

injured by the reduction we may be compelled to make to others. We are bound to take the Government passengers, whether it may put us to inconvenience or not. We can take or reject private passengers to suit our own convenience, and in the event of war, or other circumstances, we are at liberty to fix such rates as we may think right.

With this explanation, which I hope may be deemed satisfactory, I now beg to suggest reductions in some of the rates, as I do not like the appearance of charging Government anything that may be considered objectionable.

This proposal not to be construed as affecting permanently the rates established under the contract, which we are to have the privilege of resuming in the event of war or other circumstances justifying it.

The Secretary of the
Admiralty.

I have, &c.
(signed) *S. Cunard.*

Enclosure, No. 2, to Mr. *Cunard's* Letter of 7 July 1858.

Sir,

Admiralty, 2 October 1851.

HAVING laid before my Lords Commissioners of the Admiralty your letter of the 10th September, proposing certain reductions, from the 1st of January 1852, in the rates of passage-money charged for Government passengers by your contract steam vessels, I am commanded by their Lordships to inform you that they are sensible of your liberality in proposing these reductions, and that they accept your offer, agreeing that the alteration is not to affect your right of reverting, at a future time, to the rates specified in the existing contracts.

S. Cunard, Esq.,
&c. &c. &c.

I am, &c.
(signed) *W. B. Hamilton.*

Vide page 66.

Admiralty, 10 July 1859.
REDUCED SCALE of RATES for Government Passengers inserted in the Contract now preparing.

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

Sir,

Admiralty, 17 July 1858.

WITH reference to your letter of the 22d ultimo, I am commanded by my Lords Commissioners of the Admiralty to transmit to you, for the consideration and approval of the Lords Commissioners of Her Majesty's Treasury, the accompanying draft contract, for extending the present contract with Messrs. Cunard, Burns, and McIver to the 1st January 1867.

I am, &c.
(signed) *H. Corry.*

Treasury Minute, dated 20 July 1858.

TRANSMIT the draft contract to the Postmaster General, and request that he will cause it to be returned to this office, with any observations he may have to offer, at his earliest convenience.

Vide Contract,
page 61.