

You mentioned to me that you had received the reply from the Post-office; the Admiralty is waiting for this communication; will you be so good as to cause it to be sent to the Admiralty?

I hope the Post-office may not suggest the imposition of any extra duty. I have already agreed to perform the additional service between New York and Nassau, by which I shall lose a large sum annually, and I hope and trust that you will not admit of any further increase to the service.

I remain, &c.
(signed) S. Cunard.

Treasury Minute, dated 14 June 1858.

TRANSMIT to the Secretary of the Admiralty Mr. Cunard's letter of 29th April, together with the letter of the Postmaster General of June 4. State that in extending the contract for five years, it appears to my Lords that it would be desirable, in the event of the amount of postage received or the weight of letters carried being considerably reduced, that after the expiration of the term of the present contract there should be a deduction from the subsidy having some proportion to such reduction of weight or amount of postage.

A stipulation such as this would obviate, in a great degree, the objection suggested by the Postmaster General to the extension of the contract by reason of the uncertainty of the service.

My Lords have also to request the attention of the Lords of the Admiralty to the Postmaster's suggestion as to the power being reserved of sending letters, newspapers, &c., by other ships, of altering the rates of postage, and of leaving it to the Postmaster General to decide what part of the postage ought fairly to be regarded as sea-postage.

The other matters referred to by the Postmaster General will no doubt receive the consideration of the Lords of the Admiralty. Request that the Secretary of the Admiralty will inform this Board of the arrangements which the Admiralty may be enabled to make with Mr. Cunard on the points above referred to, before the contract is finally prepared.

State also that provision must be made, if it does not already exist, that the Admiralty should have the power, when Holyhead Harbour is completed, of making it the port of departure, if they shall deem it expedient; and it may also be a question whether a power might not be reserved of declaring any other harbour (Galway, for example), at any subsequent period the port of departure, provided such harbour shall be ascertained to be safe and commodious.

The Secretary to the Admiralty to the Secretary to the Treasury.

Sir,

Admiralty, 19 June 1858.

I HAVE received and laid before my Lords Commissioners of the Admiralty your letter of the 14th instant, transmitting a letter, dated the 29th April last, from Mr. Cunard, offering to undertake a monthly communication to and from New York and Nassau, by means of an auxiliary steam ship, of not less than 400 tons, for the sum of 3,000*l.* per annum, for a period of five years, in consideration of an extension of five years to the term of his existing contract for the North American mail service.

My Lords have at the same time taken into consideration the Postmaster General's letter of the 4th of this month, in which his Lordship submits that the two existing contracts for the North American Mail Service be merged into the new contract, so as to have only one document, and that the amount of subsidy should be partly dependent on the amount of postage, whilst a power should be retained by the Post-office to despatch the mails by other than the contract packets, and to reduce the charge of postage.

My Lords have to observe, that the present contracts by which the weekly communication with North America is maintained, are not terminable (excepting on default) till the 1st of January 1862, and that the ostensible object of the contractors, in their application at this early date for an extension of the period, is to enable them, on the security so afforded of the continuance of the Government subsidy, to embark additional capital in the construction of still more powerful steam