

modification; as also of rendering the contractor responsible for the safe custody of the mail bags, and providing accommodation on board for the sorting of letters.

Transmit copy of this Minute to the Postmaster General, and request that he will communicate to their Lordships his views upon the points alluded to with as little delay as practicable.

Transmit copy to Admiralty, and state that my Lords will communicate with the Lords Commissioners further on the subject as soon as they shall have received an answer to their letter to the Postmaster General.

The Postmaster General to the Lords of the Treasury.

My Lords,

General Post-office, 4 June 1858.

WITH reference to Sir Charles Trevelyan's letter of the 22d ultimo, I have the honour to state, that I concur with my predecessor in the expediency, under ordinary circumstances, of making any subsidy which may be granted for a packet service bear a proportion to the amount of postage received.

Should your Lordships be indisposed, in the case of Mr. Cunard's contract, to make the whole subsidy depend upon the amount of sea-postage, the principle might still be adopted in part, by paying over to Mr. Cunard a portion of this postage, say one-half, and a fixed sum in addition, or by giving him the whole sea-postage, and a smaller fixed sum.

The estimated amount of sea-postage last year obtained by the service in question, was about 120,000 £., and if this be taken as an average, one-half the sea-postage, together with a fixed yearly sum of 110,000 £., or the whole sea-postage, together with a yearly fixed sum of 50,000 £., would place Mr. Cunard in nearly the same position as at present, provided that no reduction be made in the rates of postage (unless compensated by an increase in the number of letters); that upon the whole, the speed and regularity of Mr. Cunard's ships, as compared with other ships, continue about the same; and that no material change take place in the relative numbers of fast-sailing vessels, and starting on fixed days.

As regards the rate of postage, your Lordships are aware that an offer has been made to the Post-office of the United States to reduce the rate between the two countries from 1s. the half-ounce letter to 6d., and if this offer should be accepted, the immediate effect would no doubt be a large falling off in the amount of postage.

Judging by experience, however, in other similar reductions, it may be assumed that much of the decrease would soon be made good by an augmentation of the number of letters; and if to this increase, a further addition be made for the general tendency to a larger correspondence between this country and the United States and British North America, I think it probable, that so far as the matter depends on the rates of postage, the estimate of 120,000 £. may prove a fair average of the amount of sea-postage in each year of the contract, and that the actual amount will be as likely to exceed that sum as to fall short of it.

With regard to the number of rival packets, it is impossible to speak with any degree of certainty.

We know that there will soon be more Canadian packets on the line, but what course may be adopted by the Government of the United States I cannot foretell. The Collins' line of steamers has been discontinued, and the United States Post-office is at present sending mails apparently under a series of special contracts, each for a single trip; but it may be presumed that this arrangement is only temporary.

Such uncertainties as these form one great objection to contracts for long periods.

On the general subject of remuneration, it may be remarked, that the present payment to Mr. Cunard is at a higher rate than for any other service, being equal to 11s. 4½d. per mile; while the payment for the West Indian service is 10s. 10½d. per mile; that for the East Indian service, 6s. 2d.; and that for the Brazilian, 3s. 10½d.

It should also be stated that the Liverpool, New York, and Philadelphia Steam Ship Company, whose vessels, according to the register kept at Lloyds, make their voyages