

The Postmaster General to the Lords of the Treasury.

My Lords,

General Post-office, 28 July 1858.

WITH reference to Sir Charles Trevelyan's letter of the 20th instant, enclosing the draft of a new contract proposed to be entered into with Messrs. Cunard, Burns, and Mclver, for the conveyance of the mails, between this country and America, I beg to call your Lordships' attention to the fact that the suggestions in my letter of the 4th ultimo, for making part, at least, of the payment to the contractors depend on the amount of postage received, and for requiring them to provide a suitable room in each of their vessels for sorting letters, have not been embodied in the draft contract.

With respect to the clause requiring the contractors to receive on board each of their vessels an officer in charge of the mails, I observe that in folios 12, 16, and 17, powers are proposed to be given to this officer, and duties imposed upon him, which would only be proper in the event of his being an officer in Her Majesty's Navy, and I beg leave to suggest that the draft should be altered in this respect, and a clause introduced similar to one in the late contract for the Australian Mail Service, providing that when any officer in the service of Her Majesty's Post-office has the charge of the mails, his duties shall be confined to Post-office business.

I have also to remark, that the draft contract provides no penalty for delay in starting from New York, Boston, or Halifax (such as is covenanted for in the case of Liverpool), and that no time is prescribed within which the voyage must be performed, or penalty for excess of time.

At folio 33 of the draft contract, question is raised in the margin which of two paragraphs (both taken from the present contracts) should be retained. I strongly recommend the selection of the second paragraph, viz., that which enables either party to terminate the contract on simply giving a notice of twelve months. If, however, this cannot be arranged, I would advise that the Admiralty take power, such as is given in the first paragraph to the contractors, to terminate the contract on the payment of a sum of money in addition to giving a certain notice.

I have, &c.
(signed) Colchester.

Treasury Minute, dated 4 August 1858.

RETURN the draft contract to the Admiralty, and state that it has been considered desirable by the Postmaster General that a clause should be added requiring the contractors to provide a suitable room in each of their vessels for sorting letters. Mr. Cunard has represented to their Lordships that great inconvenience is likely to be incurred by the adoption of an arrangement which would necessitate the frequent opening of the hatches for the purpose of transferring the mail-bags to and from the sorting-room, a process which he states would be attended with great difficulty during the stormy weather of the winter season. My Lords request, therefore, that in carrying out the wishes of the Postmaster General, the Lords of the Admiralty will communicate with Mr. Cunard with a view of devising some plan to obviate the inconvenience which he apprehends.

With respect to the clause requiring the contractor to receive on board each of their vessels an officer in charge of the mails, the Postmaster General has suggested the introduction of a clause limiting the duties of any post-office officer who may have the charge of the mails, strictly to post-office business. My Lords see no objection to the insertion of such a clause; at the same time they consider that no alteration should be made in the clauses which empower the Admiralty to send a naval officer in charge of the mails. Should the case at any time arise, of an Admiralty agent being sent in addition to the Post-office sorting clerk, a reasonable sum should be paid to the contractor for the passage money of the Post-office clerk. At folio 33 of the draft contract a question is raised in the margin, which of two paragraphs should be retained; the first paragraph gives to the contractor absolute power of terminating the contract at 12 months' notice, and upon payment of a sum of 20,000*l.*; the second enables either party to terminate upon giving 12 months' notice.

It is to be remarked, that the former clause forms part of the contract of 1850, and that the latter occurs in that of 1852.

The Postmaster General urges the adoption of the second paragraph; but Mr. Cunard represents that the power which is conceded to the Admiralty in the contract