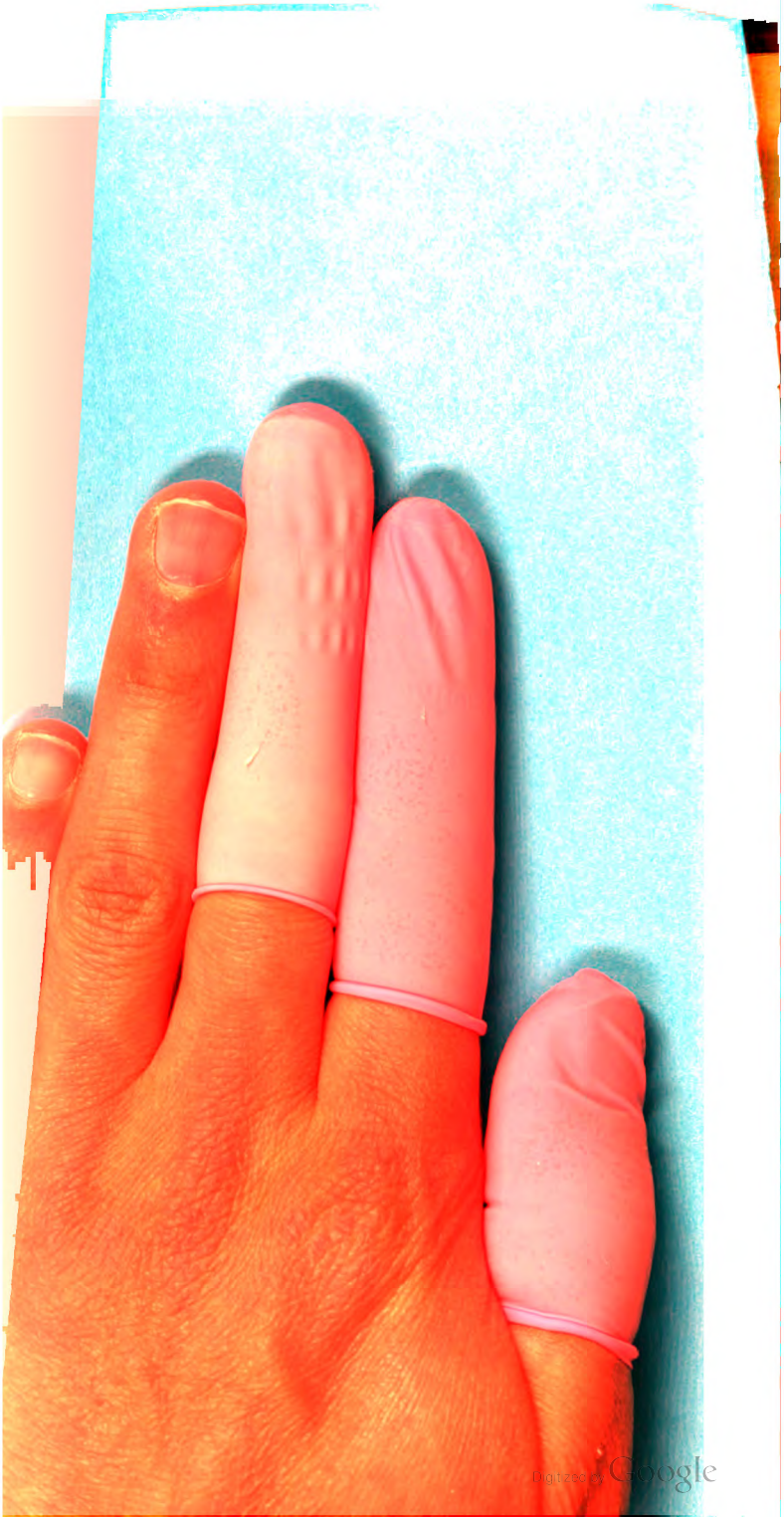

WHAT IS TO BE DONE

WITH THE

General Screw Steam Shipping Company's

FLEET OF SHIPS

WHEN NO LONGER NEEDED FOR THE GOVERNMENT SERVICE?

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ANSWERED

BY SHOWING THAT

THE TRADE WITH INDIA

MAY BE RE-OPENED WITH ADVANTAGE.

BY

JAMES LAMING, Esq.,

THE FOUNDER,

AND A DIRECTOR OF THE COMPANY,

In an Address to his Fellow Shareholders.

JANUARY, 1855.

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TOWER STREET.

WHAT IS TO BE DONE

WITH THE

General Screw Steam Shipping Company's

FLEET OF SHIPS

WHEN NO LONGER NEEDED FOR THE GOVERNMENT SERVICE?

Fellow Shareholders,—The question has been frequently asked—What are we to do with our ships when the Government shall cease to charter them as transports? It is generally felt that their value greatly depends upon our finding a satisfactory answer to that inquiry. The present Board of Directors has made it notorious that it cannot put our ships on profitable lines, both by the past results of its management, and by adopting the suggestion made at a public meeting that, when the resource which we have accidentally found in a war fails us, then we may take refuge in a sale of our fleet, either wholly or in part. How soon the war may come to an abrupt termination nobody can foresee, and therefore as men of business we should determine without loss of time the steps we have to take for securing the value of our property. It is possible that our ships might now be sold to advantage, but that is uncertain; and inasmuch as they are at present recovering for us some of our lost money, we may content ourselves with doing well while we have the power. Our patriotism, also, would be better consulted by leaving our ships entirely at the service of the Government so long as they can be usefully employed for the war, even though it should be proved that our interests might be served in

some other way. On the other hand, if we wait until the war be over, and then seek to sell our ships, without any profitable employment for them in reserve, we shall be sending our property into the market under circumstances of great disadvantage. The question, therefore, still remains—What are we to do with our ships when the Government shall cease to want them? I hope to interest every independent shareholder in the Company by announcing to him that this important difficulty admits of a very satisfactory solution; and that should we determine upon selling our fleet, and winding up the affairs of the Company, we have it in our power to assume, first, such a position as will show to the public that we are not compelled by necessity to sell any of our ships to disadvantage.

In entering upon the task I have undertaken, I shall have to pass in review matters connected with the past management of our affairs, which I would more willingly have passed over in silence, had it been compatible with our future interests; and lest any one should imagine that what I am about to say has in any measure proceeded from a personal feeling, I will beg of him to remember, that as there can be no sure physical remedy without a preliminary knowledge of the disease to be removed, so the peculiar features of our mismanagement must be laid open before we can hope to enter upon a state of commercial health and vigour. I shall, however, dwell upon this unpleasant part of my subject no longer than is absolutely necessary to demonstrate that our mischances have proceeded from a want of professional skill in our Directors, rather than in any paucity in our commercial resources, and therefore that a failure for the future is not to be assumed as inevitably indicated by our want of success in the past.

The one great and all-pervading error, which has hitherto entailed upon us a very serious loss of money instead of netting a profit, has been the enlisting into our general service an enormously expensive motive agency in place of one comparatively costless; we have departed from the great principle of our early success by making the steam-impelled screw the *principal* instead of the *auxiliary* power—we have abandoned the use of the wind to far too great an extent, and in place of that econo-

mical agency we have substituted the almost daily use of steam, obtained at a ruinous cost—we have, too, even failed to gain for our ships the shorter passage, for which we made so many pecuniary sacrifices. I am prepared to show by conclusive evidence, that although our extra fuel has cost us many thousands of pounds for keeping the screws of our ships perpetually at work, those instruments, had they been used with ordinary discretion, as mere auxiliaries to supply the place of wind when lacking, would have carried our ships out to India and home again in a shorter time than has been accomplished at the great cost we have sustained. As a practical seaman and the not unsuccessful founder of our Company, the enormity of this error in our past management has long dwelt upon my mind with all the force of positive demonstration.

Under this conviction it was only natural that I should be anxious to see the Company benefitting by a change of policy, and I have sought opportunities of offering my opinions to the Board of Directors. It has pained me to find that on such occasions I have not been met in that spirit of courtesy which I had a right to expect; but as the great interests at stake were paramount in my estimation to mere personal considerations, I continued to put my convictions forward whenever my doing so seemed to promise any good. In a conference which I had in October, 1852, with the Chairman of the Board (Mr. Ellis), I represented to that gentleman in so many words, that *the plan on which he was conducting the Indian trade was ruinous to the shareholders, and would never produce a dividend.* This was said a week after the fourth Indian ship, built for the line, had sailed from Plymouth, under a contract made by the Board with the Government, and by which the Board undertook to make our ships follow a course to India directly in the teeth of the trade winds, and as an inevitable consequence, to compensate by an excessive combustion of fuel for the non-employment of sails, thus rendered next to useless. It will presently be circumstantially understood why I felt confident in thus predicting a fatal result to the Indian voyages; in this place it will suffice to say simply, that I gave Mr. Ellis the caution. That gentleman was not bound to have faith in my prediction, but

whether or not he was sagacious in turning a deaf ear to my caution the shareholders are now in a position to decide; for within a few months after the conference took place, the impracticability of carrying out the contract in the manner adopted became so evident to Mr. ELLIS himself, that an application was made to the Government to augment the grant, and this increase being refused, the contract has been given up, and the Indian line abandoned.

But now for the facts bearing on this case. If we refer to the accounts we shall see that Mr. ELLIS has admitted the losses on the four first Indian voyages to amount to upwards of £20,000, exclusive of depreciation; so far at least the plan on which the Indian trade was being conducted *was not producing a dividend*, but on the contrary proving *ruinous to the shareholders*. May I be permitted to ask Mr. ELLIS whether this result affords proof of his possessing such superior tact and wisdom as to qualify him for disdaining practical advice offered to him, not in his own personal character, but as the chief guardian of a great public trust? Would that he had been willing to learn a useful lesson even from his own first experience; for then we should have been spared the infliction of further and still heavier losses, which have raised the total cost of our Chairman's want of judgment to no less a sum, including depreciation, than £100,000 at the very least. But the truth is that Mr. ELLIS did not wait the result of his first experiment, although common prudence, if not my caution, might have suggested the propriety of waiting the return of the first Indian ships before he proceeded to build others for the Indian and other long lines, at a cost which more than exceeded the total Capital of the Company, and which have since so materially jeopardized its interests. I believe it will correct an erroneous impression which has been vaguely made on the minds of many shareholders, and thus cause the important features of this case to stand more prominently forward, if I explain that no part of the above loss of £20,000 in the first four voyages to India is attributable to any unusual cost of coals: all the coals which the four ships consumed both on their outward and homeward passages, were supplied

to them under a contract made before the extraordinary rise in price took place. That rise ought to have had an effect of another kind, and which unfortunately we know it did not have: it would have been in the mind of every prudent man an additional argument for not at that time extending operations, which, under even the more favorable price of coals, had only produced a loss. Let it always be borne in mind, that although the extraordinary price of coals took place before the first four ships sailed, they were all supplied with their fuel at the low price, under a contract for forward delivery.

The Indian contract is not an isolated example of the incompetency of Mr. Ellis to enter into contracts involving the vital interests of the Company, for that made by him with the Government in 1852, to convey the mails between the Cape, Algoa Bay and Port Natal, has proved equally injudicious. Two ships, the "Cape of Good Hope" and "Natal," were built by the Company to carry out this agreement, and they had scarcely reached the Cape before it was found that the conditions of the contract were such as to occasion a heavy loss to the Company, and the contract has since been abandoned.

I will adduce one more evidence of want of qualification in those to whom we have entrusted the management of our affairs, and then immediately pass on to the consideration of those remedial measures to which I look with confidence for the restoration of our prosperity. With a view to prevent as far as possible the sailing power of our vessels from being neglected in favour of the passion for steaming, which had become so fatally prevalent, I took upon myself to watch, with some anxiety, the building and fitting of our first Australian ship (the "Crœsus"); this investigation, professional in its nature, though undertaken by me simply as a shareholder, was directed mainly to the vessel's rig (the hull of the ship is built on the most approved lines) and the manner in which her screw was fitted, which latter was on a principle different to any hitherto applied to the Company's ships. In neither of those two most important respects did the "Crœsus" obtain my approval; and I forthwith called on the Secretary and stated to him my objections in a friendly manner—at his suggestion I wrote to Mr. Ellis on

the 1st November, 1853, a letter from which I make the following extract:—

"I regret to say that the rig of the 'Crœsus' is not calcu-
"lated to bring out her sailing qualities, that the position in
"which her mainmast is placed is such as to make her steerage
"both difficult and dangerous, and that her screw will be a
"heavy drag upon her stern post."

These warnings were unheeded; Mr. ELLIS finished the "Crœsus" without questioning me on my objections, and sent her to sea on 10th January, 1854, after advertising her as a "splendid ship (having) the advantage of the *several improvements which the experience of the Directors* (had) enabled them to make." Now what has been the result? just this:—That this offspring of the Board's experience, has so far as "improvements" are concerned, turned out to be an abortion; within three days of her leaving Lisbon, the "Crœsus" steered so badly that she broached to, and by so doing carried away her maintopmast. She reached the Cape with her stern post so loosened both by the vibration of her screw, and by the strain of her rudder on the rudder post, and so leaky in consequence, that she could proceed no further on her voyage, until she had undergone a temporary repair; and when she finally reached Sydney, by dint of continual pumping with her donkey engine to keep out the water, she had to undergo a second repair of a most expensive kind; fortunately for us we had in Captain HALL a commander, who had rendered us valuable services as the Captain of the "Bosphorus," when that vessel first opened the mail packet service to the Cape, a sailor who is qualified for every emergency; and it is to his extraordinary skill and perseverance that the Company is in great measure indebted for the safe return of the "Crœsus." She has at length come back, after having been 97 days on her outward passage and 103 on the homeward. Had she arrived at Sydney when due, she would have found waiting for her a valuable freight, and a full complement of passengers, amounting to upwards of £20,000 which had been secured for her return passage; as it is, few passengers have returned by her, and her cargo is unimportant, by reason no doubt of her losing, on account of

her length of outward passage and leaky condition on arrival, the public confidence which the former ships had inspired.

Thus the case of the "Crœsus" affords proof that our Directors have introduced changes in the screw itself, which are pernicious in their results; and we have also in the case of the "Argo," another palpable evidence to the same effect. Mr ELLIS had ordered for this ship a screw like that which has since done such bad service in the "Crœsus," and it was accordingly made, notwithstanding the Superintendent very clearly made known to Mr. ELLIS his disapprobation of the change thus sought to be introduced,—upon the "Argo" being ordered to proceed with the mails to Australia, the Board resolved to substitute for the screw that had been made for her, one on the old and successful model, and after being detained six weeks for this change, she sailed and made the quickest passage to and from Australia ever known.

While I am on this topic, I will take the opportunity of saying, that in the construction of the engines and the screws of the "Hydaspes" and "Mauritius," as well as the "Crœsus," deviations have been made from the tried principles adopted in the earlier and successful ships of the Company, viz., "Bosphorus," "Hellespont," "Propontis," "Harbinger," "Queen of the South," "Lady Jocelyn," and "Indiana," with no other effect than causing a dead loss of several thousand pounds to the shareholders, for alterations back again to the same models as had been used in the first ships, besides inflicting incalculable mischief on the credit of the Company, both in India and Australia. I am of necessity imputing the origin of these evils to the Directors as a body; but those of my fellow shareholders who have been present at the last few general meetings, will not be surprised to hear that they are mainly to be traced to the self-sufficient, dictatorial and arbitrary spirit of our Chairman. Could that gentleman have condescended to copy anything, he might have imitated with advantage, the engines and screws of the first seven of the larger ships of the Company, which from long experience had been found to work in the most satisfactory manner; so satisfactory indeed did the working of the engines and screws of these vessels appear to our able Superintendent, Captain FORD,

who had been a party to their adoption, that he strongly objected to the changes proposed by our Chairman, and the introduction of which by him has since caused to the Company in a single voyage of the "Crœsus" alone, a loss of from £25,000 to £30,000. This large sum is fully borne out by the facts of the case, which I will undertake to prove if called upon so to do. Here I will content myself by saying that the "Crœsus" will show upon her working and depreciation account, a loss of £10,000,—by arriving at Sydney so long after due, and in unsafe condition, she lost a freight which would have improved her working account by £20,000: and by reason of faulty construction, and the repairs thereby rendered necessary, she was detained on the voyage five months over the time her predecessor, the "Argo," had taken, which period might otherwise have been passed in the transport service, with a gross earning thereby of £30,000. In taking leave of these comments on our Indian and Australian losses, I will merely observe that I am ready to produce evidence of the facts I have alleged to any committee that may be appointed by the shareholders.

And now to proceed to the more gracious task of showing that the remedy for past defects is within our own reach, I will quote from WISE's tables, certain data compiled from log books of the East India Company's ships, containing the particulars of 100 voyages to and from India; and by applying to these data the principle which I advocate, and on which our early success was founded, of using the screw only as an auxiliary to wind and sail, I will make it evident that such ships as ours, especially if clipper rigged and handled as I propose, would make their passages to Calcutta in 70 days; that is to say, in two-thirds the time, which WISE's tables show to have been taken by the East India Company's Ships, for making the same passage. To do this the present engines of our ships would be available; they would never have to be worked up to a power giving more than six miles per hour, which would necessitate a combustion of only eleven tons of coal per day; the ships would follow nearly in the track of ordinary sailing ships, having to steam only through calms and light variable winds; and inas-

much as the fuel needed would be so reduced in quantity that each ship would take out with her as much as would suffice for her outward and homeward passages, she would not have to alter her course or suffer delay by coaling at any intermediate ports.

The following table of the outward passages to Madras and Calcutta, which I intend to analyse for the purpose of demonstrating that we have it in our own power to employ our ships in the trade to India with a profitable return, is taken from an "Analysis of 100 Voyages of the Hon. East India Company's Ships," compiled by Mr. HENRY WISE, and published by NORIE & Co., in the year 1839—*see page* 103:—

GENERAL ABSTRACT OF VOYAGES OUTWARD.

From ENGLAND to BENGAL.

Page.	Year.	SHIPS' NAMES.	Days between the Trades.	Hours Calm and Light Airs.	Hours Fair Wind.	Hours Foul Wind.	Total Hours during the Voyages.	Total Distance per Log in Miles.
22	1818	Castle Huntly	10	494	1,676	230	2,400	14,914
23	—	Dunira.....	11	440	1,849	111	2,400	14,628
24	—	Asia.....	12	663	1,600	305	2,568	14,190
25	1820	Asia.....	13	932	1,623	325	2,880	14,750
26	1831	Thames	8	631	1,605	380	2,616	14,327
27	—	Repulse	11	582	1,457	265	2,304	13,814
28	1832	William Fairlie ..	6	830	1,466	416	2,712	14,147
29	—	Reliance	10	609	1,463	256	2,328	13,986
30	—	Sir David Scott ..	8	693	1,753	290	2,736	15,345
31	1833	Vansittart	9	545	1,600	183	2,328	13,948
			98	6,419	16,092	2,761	25,272	144,049
		Average Hours ..		642	1,609	276	2,527	14,405
			D. H.	D. H.	D. H.	D. H.	D. H.	
		or Days and Hours	9 19	26 18	67 1	11 12	105 7	

From the above table, it is found that on an average of ten voyages from England to Madras and Calcutta, the mean distance by the log was 14,405 miles. Our ships will reduce that distance to 13,805 miles, by the fact of their being able to steam during calms, which enables them to cross the equator between 12 and 14 degrees of west longitude, whereas the sailing ships, from which the data were taken, crossed the equator between 20 and 22 degrees west longitude, in order to avoid the calms

which prevail on the line. The above advantage in distance is not disputable, as we know from past experience with our own ships under the Cape Mail contract; by crossing the line between 12 and 14 west longitude they were enabled to enter the south east trades in such a position as to make them favorable, and by sailing one point free, the ships materially increased their speed, while at the same time they passed to the eastward of Ascension, thus economising the 600 miles necessary to diminish the distance from 14,405 to 13,805 miles, as above stated.

I will now show on what grounds I believe the distance of 13,805 miles between England and Calcutta may be sailed and steamed by our ships in 70 days, being not only a great saving on the time taken by the East India Company's ships, but also on our own ill-directed and expensive performances, which averaged above 80 days for each passage to Calcutta. By referring to the above table we find that out of 105 days 7 hours, or 2,527 hours, 642 hours were occupied by calms and light airs, 1,609 hours were occupied by fair winds, and 276 by foul winds. These proportions of calms, foul winds and fair winds, I have corroborated by an examination of results of extracts from the log books of 17 more recent voyages made by other merchant ships sailing to the meridian of the Cape; and therefore it is with great confidence that I base my calculations upon them.

By referring to those pages of WISE'S "Analysis," marked in the first column of the preceding table, I have been able to deduce the following facts, namely,—that the Hon. East India Company's ships sailed on an average, in calms and light winds, $1\frac{1}{2}$ miles per hour, in fair winds $7\frac{1}{2}$ miles, and in foul winds 5 miles; which rates of speed, under the different circumstances of the wind and weather, multiplied by the respective periods, accord exactly with the total distance given in the collective result, as is seen below :—

642 hours of calm and light winds, giving $1\frac{1}{2}$ miles per hour	=	963 miles
1,609 hours of fair wind, giving $7\frac{1}{2}$ miles per hour	=	12,067 "
276 hours of foul wind, giving 5 miles per hour	=	1,380 "
2,527 hours, or 105 days 7 hours, giving a total distance of		14,410 miles

Now the next thing we have to do is to apply these capabilities of the wind and weather as actually ascertained by experience, to the circumstances of our own ships, rigged for sailing and furnished with screws, so propelled by steam as to give them on all necessary occasions (that is, during the hours of calm and light winds) an uniform speed, *from that source alone*, of 6 miles per hour. First, then, I propose to reduce our speed by steam from 9 miles, which it is at present, to 6 miles per hour; this will give our ships during—

say 642 hours of calm and light winds a speed of 6 miles per hour ..... } = 3,852 miles.

Our own log books abound with evidences that our ships, as at present rigged, can, in fair winds, under canvass alone, attain a speed of 12 miles per hour ; for example—the "Calcutta" ran in one day 294 miles, and for five consecutive days 268 miles per day ; but—

say 1609 hours of fair wind, giving a speed of only 9½ miles per hour ..... } = 15,285 miles;

and from the same authority we find that, close by the wind, even in moderate breezes, our ships can maintain a speed of 7 miles,—

say, 276 hours of foul wind, giving a speed of 7 miles per hour = 1,932 miles

Total miles 21,069

but the distance to India is for our ships only 13,805 miles, as I have already shown; and therefore our time in doing this lesser distance, will bear the same proportion to 105 days 7 hours, as the lesser distance bears to the greater ; we have, accordingly—

as 21069 miles : 13,805 miles : : 2,527 hours : 1,656 hours or 69 days.

We are thus within our limits in saying, our ships ought to make the passage out in 70 days; but we will base our calculations on 70 days, or 1,680 hours. Now by the rule of simple proportion—

Hours.	*Hours.*	*Hours.*	*Hours.*		*Miles.*
as 2,527 :	642 : : 1,680 :	427	{ calm and light wind, giving 6 miles ℔ hour by steam .. }	=	2,562
2,527 :	1,609 : : 1,680 :	1,069	fair wind, giving 9½ miles ℔ hour	=	10,155
2,527 :	276 : : 1,680 :	184	foul wind, giving 7 miles ℔ hour	=	1,288
		1,680	hours, or 70 days sufficing for..		14,005

from which we see that in 70 days, the performance of our ships will exceed the distance to Calcutta, by 200 miles.

It may be here incidentally remarked that the line to India, adopted by the sailing ships, and now advocated by me as the best for our steamers, is for two-thirds of its distance equally available for our Australian ships. The line to Australia would diverge off from the Indian line between 38 and 42 degrees of south latitude, bringing Port Philip within about the same number of days from England as Calcutta has just been shown to be.

We have next to ascertain what quantity of Coal will be necessary for the outward passage, conducted on the principles I am advocating. In the 70 days—

Our ships will be under steam during calm or light winds.... 427 hours
or, 17 days 19 hours,

which, for a speed of 6 miles per hour, obtained by steam, will demand the combustion of 11 tons of Coal per diem. This will be seen by reference to the ordinary engineering tables, which shew that if—

300	horse power	give	9	miles	per hour,	by consuming	36	tons of coal, then
210	"	"	8	"	"	"	25	"
140	"	"	7	"	"	"	17	"
90	"	"	6	"	"	"	11	"

Now 11 tons of coal per diem for 17 days 19 hours amounts to 196 tons, to which it will be safe to add another 110 tons for contingencies, thus making a total of 306 tons of coal necessary for the outward passage to India. It is well known that the passage home from India is made in a more direct line than the passage out, and of course with a corresponding diminution in the distance traversed; consequently twice 306, or 612 tons of coal, will be an ample allowance for the entire voyage. The commercial advantages of doing with so small a quantity of fuel are even more important than appear at first sight. In the first place our ships would have room to take in at least 612 tons of coal before they left England, viz.:—

In the fore and after Bunkers as at present	290 tons.
In the side Bunkers as at present	210 "
For the future in the places of two of the present boilers which would be removed as unnecessary for a speed of only six miles per hour	150 "
	650 "

and being shipped at home they will of course cost us a low price, say 25s per ton, or £765 for the 612 tons needed, instead of those larger prices abroad, which have raised the expenditure of our Indian ships for fuel alone, to an average of more than £9000 per voyage. Another advantage of needing only so small a quantity of coal, is in not having to incur the expense and delay of putting in at intermediate ports to obtain fresh supplies;* the importance of this will be made manifest by the case of the "Calcutta;" that ship was delayed by putting in at coaling stations during 15 days out of 87 which she occupied in her first passage out, and during 12 days out of 68 on her return, and she was not at all extraordinary in that respect. In the next place the coaling stations are sometimes so much out of the direct course of the ships as to increase the length of their passage very considerably—so much so, in fact, that the advantage of an augmented speed from 6 to 9 miles per hour, is in great part neutralized by the very circumstance of the ships having to go out of the road to get the coals to do it with.

The above table, which I have cited to shew the relation which exists between speed and fuel, contains the results which have been obtained by practical engineers, and it is calculated to be very instructive to commercial companies such as ours. As 11 tons of coal give 144 miles, so 36 tons of coal (to be equally economical) ought to give 471 miles; but when consumed in the same time as 11 tons, 36 tons appear by the table to give only 216 miles—now we have been getting an accession to our speed of 50 per cent., at an increase of more than 200 per cent. in the quantity of our fuel, while we have been paying for that increased quantity about three times the home price per ton.† Surely these facts ought to convince us that high rates of speed by the impulse of steam during the whole of a *long* voyage, are perfectly incompatible with the hope of uniform commercial success.

Besides coals, there are other items of expense hitherto incurred by our ships, which it is quite possible to economise,

* The Cape of Good Hope might be made an exception.

† Thus the 7th, 8th and 9th miles cost each twelve times as much as each of the first six miles.

and the saving of which in their totality would make up the difference between good management and mismanagement—between commercial success and commercial failure; among these might be enumerated a considerable sum for agencies and port charges, for wear and tear of machinery, and for engine room stores; but to enlarge on all these different subjects would probably be to lengthen this address beyond the limit of my readers' patience, and I think also beyond the necessity of the case. I have already said enough to show that our trade with India has failed from a want of proper tact and professional knowledge in those to whom we committed its management, and that it has within itself the elements of success, only waiting to be developed. Our exertions to open a steam trade to India has cost us in one way and another no less a sum than £100,000, and after so very costly an advertisement of what as a Company we intended to do, our Directors abandoned the line, without having any other profitable employment for these ships. We have it on record that notwithstanding all our extravagancies, three of our Indian voyages proved remunerative, and if we refer to the accounts in our office we shall find as a general rule that the losses on the Indian trade had been progressively diminishing, from first to last; this was calculated to inspire hope, and there were also other grounds for hope.—Let us read the language of the Directors on this subject, printed in their *Report for September 28th*, 1853: they say of the—

"INDIAN SERVICE.—The ships have acquired the confidence "of the Indian public, as is well exemplified by the greater "number of passengers,—the shipments of goods have in- "creased, and France, it may be stated, is beginning to avail "herself of the Indian Line, for the conveyance of her mer- "chandize; at the same time the expenditure of fuel has been "much reduced, the ships have, after a first voyage, returned "with their machinery in excellent order; the voyages have "been performed with a degree of punctuality that leaves but "little more to be expected, and as a natural result, the ex- "penses have been considerably diminished."

From all this, it is obvious that our Directors thought their confidence well founded in September; now what occurred

during the few months which elapsed subsequently to that date, to make them abandon the trade suddenly in the February following? Had the trade in three or four months totally changed in its hopeful character, or had that short period sufficed to lay open to the Directors the true nature of their own qualifications for contending with its difficulties? One could understand that they might have hesitated before they entered upon the Indian trade, without better capabilities for ensuring a prompt and good result; after they had entered upon it, the onerous character of the enterprize might well have suggested caution in introducing unnecessary deviations from tried and successful machinery; but to give up the undertaking because it had been badly set about, and in the face of incipient success,—to abandon the £100,000 they had themselves staked on its continuance—all that I can only characterize as an act either of recklessness, or of extreme weakness.

If one could only depend upon the office accounts, which represent the gains made by the "Lady Jocelyn," in her last voyage to amount to £9,517 19s 7d, notwithstanding her having consumed coals to the amount of £8,608 12s 5d, it would prove my case to demonstration—for a gain of £9,517 19s 7d, less £4,283 6s 8d, which she would have missed from the mail contract, still leaves £5,234 12s 11d, which added to a saving on coals of £7,843 12s 5d (the difference between £8,608 12s 5d and £765), makes a total of £13,078 5s 4d; which would represent a very satisfactory profit for a voyage, even if it were not augmented by the other items of economy which I have said might also be effected. But although my confidence in those flattering figures is not great enough to induce me to base any part of my calculations upon them, I do confidently believe we have, in the progressive diminution of losses, and in the final production of profits, an encouraging evidence of the capabilities of the Indian trade for improving under careful cultivation; and in the hope that I have made that apparent, I will now put it to the shareholders at large to determine whether or not the Indian and Australian trades shall, in future, be made a source of permanent revenue to our Company, or whether they shall be judiciously used merely to put our ships into a position of

usefulness, and so secure for them, in case of sale, a remunerative price.

In arriving at my conclusion that our Indian ships could find their way to Calcutta in 70 days, and back again in an equal number (a period amply sufficient to allow of their calling on the return passage for freight and passengers at the intermediate ports), I have been careful to keep within the limit of well-ascertained facts; and I have based my calculations on the data actually afforded by the sailing performances of our own ships, rigged and handled as they now are. But before I take leave of the subject, I will call your attention to another important suggestion, which is this—What necessity is there for our remaining satisfied with our fleet rigged and handled as our ships now are? For what reason should we stop short of taking the fullest possible advantage of the means at our disposal for their improvement? Our Indian ships have been built upon the most approved lines for sailing, and in that respect enabled to compete successfully with the most celebrated clipper ships afloat, such as the "Kent," "Marco Polo," "Lightning," "Blue Jacket," and "Red Jacket;" but in order that the perfection of their build may be turned to the fullest account, they ought undoubtedly to have also all the advantages derivable from the canvass of full-rigged ships, the wind being to be used as the chief motive power, and the steam only as an auxiliary. The intention of your original Directors to have your ships so rigged, and made to follow the course of the trade winds, has been overruled by their successors in office; but it is not too late to alter the rig at a small cost. Need I tell any body of intellectual men, what is so palpably evident, namely, that if our ships were enabled to sail as fast as the best ordinary clippers by or off the wind, while in addition they could steam at a speed of 6 miles per hour during calms, when the clippers must be lying motionless, our fleet would needs gain a leading reputation for rapid passages, not yet attained even by the excessive combustion of fuel, which I deprecate as ruinous, alike for its direct and contingent cost, and its other many and great disadvantages.

In conclusion, I will fearlessly assert that the data upon which I have based my calculations render it incontestible that

our ships are capable of making the passage to India within 70 days, which time is 10 days less than the average they have hitherto taken,—that the outward and homeward passages may each be made thus rapidly, without consuming during the whole voyage more than 612 tons of coal, at a cost of £765, which would effect a saving upon that item alone of £8,608 12s 5d—and finally, that with good and economical management, we are warranted in concluding that our Indian trade would be remunerative. The data apply with equal exactness, and with the same promising results, to our Australian trade also. I will add, for your satisfaction, that the remedial measures herein proposed have the adherence of those shareholders who were associated with me in the early and successful management of your affairs; also of the practical men connected with our Company, as well as of other gentlemen competent to distinguish ascertained principles from speculative theories. I am happy to assure you that the plan I have expounded has very many supporters, several of whom are both able and willing to aid me in putting it into successful operation in your service. Ladies and Gentlemen, you have done me the honor to re-elect me upon your Board, and at that time you knew as a body that my principles were in direct opposition to those upon which the Chairman and majority of Directors were conducting the management; you have, moreover, in effect lately confirmed your approval of that re-election, and your implied condemnation of the policy to which I am opposed, by declining to receive the Board's report. These I regard as tokens of your confidence, and as pledges of your continued support, and while I possess these nothing shall check me in my duty. In the performance of that duty I have now respectfully but earnestly to appeal to you to lose no time in sending gentlemen on to your Board capable of turning to profitable account the valuable property we have at stake. I would even, if I might do so without a semblance of assuming, venture to say,—send such men as Captain STEWART, R. N., and Captain FORD (our late superintendent), each of whom holds a considerable stake in the Company, and what is of infinitely greater importance, is practically acquainted with the nature of the work he would have

to direct. I cannot here resist the temptation of saying that if the indefatigable and highly qualified commander of the "Crœsus," Captain HALL, (who also possesses a large stake in the Company), could be induced to lend the Board his valuable aid, it would be a great acquisition; that officer has commanded ships in the Company's service since its commencement, all of which he has managed with much judgment and economy; with his experience he could materially help in reducing our unduly large and expensive establishment. At all events, let me beg of you to send some men to your direction who have passed part of their lives at sea, in becoming experimentally acquainted with the various peculiarities of sailing and of steam ships, and not merchants only, who will have their professional education to make at your expense. With only that reasonable precaution, you will find it to be no impossible thing to change the present aspect of your affairs, and to restore our Company to a state of commercial prosperity.

I remain, Fellow Shareholders,

Your faithful and obedient Servant,

JAMES LAMING.

35, MARK LANE,
6th January, 1855.

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