combination of reciprocating and turbine engines. It was the Orient liner “ Ophir ” which took the place of a royal yacht for the imperial tour of the Prince and Princess of Wales in 1901. The steamers of the Orient Line call regularly at Plymouth, Gibraltar, Marseilles, Naples, Port Said, Suez, Colombo, Fremantle, Adelaide, Melbourne and Sydney.

*Pacific Steam Navigation Company.*—This was the pioneer of the steam-trade along the western coast of South America; sub­sequently its operations were extended to Europe, and finally, in conjunction with the Orient Steam Navigation Company, it estab­lished the Orient Line to Australia, from which it withdrew in 1906. It obtained a charter early in 1840, and soon sent out from England two steam vessels, the “ Chili ” and “ Peru.” These were paddle-boats of 710 tons and 198 ft. in length. They ran along the coast from Valparaiso to Panama. The early struggles of this company are noteworthy as showing how difficulties, apparently insuperable, may be overcome, and even turned to essential ad­vantage. The great obstacle to the success of these steamers was the difficulty of obtaining supplies of fuel, and in the first five years of its existence no less than £72,000 was lost, the whole capital of the company being but £94,000. But the difficulties were over­come, and all that remained in the mind of the managers was a strong feeling of the importance of economy in coal consumption. Accordingly, in conjunction with the Fairfield firm of Randolph, Elder & Co., they turned their attention in this direction, and were sending out vessels fitted with compound engines some ten or a dozen years before the Atlantic companies adopted them. In 1867, under pressure from the Chilean government, the company sought and obtained powers to extend its operations, and in the same year the “Pacific,” of 1630 tons, was constructed. She left Valparaiso for Liverpool in May 1868, the first of the new mail line. In 1870 the voyage was extended, Callao, 11,000 miles from Liverpool, being made the terminal port, and the sailings were increased from one to three a month. In 1873 a weekly service between Liverpool and Callao was instituted, and by 1874 there was a fleet of fifty-four steamers, with an aggregate of 120,000 tons, in commission. Owing, however, to a great decrease in the South American trade the service was reduced to a fortnightly one. The opening of the Transandine railway was expected to have a great effect on the fortunes of shipping companies in South American waters and consolidation of interests seemed, desirable. In 1910 the whole of the company’s ordinary capital was purchased by the Royal Mail Company, and the line was thus absorbed. In January 1893 the company inaugurated a monthly cargo service to the Brazils, River Plate and the West Coast. This service has been extended to Glasgow. Many ports are served. The principal are La Pallice, La Rochelle, Corunna, Carril, Vigo, Lisbon, St Vincent, Pernambuco, Bahia, Rio de Janeiro, Monte­video, Buenos Aires, Punta Arenas, and the ports of the western coast of South America, Valparaiso and Callao.

*Peninsular & Oriental.—*The story oí the P. & .0. Company may be divided into two eras—the first reaching from its foundation to the opening of the Suez Canal ; the second from that date to the present day. During almost the whole of its career the company has acted as the agent of the British government in the conveyance of its mails, first to Mediterranean ports, and afterwards to Egypt, India and the Far East. From time to time the government has made efforts to procure some other means for transmitting its mails, but on every occasion it has found it advisable to return to the P. & O. In 1835 Messrs Willcox & Anderson, a firm of London merchants, began to run steamers to the principal ports of the Peninsula. Their vessels observed greater regularity than the sailing-ships then employed to carry the mails, and the first mail contract was entered into on the 22nd of August 1837. This was awarded to them after another company, which was unable to fulfil its obligations, had been engaged for the work. Messrs Willcox & Anderson had shortly before, in concert with Captain Bourne, R.N., founded the Peninsular Company. This contract arranged for a monthly service between Falmouth and Vigo, Oporto, Lisbon and Gibraltar. About two years later another step was taken. Hitherto the mails to Egypt and India had been conveyed by the Peninsular Company to Gibraltar, by an admiralty packet from Gibraltar to Malta, by another admiralty vessel from Malta to Alexandria, and from Egypt to Bombay by one of the East India Company’s steamers. It was resolved to substitute for this unsatisfactory mode of conveyance a direct system of carriage by one line of steamers from London to Alexandria. The Peninsular Company again secured the contract, which was put up to public competition, and built two steamers of 1600 tons for the purpose this being a large tonnage for those days. The annual subsidy was fixed at £34,000, by which the government saved £10,000 of the amount formerly expended on their own inefficient means of transport. The company then, by a charter of incorporation, dated December 1840, assumed the name by which it has ever since been known—The Peninsular & Oriental Company. The charter was granted only on the onerous condition that steam communication with India should be established within two years. The first steamer, the “ Hindostan,” was despatched to India via the Cape of Good Hope on the 26th of September 1842. She was one of a small fleet destined to ply between Calcutta, Madras, Ceylon, Aden and Suez. It was an adventurous undertaking, for the East India Company promised no definite subsidy, only a small premium on a certain number of voyages.

The obvious advantages of a direct conveyance of mails between Suez and Bombay by a regular sufficient service were becoming evident, and the P. & O. Company offered to effect this at a great saving on the existing system; but, for some reason or other, the East India Company showed the greatest reluctance to allow the control of this route to pass out of their hands, in which, in fact, it remained until 1854. Fortunately for the P. & O. Company the government decided to establish regular monthly steam com­munication between England and Ceylon, Madras and Calcutta, and also from Ceylon, eastward to Singapore and Hong-Kong. Only the P. & O. could at that time have comtemplated under­taking such a service. In 1844 the contract was signed, and by it the company was to receive a subvention of £160,000. The Indian portion of the service opened on the 1st of January 1845, and during that year the extension to China was effected, and nine new steamers were put on the stocks. The organization of the overland route was due to the P. & O. Company, which brought it into regular working in order to convey its passengers from Alexandria to Suez. It was a picturesque but uncomfortable passage by canal-boat and steamer to Cairo, then by a two-wheeled omnibus for ninety miles across the desert to Suez. Even the coal for the boats at Suez had.to .be transported in this fashion, which was cheaper than sending it by sailing vessel round the Cape. The construction of a railway across the isthmus in 1859 greatly simplified the transit. It may be noted that the company had to establish coaling stations between Suez and the Far East, and also dépôts of provisions, a business of no less magnitude than that of the steam service itself. In 1852 the first mail service to Australia was undertaken by the company, and the same contract included an arrangement for a fortnightly service to India and Chiħa, though a service running once every two months via Singapore and Sydney was thought sufficient for the requirements of Australia. The year 1854 saw the abolition of the East India Company’s service to Bombay, the P. & O. taking its place. This arrangement saved the country £80,000 per annum. The Crimean War made large demands on the company’s resources for the conveyance of troops, and the Australian service was for a time interrupted. By 1859 the com­pany was in possession of all the lines of steam communication between England and the East. In 1864 the service to Australia was increased to one sailing a month, and in 1868 the Bombay mail left weekly. About the same time the fourth India and China contract was entered into, and at the end of 1869 the opening of the Suez Canal led to a serious crisis in the company's affairs; and also, after these difficulties had been surmounted, to a complete revolution in its methods. The opening of the canal led to a pro­longed controversy with the post-office, which, with true official perversity, would not allow the company to use the canal for the conveyance of its mails. A serious falling-off of the company’s revenue was the result, as the competition of the canal steamers was killing its trade. At length in 1874 a. new arrangement was made by which the mails were to be carried through the canal, the subsidy granted to the company being at the same time reduced. Under these conditions, however, it was . now able to construct vessels capable of competing successfully with its rivals. A pro­longed dispute between Victoria and New South Wales for a long time prevented the Australian service from being as efficient as it might have been. Sydney insisted on the Pacific route being adopted. In consequence of this controversy the Australian headquarters of the company were for some time fixed at Melbourne, and it was not till 1888 that a general contract was entered into with the post- master-general, acting at last for all the Australian colonies as well as for the Imperial government. This stipulated for an accelerated service—the India, China and Australian mails being all worked from Aden in connexion with the steamer which con­veyed them from Brindisi. There was. for long a service between Venice, Brindisi and Egypt, and a mail contract with the Italian government; but this came to an end in March 1900.

The company’s first ship, the “ William Fawcett,” built in 1829, had a gross tonnage of 206 and 60 h.p. Down to 1851 the vessels of the fleet were all constructed with paddles ; after that date the screw took their place, though for the Marseilles to Malta express service certain famous fast paddle-steamers were sub­sequently constructed. A later interesting development was the abandonment of Brindisi as a port of call for the ocean mail steamers, which reverted to Marseilles, whence they run. across to Port Said direct. The mails leaving London every Friday night are des­patched from Brindisi in specially designed twin-screw vessels, which land them at Port Said little more than 96. hours after their despatch from London. On this service the “ Osiris ” and “ Isis ” are employed, and they have the distinction of being the only ves­sels in the mercantile marine which cross the seas with mails and passengers only. The company is under contract with the British government for the conveyance of mails to India, China and Australia. Its services are as follows—India: Brindisi to Bombay, weekly. China; Brindisi to Shanghai, fortnightly. Australia\* Brindisi to