9 to 10 or 11 knots, the screw is not used. Again, with a side wind, and burning only a small amount of coal, a greater relative speed is attained by the screw than the paddle-wheel, and that too in a steady uniform manner, whilst the paddle-wheel vessel is, in many cases, rolling her sponsons under. No mechanician can doubt the advantages resulting from the mode of applying the motive power to the screw; nor can any one who reflects upon the subject, doubt the advantage of such an adaptation of steam-power as will enable the captain to use either sails or steam, or both, as occasion may require, so that with adverse winds the progress of the vessel is not lessened,—with fair winds fuel is saved,—and with a side wind, the combined action of sails and steam enables the ship to maintain the most direct course, combined with the greatest speed, to the economy of time, and, therefore, to the advantage of the passengers and owners.

We will now proceed to prove the correctness of the statements we have made, by extracts from the evidence taken before the Parliamentary Committee last Session, and will then show, from the same evidence, that iron screw vessels are best calculated to ensure regularity and safety, and from their capacity to carry cargo, are alone adapted to this service in particular.

1. As to speed. Capt. FITZROY states [1616]—"That the probable time to Sydney, touching at the Cape, would be 64 days:" and, [1619]

“My impression is, that the voyage will be more frequently done within 64, than exceeding 64 days.”

[1624.] He states—“That the French screw steamer ‘Faon,’ and screw steamers from Bristol, have each made 13 knots an hour in smooth water,—and that it appears as much speed may be got from a screw, as from a paddle steamer.”

[1639 and 1640.] He states—“That paddle steamers, built expressly for speed, have gone faster than 13 knots an hour, but that screw steamers never yet have been built expressly for speed;” and he says “that Mr. Penn would be willing to undertake to make the engines for a screw steamer to go 15 knots an hour, if he were allowed to choose the builder.”

[1654.] It is asked,—“You have estimated 64 days as the length of the voyage to Sydney, *via* the Cape, what is the maximum speed you have taken in that calculation?—Nine knots is the average; but the maximum would be 12. From the Cape to Bass’ Straits, the greater part of the run would exceed 10 knots.”

Capt. CHAPPELL [1873] says—“The speed at which the Screw Company have undertaken to guarantee, is not so much as I should have given them, because I am informed you may avail yourself of a soldier’s wind both ways; therefore, 9 knots I do not think too high an estimate for them; but the Company have taken it at $8\frac{1}{2}$, to make sure of it.”

Capt. FITZROY, in his further examination says, in reply to [2247]—“Do you consider that you can get with your auxiliary screws as much speed as Mr. Cunard, with full power steamers?—Yes, for this reason, that the greater part of our passage will be with steady strong winds; the greater part of the time, at least two-thirds, will be sailing in steady trade winds, or running before strong westerly winds in the southern latitudes.”

[2257] “What is the greatest speed you think you will get out of your auxilliary screw steamers, in smooth water?—Nine knots per hour; but, of course, you may increase the power of your screw, so as to give greater speed. A full power screw has given 13 knots. There is little doubt a steamer may be built to go as fast with a screw as a paddle.”

Mr. F. P. SMITH is asked [2443]—“When using the screw and sails

at the same time, what pace do you think the vessels alluded to would average?—I can only speak of one or two cases where we have had a fair combination of steam and sail, and there I have seen 12 and $12\frac{1}{2}$ knots an hour accomplished, and I fully expect they will exceed that rate. I have been in the man-of-war steamer, 'Rattler,' when she was going $12\frac{1}{2}$ knots with steam and sail."

[2455.] "What average do you anticipate that vessels with auxiliary screw power will attain in smooth water, and under favorable circumstances?—I think they will keep up their speed to 10 or $10\frac{1}{2}$ knots an hour."

[2944.] Mr. LLOYD, Chief Engineer and Inspector of Machinery of the Navy, [2944]—"Which would you prefer as the material for screw steamers?—In respect of velocity, I should certainly prefer iron."

[2954.] "Have you formed any idea of the speed that a vessel of 1,400 tons, and 250 horse-power, would attain in fine weather, *without the aid of sails*, assuming the engines to be of the best construction?—I should say, from the best consideration I have given to the subject, she ought to go, at least, 10 knots an hour."

And in reply to Question 2956, he says:—"A screw vessel would, under most circumstances, beat a paddle-wheel vessel, because she is able to use her sails very effectually to co-operate with her steam power; and however fast she may be going by the power of sails, when steam is applied in addition, the vessel goes considerably faster, so that the screw vessel has a great advantage as compared with the paddle-wheel vessel."

Capt. JOHN LANE is asked [3247]—"Whether from his own knowledge of what a screw vessel is capable of doing, that they could perform the distance at an average speed of $8\frac{1}{2}$ knots an hour?—I think that they would be able to accomplish that very easily."

Capt. MATTHEWS is asked, [3460 and 3461]—"Whether he considers that the iron ships he has seen building at Blackwall, could perform a voyage to Australia and back at an average speed of $8\frac{1}{2}$ knots an hour?—I should say decidedly that their average speed would be as great as the average speed of the 'City of Glasgow;' they have greater advantages than the 'City of Glasgow,' because they have a greater rise of floor."

In answer to Question 3428—"Is it your opinion that the postal

communication with any given place could be performed to a certainty with the auxiliary power of the screw?—We have been very punctual in the ‘City of Glasgow:’ in the four voyages to Glasgow there was only 10 hours difference; and on the two voyages to Liverpool only 12 hours.”

In confirmation of these opinions, it appears that the Eastern Steam Navigation Company, availing themselves of all possible improvements to the present time, estimate the speed of their new vessels at $10\frac{1}{2}$ knots per hour.

With such evidence there can be no doubt of auxiliary screw steam vessels being in every respect fitted to perform the voyage at an average speed of from 9 to 10 knots an hour, although such vessels have not yet been built, as wooden paddle-boats have been, with a view to attain the maximum velocity.

2ndly. As to their superior safety:—

Capt. FITZROY is asked [1609]—“Did you ever know of an iron vessel requiring to be replated or repaired except in consequence of accident?—I never heard of one.”

Capt. SMITH, who was employed by the Government to make experiments in the “Rattler,” to test the screw as opposed to the paddle, says, in reply to [2348]—“What was your ultimate opinion upon the subject?—With a vessel of equal power, my opinion was decidedly in favour of the screw; there can be no doubt about it.”

Capt. CLAXTON, in answer to a question relating to the repair of iron ships, says, [2849 and 2850]—“We have the ‘Great Britain,’ as an instance. She lay for 12 months with large holes in her bottom, one of which you might drive a wheelbarrow through, which was really the case with one hole we stopped after being exposed on the rock. She was perfectly capable of being repaired; her upper works were not injured in the slightest degree, and the iron, after lying two years in the docks at Liverpool perfectly still, where a vessel takes the greatest possible harm, and although cockles so large as to cause a report of their having been sold for £5, were taken off her bottom, she is not at all the worse for it. She has been scraped and cleaned, and the iron is no worse.” “I think an iron ship, unless she meets with accident, is never out of repair, and cannot get out of repair as far as the iron alone is concerned.”

Capt. CLAXTON is further asked [2863]—"With respect to the comparative strength of wood and iron, do you think that a wooden vessel under the same circumstances as the 'Great Britain' was placed, when she was ashore in Dundrum Bay, would have suffered more or less than the 'Great Britain'?—I am sure there were five gales of wind, three of them awful gales, that would have knocked a wooden ship to pieces; I was on board of her one night to try the effect; the sea ran all along her deck, and to the extent of 10 feet high, with the most tremendous blows, although those blows were warded off by the breakwater to a great extent."

[2864.] "Is it your opinion that greater strength can be obtained with iron than with wood?—Yes; the strength of an iron ship is astonishing, you may have an iron ship's stem in one place, and her stern in another, and she would not, even with the engines in the middle, settle the least in the world. The 'Great Britain' was suspended, with a rock in the middle, and she came down nine feet at one end; she ought to have broken in the middle, and would have done so if she had been made of wood."

Mr. SMITH is asked [2508]—"Is it not your opinion that if anything does go wrong with the screw, it is fatal to the vessel, whereas the paddle vessel can work with one engine?—The screw vessel being a thoroughly rigged ship, is in as good condition if the screw fails as an ordinary sailing vessel, which is not the case with a paddle steamer; but I have seen very few accidents to the screw machinery."

Again [2510]—"Have any circumstances come to your knowledge of screw vessels being wholly disabled as regards the machinery, by accidents occurring at sea?—One or two instances have occurred, and in those cases they have made very good way under canvas. The best instance I can quote was the case of the 'Niger' two years ago; when she got short of fuel she beat up the Channel, and passed everything under canvas."

Capt. MATHEWS is asked [3350]—"How many voyages have you made across the Atlantic?—I have made 102 passages in steam vessels."

[3351.] "How many of those voyages have been made in vessels propelled by the screw?—Twelve passages."

[3352.] “Do you consider that the screw, as an auxiliary, has answered?—Exceedingly well indeed; I prefer it to the paddle-wheel.”

Again [3535]—“In heavy gales, which one way you have to oppose, and the other way to go with, which vessel would have the advantage?—I should like the screw vessel myself, because you can put the vessel in heavy weather in such a position in the sea that you will not get any damage, and you will get the advantage of the sails.”

Need more be adduced to show the strength and safety of these vessels? The evidence is conclusive, that for the purposes of this Company they offer better security for the punctual performance of the contract with the Government, with greater safety and comfort to the passengers and crew, than can be attained in any other description of vessel.

2. We will now direct attention to the capabilities of these vessels for the accommodation of passengers and for carrying cargo.

Passengers and Cargo. It is proposed to build vessels of the largest size, and with proportionate power. The size and power will be hereafter fixed, but for our present purpose we will assume the size to be 1,600 tons, the power 300 or 350 horses; such vessels to be fitted to carry 60 cabin, 40 intermediate, and 50 steerage passengers, and to afford space to stow at least 900 tons of cargo. Before we remark on the estimates in the prospectus relating to these items, we will show from the evidence before referred to, that these vessels will afford this accommodation for passengers and freight.

Capt. FITZROY is asked [1570]—“In a 1,400 ton steamer, such as is proposed by the company to which I have alluded, what proportion of the vessel would be left for cargo and passengers?—In a vessel of 1,400 tons there would be 800 tons space for cargo, with an auxiliary screw.”

[1571.] “Taking a paddle-wheel steamer of the same tonnage, what proportion in that vessel could be appropriated to the passengers and cargo?—The space I spoke of would be for the cargo; there would be the passenger space besides, sufficient probably for 100 passengers, including all three classes. In a paddle-wheel steamer of the same tonnage, there would not be more than 300 to 400 tons cargo space.” And in reply to Question 2170, he increases the estimate for passengers to 120.

Capt. MATHEWS says, [3390] that in the "City of Glasgow" a 1,600 ton ship, with 300 horse power, he had room for nearly 1,000 tons measurement, besides coals for 30 days.

We have then Capt. FITZROY's evidence that in a 1,400 ton ship he can accommodate 120 passengers, and take 800 tons of cargo, and that of Capt. MATHEWS, that in a 1,600 ton ship he can take 1,000 tons of cargo. From the best information the Directors can obtain, they are satisfied that arrangements can be made in a vessel of 1,600 tons burthen for 150 passengers, and 900 tons of freight.

In the Prospectus, however, it is assumed that there will be only 120 passengers out of the thousands annually going to Adelaide, Port Phillip, Van Diemen's Land, and Sydney, who will prefer a two months' in lieu of a four months' voyage; and that with the advantages of rapid transit and the saving of interest of money, insurance, and in many cases of deterioration of goods, that only 700 out of the 900 tons of freight will be taken up in each of the six voyages annually, which these ships are now bound to make. That these are not overcharged estimates must be evident to every one who thinks carefully upon the subject.

Secondly, we will show that there is good reason to believe there will always be the number of passengers and the quantity of freight estimated in the Prospectus, and that the route to be traversed by these screw steamers is the best that can be selected for general trade and emigrants.

Mr. F. DE SALIS is asked, [66]—"You therefore think that the Cape line would be most likely to be adopted for general trade and emigration?—I think it promises to be so." Again, [65]—"Could not emigrants be taken out much cheaper in screw steamers, at much less cost than in paddle-wheel steamers?—Screw steamers would be able to take out emigrants at a far less cost than paddle-wheel steamers could, and this I conceive constitutes one of the most favorable features in the Cape route scheme." Again [72]—"And you believe the line, *viâ* the Cape, is the only line which can be serviceable for the carriage of merchandise?—I am of opinion that line is the only one which can be applied towards the purposes of emigration, and the carrying goods at anything like reasonable freights." Again, [67]—"Do you consider that the profits from this line would be such as to induce capitalists to under-

take it eventually without Government assistance?—I think that is extremely probable to be the case.”

Mr. J. T. L. FORSTER [330 and 331]—“Which line do you consider the most important as far as the imperial interests of Great Britain are concerned, and as an emigrant line?—I should say that the line by the Cape would be the most important to the imperial interests of Great Britain;” and “that the only route that would serve as an emigrant line to any amount would be the Cape of Good Hope line. Passenger and emigrant traffic I look upon as nearly, if not quite, as important as postal communication.”

Mr. LAMBERT replies to [725]—“You are aware of the three routes now under consideration?—Yes.” “Which of them do you think most applicable for the purposes of the colony?—For the general requirements of the colony, I prefer the route by the Cape.”

[727.] “Will you state your reasons?—It combines more advantages than any other. I think that route would be as rapid as any other, and it would facilitate the conveyance of passengers and goods without any change of vessels, which no other route can accomplish.”

[729.] “You think the Cape route is the most economical line that could be established?—I do.”

[748.] “You think the steamers are likely to take a large portion of the merchandise which is now carried in sailing ships?—They could not take a large portion of it because they would only go once a month, and there are many sailing vessels weekly run loaded to these colonies; but I think the steamer would have the preference, because she could take the goods so much quicker—she would fill up with the most valuable goods.”

[780.] “Supposing three lines were established—the Panama, the Cape of Good Hope, and the Overland, do not you think first class passengers would very much prefer the Overland?—It depends on the length of their pockets. As to the length of the voyage by the Overland or by the Cape, there would be very little difference. A person might go for his pleasure overland to see a variety of countries, but for personal convenience I think he would prefer the Cape, because there is no change of vessel.”

Mr. PARBURY. [812.]—“Do you consider that rapid postal communication is the first consideration?—No; I think the advantages of

a low rate of passage money should be combined with rapidity of postal communication. I think the line which will best develope both these advantages should be adopted."

[813.] "That is your view in supporting the Cape line?—Yes."

[860.] "For the purposes of trade do not you think the Cape route would be decidedly the best?—Decidedly; if the voyage can be made in the time stated; of which I am not able to form an opinion."

Mr. W. F. G. MOORE. [1143.]—"Do not you consider that first class passengers generally prefer to travel a part of the distance upon land, to going the whole way by sea?—Not to Australia I think. They would have to pass through 4,000 miles of tropical climate in going to Australia, which is not very agreeable; besides all the trouble of transhipment. It must be remembered that the class of people which go to Australia are not among the most wealthy, but they are parties who take out some little means, and wish to economise them as much as possible."

[1171.] "You have full confidence there would be no great difference in the home voyage and the out voyage by a screw steamer from the Australian Colonies?—I do not believe it would make a day, or an hour, difference."

Mr. C. LOGAN. [1250.]—"Is it not your opinion that steam vessels, proceeding from England by the Cape of Good Hope to Australia, would afford a great advantage to her colonies, by carrying out passengers and goods at a cheaper rate than it would be possible for them to be conveyed by the Isthmus of Panama, or the Overland Indian route?—Yes, decidedly: as an emigration route it would be also of great advantage, if a low rate of passage were combined with expedition."

All the information which has been collected since this evidence was given fully confirms it, and these extracts most satisfactorily prove the advantages of the direct line by the Cape for passengers and merchandise. It is manifest, that a large number of the passengers will prefer vessels whose safety and punctuality of arrival can be almost guaranteed, and whose time at sea will be but little, if any more, than half that of sailing vessels; and it is equally certain that for valuable and perishable commodities, merchants, for the same reason, will prefer steam to sailing vessels: but we have now to show that there is so much freight, and that there are so many passengers that

steam vessels, whose maximum capacity for passengers to and fro would be 900 per annum, or 150 per passage, of all classes, and for freight only 5,400 tons per annum, *would command* passengers and merchandise sufficient to realise the estimates in the Prospectus.

1st. As to passengers. The number of emigrants, according to the tables published by the Emigration Commissioners, was—

In 1848 . . .	23,904
1849 . . .	32,191
1850 . . .	16,037
	<hr style="width: 100px; margin: 0 auto;"/>
Total . . .	72,132

or, on an average, 24,044 per annum; of which it appears 3,350 were cabin passengers. These were carried in about 100 vessels annually; and the average duration of the voyage was 112 days. And, independently of the increase of passengers from the facilities steam ships will offer to emigration, there can be no doubt the discovery of gold in Australia will materially swell the tide of emigration thereto.

From the Parliamentary Paper, No. 734, [1851], we find the average price paid by the Emigration Commissioners for conveying and victualling, was a little above £12 per head; and by the Colonization Circular, issued by Her Majesty's Colonial and Land Emigration Commissioners, the price for cabin passengers, from London, varied from £65 to £80 to Sydney, Port Phillip, and South Australia; and from £65 to £90 to Van Diemen's Land and Western Australia. For intermediate passengers, the rates of passage vary from £30 to £40 per adult. For steerage passengers, from £15 to £20.

Is it then unreasonable to suppose that reducing the passage from an average of 112 days, the maximum having been 153 and the minimum 91 days, to within 70 days, these vessels will secure out of the annual emigration (amounting on the average of the last three years to 24,000 persons per annum, exclusive of cabin passengers, who are not registered as emigrants, and to whom time is of the greatest importance), 720 passengers of all classes each way? and especially as the rates of passage-money charged in the calculations of the Prospectus are only those now paid to first class and superior sailing vessels, though, judging from the experience of other Ocean Steam Navigation Companies, a higher rate of passage-money might fairly

have been calculated upon. Can it then be said that this is an exaggerated estimate?

2ndly. As to freight. The imports to Australia and the exports from thence in 1849 were of the value of £1,371,000 and £1,572,000* respectively, both of which have materially increased in the last two years. It must be unnecessary to enter into any elaborate argument to prove that so small a portion of these exports and imports as 4,200 tons out, and 4,200 tons home,† per annum, would always be ready for a steamer, at the highest possible rate of freight. Saving six weeks or two months' interest on such amounts, and the reduced insurance, would alone secure a preference for steam vessels, besides other collateral advantages to be derived from rapid transit.

We will then consider it to be proved satisfactorily that screw vessels can be worked more economically than any others,—that the Cape route to Australia is the best for passengers, emigrants, and merchandise,—that the number of passengers and emigrants is so large as to ensure the number required by the estimate in the Prospectus, of each class, and at each rate of charge, for each voyage,—that the commerce between the Colonies and the Mother-Country is so extensive, and of so important a character, that the estimate for freight is neither overrated in quantity or amount; and, generally, that considering the importance of rapid transit to passengers, and for merchandise, vessels with accommodation for 150 passengers, and 900 tons of freight, are sure to command 120 of the one, and 700 of the other; and, more probably, a greater number of the one, and a greater quantity of the other, than fewer or less of either.

Having thus shown that there is every reason to rely upon the estimates in the Prospectus relating to passengers and freight, we will simply state that the estimated receipts for freight on gold, specie, parcels, and short freights, are the result of careful enquiry; and in each case have been set down below the sum indicated by such enquiries. They must be received as the result of evidence collected from competent authorities, which the Directors, after careful examination, believe will be realized.

* The exports in 1850 amounted to £2,400,000.

† The weight of the wool exported in 1850 was 32,000,000 lbs., or 14,250 tons; and of tallow nearly 12,000 tons; the freight of the wool being above £4 per ton, and of the tallow from 40s. to 50s. per ton.

As to the figures on the debtor side of the account, it is almost unnecessary to add anything to them or to the observations which accompany them. Suffice it to say, that based as they are upon the actual expenditure of the Royal West India Mail Packet Company, they cannot be considered as the mere estimates of a projector, and their accuracy may, for all practical purposes, be fairly tested by the following Table:—

	No. of Ships.	Of what Material built.	Capital.	Average Tonnage.	Horse-Power.	How Driven.
West Indian Royal Mail Packet Company.	14	Wood.	£1,000,000	{ 10 of 1,800 4 of 700	400 } 250 }	Paddle.
Australian Royal Mail Steam Navigation Company.	4	Iron.	200,000	1500	300	{ Aux- iliary Screw.

		£
Annual Expenditure, by Balance Sheet, 1850, of West India		} 313,896
Royal Mail Steam Packet Company		
Estimate of the Annual Expenditure of the Australian		} 99,360
Royal Mail Steam Navigation Company*		

Length of the Voyage. The next point to be considered is the time to be occupied in the voyages out and home.

The evidence already quoted proves, that with proper ships and engines, a speed of 10 knots an hour may be fairly calculated upon.

The distance, by the same evidence, is 13,250 miles—

	Hours. Days. Hrs.
At 10 knots per hour, this would require	1325 or 55 5
Allow for coaling and delay at the Cape de Verd Islands, } Cape of Good Hope, St. George's Sound, Adelaide, } and Port Phillip 10 0
Days	<u>65 5</u>

* With regard to one very large item of expenditure, that of coals, the following facts have been communicated by a distinguished officer in Her Majesty's Service. Two steamers left Plymouth for Singapore, one a screw the other a paddle-boat. The speed of both was nearly the same—the advantage being a little in favour of the paddle-boat; her tonnage and power was 1,128 tons and 378 horses, or three tons to one horse-power; while the screw was 516 tons burthen, with 60 horse-power, or eight tons to one horse-power. The wooden paddle-boat consumed 847 tons of coal, the screw iron boat only 66 tons 3 cwt. The one steamed all the way, the other only in aid of her sails.

	Days.	Hrs.
At $9\frac{1}{2}$ knots per hour, the time will be	58	3
And for Stoppages	10	0
	<hr/>	
Days	68	3
	<hr/>	
At 9 knots	61	8
And for Stoppages	10	0
	<hr/>	
Days	71	8
	<hr/>	

That the fastest of these rates will soon be accomplished there can be no reason to doubt; and at the lowest rate the distance will be accomplished in 61 days, exclusive of the time spent in the ports at which the ships must touch.

These periods must be compared with the average time now occupied in the passage, which, by the evidence of Mr. LAMBERT [756 and 758], was in 1849, 119 days out and 138 home; the longest outward voyage having been 160 days, and homeward 186 days.

Capt. FITZROY states, in reply to [1616]—"What do you make her minimum time to be, touching at the Cape?—Touching at the Cape, the probable time to Sydney, allowing for delays on the passage, would be 64 days, to which [1617] I should add 3 days for uncertainty."

[1618.] "That would extend the passage to Sydney from Plymouth to 67 days?—Yes, at the outside: on the other hand you might do it in 59 or 58 days."

[1619.] "You think it would be possible to do it in 58 days?—My impression is, it will more frequently be done within 64 than exceeding 64 days."

Capt. DOUTY, in reply to [2294] says—"That by her Cape line it may be done in 64 days. The Panama will take 67, and the Suez line 71 days."

Indeed throughout the evidence there is a general agreement of opinion that the passage will be accomplished within 70 days; and based as these opinions are upon what has been already accomplished, there can be no doubt that with the improvements constantly being effected, as well in the build of iron ships as in the construction of machinery applicable to the screw and in the screw itself, an average rate of 10 knots per hour and upwards may confidently be expected by the joint action of steam and wind.

Income of the Company. It now only remains to refer to the probable dividend which will be paid on the capital invested in this Company.

The following Table shows the present state of the three large Ocean Steam Navigation Companies—to the experience of which this Company will be greatly indebted:—

	No. of Shares.	Paid up.	Market Price.	Dividend.	Surplus over Capital, or Reserved Fund.	Description of Boats.	Remarks.
West India Royal Mail	14,480	£ 60	£ 78	Per Cent. 7½	£ 378,000	{ Wood and Paddle.	Have lost and replaced several Ships.
General Steam	20,000	14	27	10	Not known.	Ditto.	
Peninsular and Oriental	20,000 10,000	50 10	74 17½	8 And £1 per Share bonus.	490,000	{ Wood, Iron, and Screw.	

The West India Royal Mail Company have five large boats either built or building, to be paid for with accumulated profits, without any further call upon the Shareholders.

The Peninsular and Oriental Company are building five new boats, which will be paid for out of the reserved fund. By these means the future incomes of the Companies must be materially increased.

It may be said that the subsidy from the Government to this Company is not so large as to the Companies we have referred to. True it is not, in money payment; but when the permission to use iron boats with auxiliary screw power, *and their capacity for cargo is considered*, the contract, though undoubtedly low, appears to be a fair arrangement between the Government, the Company, and the public.

If then the calculations submitted be just and true as a whole, for differences of opinion will naturally arise as to the exact correctness of particular items, is there not every reason to infer that the success of this Company will be as great as those which have preceded it in Ocean Steam Navigation?

The evidence from which we have quoted was given to the House before the formation of this Company was thought of. It is the convincing nature of that evidence that justified the Directors in placing the Prospectus before their friends and the public; and they will, therefore, conclude these remarks by a few extracts from the Report of the Parliamentary Committee by whom it was presented to the House.

The Committee states that—

“The Cape line offers to the passenger the advantage of the only direct communication between England and the Colonies of Australia, without any change of vessel, with a climate comparatively free from the tropical heats of the other two routes.”

“The Cape line, your Committee are led to believe, from the evidence they have received, is peculiarly adapted to the carriage of merchandise of such a description as would bear a higher rate of freight in consideration of a proportionate increase of speed.”

“The only line before your Committee, wholly free from these objections, and entirely under the control of the Government, is that *via* the Cape, the safety of which depends exclusively upon the maritime superiority of the Empire.”

And lastly—

“They consider, however, that it has been satisfactorily proved, that by the Cape, postal service with England may be conducted with sufficient regularity and rapidity to meet the present requirements of the

colonies,—that it would bring into direct communication with each other, the principal colonies of Australia—that it would furnish the most economical, and, at the same time, the least inconvenient means of transit to passengers, including even the laboring classes,—that it would offer facilities for the transmission of merchandise, at a moderate cost, without the inconvenience of trans-shipment; and that it would establish a line of communication, independent of other nations, between the Mother-Country and her distant colonies, which might, in case of any sudden emergency, be useful in keeping open the communication between England and her Empire in the East.”

Signed, by Order of the Board,

W. HAWES,

Chairman.

69, LOMBARD STREET,
January 10, 1852.

FURTHER REMARKS,

March 30th, 1852.

THE Directors of the Australian Royal Mail Steam Navigation Company have much pleasure in informing their Shareholders, that a ROYAL CHARTER OF INCORPORATION, under which the liability of each Shareholder is limited to the amount of his Shares, has been granted to this Company.

1. The Charter constitutes all persons who have, or hereafter may become members of the Company, a body politic and corporate, by the name of the "AUSTRALIAN ROYAL MAIL STEAM NAVIGATION COMPANY;" to sue and be sued by that name, and to have perpetual succession, with a Common Seal.

2. It empowers the Company to hold wharfs, docks, stations, houses, and land, for the purposes of the undertaking.

3. It empowers the Directors generally to enter into all contracts, and manage all matters and things for the well ordering of the Company; in conformity, nevertheless, with the Charter and the Deed of Settlement.

4. It provides that half the capital (£250,000) be subscribed for, and one quarter (£125,000) actually paid up within 12 months from the date of the Charter.

5. It directs that the Deed of Settlement (which is to be executed by the Subscribers within 12 months from the date of the Charter) shall provide that the capital shall be £500,000, in shares of £10 each, to be numbered in succession from one upwards, and that proper Register Books of the Shareholders be kept.

6. It directs that provision be made in the Deed of Settlement for holding annual meetings of the Shareholders, and producing a correct balance sheet; and for dissolving and winding up the Company, whenever half of the capital has been lost in the course of trade, or whenever it shall appear that the affairs of the Company cannot be carried on with advantage.

7. It empowers the Company, by a resolution of a General Meeting, (at any time after the whole original capital is subscribed for, and one-half paid up,) to increase the capital to £1,000,000, and (with the consent of the President of the Board of Trade) to any further sum.

8. It directs that the Deed of Settlement be prepared to the satisfaction of the President of the Board of Trade, and a copy thereof lodged with him within one year from the date of the Charter; within which time the Deed is to be executed by all the Directors, and by the Subscribers holding one-half of the capital, and £125,000 must be actually paid up.

9. It directs that the Company shall not begin business until £125,000 has been subscribed for, and £62,500 actually paid up; these facts to be certified to the Board of Trade by three Directors.

10. It reserves power to the Crown to revoke the Charter, in case the conditions thereof are not complied with. And after 30 years to revoke, add to, or modify, the Charter, as the Crown shall think fit.

11. It provides that the Charter shall be void whenever the Company shall be dissolved, and the affairs thereof wound up.

12. It directs that the Deed of Settlement, or any Supplemental Deed of Settlement, and all bye-laws, be enrolled in Chancery.

13. It declares that the Charter shall be valid and effectual in law, and be construed in the most beneficial sense for the Company.

Having made this announcement, the Directors avail themselves of the opportunity it affords of addressing the Shareholders, to give a brief outline of the proceedings of the Company to the present time; which are interesting, not only on account of the despatch with which so important a service has been commenced, but also from the fortunate circumstance which enabled them to procure, without delay, two magnificent vessels suited to the purposes of the Company, at a reasonable rate.

These vessels, the "AUSTRALIAN," and the "SYDNEY," of nearly 1,500 tons register and 300 horses-power, and calculated to attain a high speed,—were designed and built for Messrs Cunard and Co., by Messrs. Denny and Co., Dumbarton.

They will carry 700 tons of freight, and 189 passengers—

59 First Class

72 Second „

58 Third „

They are fitted in the best manner, with all plate, linen, bedding, and other requisites for first-class Passengers. Duplicate parts of the machinery, required in case of accidents, to which all engines are liable during a long voyage, have been provided; and almost every suggestion calculated to render these ships safe and comfortable, and in the highest degree suitable for the Packet Service to Australia, has been liberally adopted by Messrs. Cunard.

The price agreed to be paid for each of these ships, equipped in every respect for sea, is £42,000.

✓The “AUSTRALIAN” will sail from London on the 28th of May, and from Plymouth, where the Government Mails will be embarked, on the 3rd of June. The “SYDNEY” will follow it on the 28th of August, and the 3rd of September. So that within six months from the issue of the Prospectus of the Company, and within three months of the date of the Charter, the first voyage will be commenced.

Besides the Boats purchased of Messrs. Cunard, the Company have contracted with Messrs. Scott Russell, and Co., of Mill Wall, London, for two ships of superior tonnage and capacity for Passengers.

The specification and form of tender for these ships were submitted to ten of the principal iron steam ship builders in London, Newcastle, and on the Clyde. Four could not tender, owing to their existing engagements; but six tenders were received, from which that of Messrs. Scott Russell, and Co. was selected as in every respect the most advantageous to the Company, and as combining with the largest displacement, the smallest measurement tonnage—an element of success in ship-building, and profit to the ship-owner, too often overlooked.

These ships are constructed to carry 1,200 tons of freight, and 240 passengers each, with engines of 450 nominal horses-power. Their cost, including all necessary duplicate parts, will be a little under £110,000.

Thus the first, and one of the most important statements of the Prospectus is proved to be correct; for the four iron steam ships—two of nearly 1,500 tons each, and two of 2,000 tons each—will be equipped and sent to sea within the sum of £200,000.

It is too early in the Company's history to determine the correctness of the estimates of receipt and expenditure, but the following remarks upon them are calculated to give confidence in the statements of the Prospectus.

1. The Estimate for Insurance is now ascertained to be considerably within the sum named.

2. The Estimate for Wages is very much in excess of the sum for which the services of the officers and seamen of the first ship are engaged.

3. Victualling. This estimate is scarcely sufficient, because the Directors have resolved to adopt a superior dietary to that originally proposed.

4. Coals. Until a voyage has been made it is impossible to do more than to estimate the consumption of coals. There is no reason, however, to doubt the substantial accuracy of this calculation, as the prices at which the contracts have been taken fully justify the estimate.

5, 6, and 7, port charges, commission, depreciation, and administration, must also wait the result of experience, but the aggregate estimate for these items, £6,350 per voyage, is a sufficient guarantee that they cannot be much, if at all, underrated.

As to the *Cr.* side of the account, it may now fairly be assumed that there will be 180 passengers out, and as much freight as the ship will carry. Estimating these at the fixed rates, they will realise above £11,500, leaving but £4,445 for the homeward voyage, which in all probability will be covered by freight, independently of passengers.

The 3rd and 4th items must wait the result of the voyage for confirmation; but the 6th, the amount due to each voyage for the conveyance of the Mails, is correct.

The Directors have determined to take four young gentlemen in each ship as midshipmen. They will be placed under the special charge of the Captain, and every opportunity will be afforded them to study navigation, and to obtain a knowledge of the marine steam engine. Proper berths will be provided for them, and every care will be taken to select young gentlemen, who at some future period may become an ornament to the service.

The terms upon which they will be admitted are 80 guineas for the first year, 60 guineas for the second, and 40 guineas for the third, including fees to the Captain and Engineer.

Without then pretending to prepare another estimate of profit and loss, enough has been stated to shew that the estimates in the Prospectus were carefully made, and have been so far borne out by practical results.

The Directors ought not to omit from this brief statement some notice of the very liberal manner in which they have been met in their negotiations with the Admiralty. The Contract has been most carefully prepared, and its details have been suited to the special circumstances of the Company.

The Deed of Settlement, required by the Charter, is in course of preparation, and due notice will be given when it will be ready for execution by the Shareholders.

The Offices of the Company not yet affording accommodation for the transaction of all its business, it is necessary to refer Shareholders and the Public to the office of the Ship Agent, Mr. CHARLES WALTON, Jun., 17, Gracechurch Street, for all information respecting Rates of Passage and Freight; and to Messrs. SHEPPARD and SONS, 28, Threadneedle Street, for information respecting Shares.

Signed, by Order of the Board,

W. HAWES,

Chairman.

R. MARSHALL,

Secretary.

69, LOMBARD STREET.