

CONVEYANCE OF MAILS (GALWAY
AND AMERICA).

COPIES of all CORRESPONDENCE between the Treasury, the Post Office, and the Atlantic Royal Mail Steam Ship Company, since 1 September 1860, with reference to the CONVEYANCE of the MAILS between *Galway* and *America*.

(*Mr. Baxter.*)

Ordered, by The House of Commons, to be Printed,
3 May 1861.

[*Price 8 d.*]

216.

Under 12 oz.

CONVEYANCE OF MAILS (GALWAY AND AMERICA).

12

RETURN to an Address of the Honourable The House of Commons,
dated 15 April 1861;—for,

“ COPIES of all CORRESPONDENCE between the Treasury, the Post Office, and the Atlantic Royal Mail Steam Ship Company, since the 1st day of September 1860, with reference to the CONVEYANCE of the MAILS between *Galway and America.*”

General Post Office, }
30 April 1861. }

ROWLAND HILL,
Secretary.

(*Mr. Baxter.*)

Ordered, by The House of Commons, to be Printed,
3 May 1861.

COPIES of all CORRESPONDENCE between the Treasury, the Post Office, and the Atlantic Royal Mail Steam Ship Company, since the 1st day of September 1860, with reference to the CONVEYANCE of the MAILS between *Galway and America*.

— No. 1. —

Mr. Boate to Mr. F. Hill.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
7 September 1860.

Sir,

WITH reference to the third paragraph of your communication of the 25th ultimo, 958 L., as to the suspension of the contract until all four of the Company's new vessels were completed, I have the honour to state, for the information of the Postmaster General, that the Directors, having taken this matter into consideration, have communicated with the Treasury upon the subject, and having regard to the importance of not making any absolute suspension of the contract, and considering the requirements of your Department with respect to the ships for the service, the Directors resolved to submit a proposition to the Treasury for making the mail service a monthly service for a short time, the period not in any case to exceed six months, the fortnightly service to be resumed so soon as the other two new vessels of the Company are ready.

Mr. Weir, the general manager, and Mr. Vallance, the solicitor to the Company, attended at the Treasury this morning, and were informed that this matter has been brought under your consideration, and will be referred to his Lordship the Postmaster General.

The Directors trust this view will meet with his Lordship's approval.

Having regard to the objection you entertained to the "Parana," the Directors do not propose to offer her again for the voyage on the 11th instant, but that the monthly voyage shall date from the 28th August last, so as to make the next departure on the 25th September instant.

For this voyage on the 25th September instant, the "Connaught" will be in perfect order, and for the voyage on the 23d October the "Leinster," another of the new ships, will be ready.

The Company propose therefore to carry on the monthly service with those two ships until the other two ships are completed.

I may mention that the "Parana" made her voyage out to Boston in one day and three hours under the time stipulated, and she has arrived this morning at Galway on her return voyage considerably under the time, bringing New York intelligence up to the 31st ultimo.

Still, in deference to the wishes of the Postmaster General, the Company will not press upon your department to accept the "Parana" again.

F. Hill, Esq., &c. &c. &c.

I am, &c.
(signed) A. Boate.

— No. 2. —

(1018 L.)

Mr. F. Hill to Mr. Boate.

Sir,

General Post Office, 13 September 1860.

THE Postmaster General has received, through the Colonial Office, the copy of a Despatch from the Governor of Newfoundland, in which he complains that the steam ship "Connaught," which sailed from Boston on the 7th August last, failed to call at St John's on her way to England.

The

The only explanation on this point that has yet been furnished to this office, is contained in a memorandum addressed to the Postmaster of Galway, and signed by the purser of the ship, and which simply states that the "Connaught" arrived off St. John's at 8 a. m. on the 11th August, and that, owing to the disabled state of the engines and a dense fog, the ship sailed for Galway at 9.30 p. m. on the 12th, without landing mails.

As however the Governor states in his Despatch that, on reference to the shipping lists, he finds that on the 10th, 11th, 12th and 13th August, no less than 32 sailing vessels entered the port from all parts of the world (several of them from the United States), and also the mail steamer from Halifax, it appears to the Postmaster General that the explanation given by the purser is by no means satisfactory; and I am to request, therefore, that you will furnish me, for the information of his Lordship, with full particulars of the circumstances under which the "Connaught" failed to land the mails for Newfoundland, and to embark the mails for England on the 11th August last.

A. Boate, Esq.,

I am, &c.
(signed) F. Hill.

Atlantic Royal Mail Steam Navigation Company.

— No. 3. —

Mr. *Arbutnot* to the Postmaster General.

My Lord,

Treasury Chambers, 13 September 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit, for your Lordship's information, the enclosed copies of two letters addressed to this Board on behalf of the Atlantic Royal Mail Steam Navigation Company, and I am to state that the contract for the Galway service having now been affirmed by a vote of Parliament, it ceases to be of a provisional character, and must be dealt with on the same principles as other existing mail contracts.

The supervision over these contracts is now vested by Act of Parliament in the Postmaster General, and it rests with him, in the first instance, to decide whether the conditions have been fulfilled, and what temporary modifications may be properly admitted. References will continue to be made to this Board in cases of difficulty involving the existence of the contract, or any serious alteration of its terms, as regards either the pecuniary liabilities of the public or the amount of service to be performed, and their Lordships will be ready to consider any representations made by parties questioning the decision of the Postmaster General.

Subject to this general control, it would be inexpedient that their Lordships should interfere with the executive functions of the Postmaster General, who is immediately responsible for the arrangements for giving due effect to postal contracts after they have received the sanction of Parliament. My Lords, therefore, will refrain from expressing any opinion on the applications of the Company until they shall have been considered by your Lordship, further than to observe that the same principles will apply to this as to other mail contracts; viz., that while, on the one hand, undue advantage should not be taken of contractors who have been prevented by unavoidable circumstances from the literal fulfilment of their engagements as regards time, on the other hand, that an indefinite or very protracted delay in commencing the complete service with proper vessels would not be consistent with the fair spirit of the contract, and would constitute a ground, not only for fines, but for its avoidance altogether.

In case, therefore, your Lordship should be of opinion that the proposal now made by the Company (No. 8 in Messrs. Vallance's letter of the 6th instant), for a monthly service for a period not exceeding six months—such service, however, to be performed by vessels coming strictly within the terms of the contract—may properly be accepted, it would seem desirable, in order to avoid possible difficulties hereafter, that, as a condition of acceding to this or any other temporary arrangement, a distinct clause should be inserted avoiding the whole contract, without any claim for damages, at the end of such period as may be fixed, if the Company are then unable to fulfil its conditions strictly according to their fair intent and meaning.

Also, if a monthly service be permitted, it would seem right, as the Company say that their second vessel, the "Leinster," will be ready in 10 days or a fortnight from the 1st September, that she and the "Connaught" should be employed on that service, the payments for which will, of course, not exceed half the amount which would have been payable for the fortnightly service.

And further, referring to the letter from this Board to Messrs. Vallance, relative to the Newfoundland mail service (of which a copy is herewith transmitted), and to their reply of the 6th instant, it would seem desirable that your Lordship should take this opportunity of coming to a clear understanding with the Company as to the performance of that service for the Colonial subsidy.

The other points set forth in Messrs. Vallance's last letter my Lords leave for the consideration of your Lordship.

Subject to these observations, my Lords suspend their judgment on the whole question, until they receive the report of your Lordship on the communications now referred to you.

The Postmaster General,
&c. &c. &c.

I have, &c.
(signed) G. Arbuthnot.

Enclosure No. 1, in No. 3.

Mr. Hamilton to Messrs. Vallance.

Gentlemen,

Treasury Chambers, 29 August 1860.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you that their Lordships have deferred replying to your letter of the 11th ultimo, in reference to the postal contract with Newfoundland, owing to the uncertain state of the contract for the service between Galway and America.

The Estimates for that service having now been voted by Parliament, it will be desirable to come to some clear understanding as to the service between Galway and Newfoundland.

Your letter of the 11th ultimo, and the Order in Council of the Colony of Newfoundland therein referred to, appear to contemplate the continuance of a monthly service on terms of the existing contract, entirely independent of the fortnightly service between Galway and America, under the contract which has just been sanctioned by Parliament.

My Lords would be glad to know whether this is the present intention of your Company, more especially as the arrangements with Canada, referred to in your former letter, have not taken effect, or whether what you propose is some arrangement by which the mails for Newfoundland may be conveyed by the main line of Transatlantic steamers.

As the Company are bound by the terms of the contract to call at or off St. John's, Newfoundland, for the purpose of delivering telegraphic messages, it is understood by the Post Office that they are bound to carry mails also to and from St. John's, without extra charge, unless it can be clearly shown that this is contrary to the fair meaning of the contract, and to the understanding of the parties at the time.

Without prejudice to the question of construction for the present, my Lords would observe, that it does not seem reasonable that the Colony of Newfoundland should cease to contribute the sum of 8,500 *l.* a year, which they have been ready to pay for an inferior service, in the event of a superior one being substituted, and therefore they would be prepared to make the continuance of this Colonial subsidy to the Company a condition of performing the mail service to and from St. John's, whether by an independent line, or by the main line; but looking at the large amount of subsidy already payable by the Imperial Government to the Company, my Lords would not think it reasonable to contribute an additional 4,500 *l.* a year, from Imperial funds, in aid of a service which, under the probable construction of the contract, they could require to be done, without extra payment, by the steamers to whose support they are already contributing 78,000 *l.* a year.

If this arrangement were carried out, the Company would be in the receipt of 78,000 *l.* a year from the Imperial Government, and 8,500 *l.* a year from the Newfoundland Company, for which they would take mails as well as telegrams to and from St. John's by their regular steamers, but be relieved from the necessity of running an independent monthly line; or, on the other hand, if they preferred it, they might run such independent line for Newfoundland mails, and call for telegrams only with their main line.

My Lords would be glad to know distinctly what course the Company propose to adopt, with a view to further communication with the Colony of Newfoundland on the subject.

Messrs. Vallance & Vallance,
20, Lower Essex-street, Strand.

I am, &c.
(signed) G. A. Hamilton.

Enclosure No. 2, in No. 3.

Messrs. Vallance to the Treasury.

20, Essex-street, Strand, London,
3 September 1860.

My Lords,

WE have, on behalf of the Atlantic Royal Mail Steam Navigation Company (Limited), to submit to your Lordships the following statement and request:

Prior to the Vote being passed by Parliament for the subsidy to this Company, the fullest explanations were given to Her Majesty's Government, as to the actual state and condition of the four ships contracted to be built for this Company for the performance of the postal service to America; and as only one of these four vessels had been delivered, and as the cause of delay in the delivery of the others arose from circumstances over which the Company had no control, Her Majesty's Government were pleased to permit the "Parana" and "Prince Albert" to be used temporarily, pending the delivery of the new ships.

Every exertion has been made to obtain the other vessels, the builders having worked night and day to insure their earliest delivery.

The "Connaught" is already delivered.

The "Leinster" was launched, on Saturday last, 1st September, and will be delivered to the Company in the course of 10 days or a fortnight.

The "Munster" will be launched on Wednesday the 5th September next, and delivered to the Company in October.

The "Ulster" is expected to follow her some weeks later.

In the meantime the Company had hoped that the "Prince Albert" and "Parana" would have been accepted for temporary service.

It appears, however, that the officials in the Post Office Department peremptorily refused to receive them as vessels coming within the terms of the contract even for a temporary purpose.

On Saturday the 25th August, through the kind permission of Lord Stanley of Alderley, the present Postmaster General, the "Prince Albert" was permitted to convey the American mails on Tuesday the 28th instant, but no arrangement was made as to future service, and this permission was only granted upon the condition of the Company paying a fine of 500*l.*

We may mention that the Directors feel deeply aggrieved at the stringent construction which has heretofore been placed upon the terms of the contract by the officials of the Post Office, and the severe manner in which any departure from the technical requirements of the contract is visited upon this Company.

We feel assured that if the whole of the circumstances were to be explained to Lord Stanley of Alderley, the Company would receive from his Lordship that full and fair consideration which is accorded to all contractors who may be acting *bonâ fide*, and especially under a strictly penal contract.

In the letter received from Mr. Hill on Saturday, a suggestion was made as to the suspension of the contract until the new vessels are all completed; and, having consulted the Directors of the Atlantic Company upon the subject, we are instructed to submit to the consideration of your Lordships the following request, namely,—

First. That the service shall be a monthly service until the new vessels are ready.

Secondly. That immediately upon the completion of the other two vessels, the service shall again revert to a fortnightly service.

Thirdly. That this monthly service shall not in any case continue beyond the period of six months from the present time, and shall date from the last departure of the "Prince Albert" on Tuesday the 28th August, and that consequently the next departure shall be on the 25th September.

Fourthly. That the "Prince Albert" should be accepted as a temporary ship, subject to approval of an Admiralty surveyor.

Although two vessels could perform this service, still the Company are anxious to have a third vessel so as to guard against accidents, and not to commence the fortnightly service until the whole four vessels are delivered and passed by the Government.

The Company will of course undertake to resume the fortnightly service at the earliest possible moment; indeed, it is to their interest to do so, and no efforts on their part will be wanting to ensure the prompt and early delivery of the ships.

We may mention that the "Prince Albert" has made 15 voyages across the Atlantic of the most successful character, and that her last and several other voyages have proved her to be one of the finest vessels afloat; and that she is capable of performing the service effectively, she having already done so within the time prescribed by the very stringent clauses of the contract.

As the Company have during the present year expended 30,000*l.* in refitting and rendering the "Prince Albert" perfect, they have felt deeply aggrieved that such a ship should have been rejected.

The very great commercial advantages of the Atlantic Company's line have already become apparent, for during the last few weeks telegraphic messages of the utmost importance connected with the cotton trade and the corn trade have been communicated

within six days to St. John's, which under no circumstance could have been provided for by any other service.

The Directors will be glad to learn that your Lordships have been pleased to assent to their suggestions.

To the Right Honourable the
Lords Commissioners of Her Majesty's Treasury.

We have, &c.
(signed) *Vallance & Vallance.*

Enclosure No. 3, in No. 3.

Messrs. *Vallance* to the Treasury.

20, Essex-street, Strand, W. C.,
London, 6 September 1860.

Sir,

WE had the honour to receive your letter of the 29th ultimo, in reference to the mail service contract with the Colony of Newfoundland; and we have since received the instructions of the Directors of the Atlantic Royal Mail Steam Navigation Company (Limited) on the subject.

We must, in the first place, tender our respectful protest against such a construction of the Imperial contract of 21st April 1859, as would impose upon the Company the obligation to carry mails to St. John's, Newfoundland.

We do not propose to trouble you with any arguments on this point, but trust you will permit us to refer to the intention of the contracting parties, Her Majesty's Government and the Company.

We feel assured that whatever may be the technical construction of the contract, the Company will receive at the hands of the Government such a fair and equitable construction (and, if necessary, such an alteration) as would be accorded by the law to all contracts between any of Her Majesty's subjects.

And first, as to the intention in reference to the Imperial contract for the American mails.

This contract is dated the 21st April 1859.

At this time the Company was performing the mail service, under a Colonial contract with the Government of Newfoundland, between Galway and St. John's. This was a contract with the Colony, and not with the British Government.

This Company then sent in a tender to the Treasury, offering to carry the American mails between Galway and Boston, Halifax or Portland and New York. The tender was expressly limited to these mails.

It was stated, however, in the letter, that the Company would be able to carry telegraphic messages to St. John's, Newfoundland.

On the 22d day of February 1859, a letter was addressed by the Treasury to the Company, informing them, "That their Lordships would be prepared to enter into a contract with them, for the conveyance of the mails, once in every fortnight, to and from Galway and New York, and Galway and Boston."

In this letter it will be seen that no reference whatever was made either as to delivering mails or telegraphic messages at Newfoundland.

On the 15th March 1859, another letter was addressed by the Treasury to the Company, enclosing copy of a letter addressed by the Treasury to the Admiralty, directing "preparation of a contract for the conveyance by this Company, by a fortnightly mail service between Galway and Boston and Galway and New York alternately."

A letter was also addressed by the Treasury to the Admiralty, dated 15th March 1859, which states: "The performance of a contract by mail service between Galway and Boston and Galway and New York alternately." It also states: "The Company at all times to deliver telegraphic messages either at St. John's, Newfoundland, or at Halifax, Nova Scotia, within six days."

So far therefore as intention was concerned, it was never contemplated or intended, either by the Treasury or the Company, that the Company should carry mails to St. John's.

If any confirmation of this were needed, it is satisfactory to know that this is the view of the Admiralty Department, where the contract was actually drawn and completed.

We would add, that it will be in your own recollection that in the personal interviews we had the honour to have with you, and the discussions which took place on the subject of this contract, there never was the slightest or most indirect reference to the Company's being expected, under the Imperial contract, to carry mails to St. John's, Newfoundland.

The Company, however, feel that, throughout, they have been met in all stages of the affair by so much consideration by Her Majesty's Government, that they are desirous of meeting the suggestion made.

We have therefore on behalf of the Company to state they will adopt the principle of the suggestion made by you, as extended, and comprised in the following heads:

First. That the Company will reduce the Newfoundland subsidy by the sum of 4,500*l.*, making it in fact 8,500*l.* per annum.

Secondly. The Company to carry mails to St. John's monthly, as heretofore.

Thirdly.

Thirdly. The Company to convey telegraphic messages fortnightly to Newfoundland only.

Fourthly. The Colonial service to be performed by one and the same, and not by a separate line.

Fifthly. The time tables to be altered so as to make them consistent with the distance, changing the time for Boston for New York.

Sixthly. It is to be understood that in the construction of the clauses as to landing telegraphic messages at Halifax, in the event of the steamer being unable to make St. John's, this does not apply to the homeward voyages, so as to compel the Company to go back to Halifax, and thus run 1,000 miles unnecessarily.

Seventhly. Her Majesty's Government are to support the Company in their application to the Colony for an extended period for that contract, and on such terms as may be considered fair and remunerative for the service to the Colony, and the advantage to it.

Eighthly. The service to be monthly, from 27th August last, for a period of not more than six months, the Company making no claim except for the voyages performed.

Ninthly. The Company to have permission to use the "Prince Albert," or "Parana," for any voyage, if by accident, over which the Company have no control, one of their new ships should be unable to go.

Tenthly. The Company to have permission to perform the service by screw steamers, provided they are of the power and capacity mentioned in the contract, and to be subject to all the stipulations and conditions as to build, survey, approval, &c.

We would observe in reference to the last head, that although the Company have built paddle steamers for the service, there is no express requirement in the contract on this head.

Requesting your consideration of the above,

G. A. Hamilton, Esq.,
Her Majesty's Treasury, Whitehall.

We have, &c.
(signed) Vallance & Vallance.

— No. 4. —

Mr. F. Hill to Mr. Boate.

Sir,

General Post Office, 14 September 1860.

WITH reference to the recent correspondence which has been forwarded to the department, between the solicitors of the Atlantic Royal Mail Steam Navigation Company and the Assistant Secretary of the Treasury, with regard to such part of the mail service between this country and Newfoundland as is performed by your Company, I am directed by the Postmaster General to inquire whether, if his Lordship would consent to waive his legal right to require your Company to convey mails to and from Newfoundland by the vessels employed in the American service, without any addition to the subsidy for that service, your Directors will agree to carry such mails, by every packet, for a payment to you by the Colony at the rate of 8,500*l.* per annum, on the simple understanding that the present special mail service to Newfoundland shall merge in the main or American service, and that you shall not, therefore, be required to have two fleets of ships.

The Postmaster General cannot recommend the Lords of the Treasury to agree to any of the other conditions enumerated in Messrs. Vallance & Vallance's letter of the 6th instant, though I am directed to state, that without surrendering any right on the subject, his Lordship has not at present any intention to require that the vessels of your Company shall, on their homeward voyage, go back to Halifax when they are unable to land telegraphic messages or mails at St. John's, Newfoundland.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) F. Hill.

— No. 5. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

17 September 1860.

Sir,

In acknowledging the receipt of your communication of the 14th instant, I have the honour to state, for the information of the Postmaster General, that the question contained therein is one of such importance that it must necessarily be discussed and considered at a meeting of the Board of Directors; and as some of the Directors are absent, and Mr. Vallance, the Company's solicitor, who has carried on the correspondence with the Treasury, is also out of town, I beg permission on behalf of the Company to defer a reply to your letter until after the meeting of Directors on Wednesday, the 26th instant.

In the meantime the "Connaught" can sail on Tuesday the 25th instant with the American and Newfoundland mails (without prejudice to any question), and there will be ample time to arrange all matters satisfactorily before the next departure on 23d October.

The Secretary, General Post Office.

I have, &c.,
(signed) *A. Boate*.

— No. 6. —

Mr. *Smith* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

19 September 1860.

Sir,

THE steam ship "Connaught," of London, 1,522 tons register, Captain Leitch, being the ship appointed to sail with Her Majesty's mails of 24th instant from Galway for New York, I have the honour to request you will cause a certificate to be issued, exempting that ship from the operation of the Passenger Act from and after the 24th instant, under the bond given by this Company, dated 22d June 1859.

The Secretary, General Post Office.

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

— No. 7. —

(63,021.)

Mr. *Parkhurst* to Mr. *Weir*.

Sir,

General Post Office, 20 September 1860.

I HAVE received your letter of yesterday's date, applying for a certificate of exemption from the Passengers Act for the mail packet "Connaught." This certificate is being prepared, and shall be forwarded to you.

I observe, however, that you state that the "Connaught" is to proceed to New York. This is probably a clerical error; but to prevent any misunderstanding, I beg to remind you that as the last packet despatched by the Company, the "Prince Albert" sailed for New York, the next packet will of course go to Boston.

A. M. Weir, Esq.
Atlantic Royal Mail Steam Navigation Company.I am, &c.
(signed) *R. Parkhurst*.

— No. 8. —

Mr. *Smith* to Mr. *Parkhurst*.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

Sir,

20 September 1860.

In answer to your communication of this date just received, I beg to state that the intimation of the "Connaught" proceeding to New York on the 25th instant, as stated in my letter of yesterday, was, as you assume, a clerical error. She will, of course proceed to Boston.

Thanking you for calling attention to this matter,

R. Parkhurst, Esq.
General Post Office.

I am, &c.,
(signed) *S. Smith*.

— No. 9. —

(1066 L.)

Mr. *Parkhurst* to Mr. *Smith*.

Sir,

General Post Office, 22 September 1860.

In compliance with the request made in your letter of the 19th instant, I beg leave to transmit to you the enclosed certificate exempting the steam ship "Connaught," one of the vessels to be employed under contract for the conveyance of mails between Galway and the United States, from the operation of the Passengers Act. This certificate is available for one year from the present time.

I am, &c.
(signed) *R. Parkhurst*.

S. Smith, Esq.
Atlantic Royal Mail Steam Navigation Company.

— No. 10. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 22 September 1860.

With reference to Mr. Arbutnot's letter of the 13th instant, concerning the contract for the Galway service, I have the honour to state that I am of opinion that, in a postal point of view, it would be better that the service should be suspended altogether, and the whole subsidy for a time be thereby saved, than that the suspension should be partial; but if, for other than postal reasons, your Lordships prefer that the service shall continue once a month, I shall, of course, be prepared to act on that decision.

I entirely agree in your Lordships' opinion, that the period during which any suspension may be permitted shall be limited to six months; and that it shall be clearly provided that the whole contract shall be avoided, without any claim for damages, if at the end of that time the Company are unable to fulfil its conditions strictly according to their fair intent and meaning.

I am also of opinion, in accordance with what I gather to be the opinion of your Lordships, that, if a monthly service be permitted, such service shall be performed exclusively by vessels which come strictly within the terms of the contract, including, of course, the provision which requires that the plans and designs shall have been approved by the Admiralty before the vessels are built; and that no application for the use of any other vessel whatever be entertained.

If, during the performance of the service, whether fortnightly or monthly, the Company have not, on any occasion, a vessel ready within the terms of the contract, they should, in my opinion, pay the forfeit; this forfeit being, by the contract itself, limited to the amount of subsidy for the particular voyage.

The Directors have more than once complained that the Post Office has been unduly rigorous in enforcing their contract; but on this point I may state that, during the period their contract has been in operation, they have applied for and

received more indulgences than the Directors of all the other mail packet, companies put together.

If a monthly service be decided on, the payment should be, as proposed 3,000 *l.* per double voyage, subject, of course, to deductions for overtime, &c.

With respect to the Newfoundland service, I beg to inform your Lordships that I have caused a letter to be addressed to the Atlantic Royal Mail Steam Navigation Company, inquiring whether, in the event of my being disposed to waive the legal right to require the Company to convey, without any additional payment, mails to and from Newfoundland by the vessels employed in the American service, they will agree to carry such mails by those vessels, for the colonial subsidy of 8,500 *l.* per annum. It appears, however, by a letter from the secretary of the Company, dated the 17th instant, that no reply can be given to this inquiry until after a meeting of the Directors, on Wednesday, the 26th instant.

But as there is no necessary connexion between the two matters, and it is important that the Company should know distinctly on what terms the concession of a monthly service (if it be determined to make the concession), will be granted, I am of opinion that it is not advisable to defer, until after that period, the settlement of the question relating to the main service.

I request therefore to receive your Lordships' further instructions as early as possible.

I have, &c.,
(signed) *Stanley of Alderley.*

The Lords Commissioners of the Treasury,
&c. &c. &c.

— No. 11. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

Sir,

26 September 1860.

I HAVE the honour to transmit herewith a claim for the amount of postal subsidy due to this Company by Her Majesty's Post Office Department, for the September quarter, 1860.

The Secretary, General Post Office,
St. Martin's-le-Grand.

I have, &c.,
(signed) *A. Boate.*

— No. 12. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

Sir,

26 September 1860.

WITH reference to your communication of the 13th instant, 1018 L, on the subject of a Despatch received at the Colonial Office from the Governor of Newfoundland, complaining that the steamship "Connaught," which sailed from Boston on the 7th August last, failed to call at St. John's on her way to England :

I have the honour, by desire of the Directors, to transmit, for the information of His Lordship, the Postmaster General, copies of the following documents, viz. :—

1. Telegram from light-keeper at Cape Race to Mr. Shea, the Company's agent at St. John's.

2. Declaration as to the state of the weather on the 10th, 11th, and 12th August, on the Coast of Newfoundland, by Thomas Winter, Esq., sub-collector of Her Majesty's Customs in that island.

3. Declaration

3. Declaration of James Cantwell, lighthouse keeper, Cape Spear, near St. John's, as to the state of the weather in that locality on 10th, 11th, and 12th August 1860.

These documents seem to afford ample evidence as to the prudence of the commander of the "Connaught," in proceeding to sea for the safety of the ship, and the lives of the passengers entrusted to his care, after waiting for 37½ hours off the coast of Newfoundland, in thick weather and in the midst of dangerous currents.

The Directors trust that his Lordship, the Postmaster General, will be of opinion that these documents fully meet the allegations contained in the letter of his Excellency the Governor of Newfoundland.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

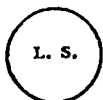
Enclosure No. 1, in No. 12.

NEWFOUNDLAND.

ST. JOHN'S, to Wit.

ON this 16th day of August, in the year of Our Lord 1860, before me, William Henry Mare, of the Town of St. John's, in the Island of Newfoundland, Notary Public, by lawful authority duly admitted and sworn, personally came and appeared, James Cantwell, who solemnly declared, that he is the keeper of the lighthouse at Cape Spear, near St. John's; that it is a part of his duty to signal vessels coming from the direction of Cape Race; that he is particularly bound to be on the look out when mail steamers are expected; that on Friday the 10th, Saturday the 11th, and Sunday the 12th instant, he kept a very strict watch for the steamer "Connaught," as he knew she was expected to arrive at this port, from Boston, on the evening of the first-named day; that during the said three days the fog was as dense as he ever remembers to have seen it, with the exception of a part of Saturday the 11th, when, between noon and six o'clock, p.m., the fog receded to the distance of about a mile from the shore, but soon after six it again set in as dense as before; that during the time in question it would have been very unsafe for any vessel to approach the coast, and except during the short interval abovenamed no large vessel could venture near enough to make out the land; that the change in the fog, between noon and six, p.m., on the 11th, declarant believes to have been a local change only, and while extending a mile off in the vicinity of Cape Spear, he does not think it reached any material distance in the direction of Cape Race.

(signed) *James Cantwell.*



Declared before me, and to which I have hereunto set my hand, and affixed my seal of office.

(signed) *W. H. Mare,*
Not. Pub.

Enclosure No. 2, in No. 12.

NEW YORK, NEWFOUNDLAND, AND LONDON TELEGRAPH COMPANY.

Copy Telegram, 14 August 1860, St. John's, from *A. Shea* to *William Halley*, Light Keeper, Cape Race.

WHAT was the state of the weather at and about Cape Race, on Friday the 10th, Saturday the 11th, and Sunday the 12th instant? If foggy, was the fog, during those days, very dense? Could a large steamship approach the land, near Cape Race, with safety? and was it possible to see the land from seaward? Please give me a particular answer to the above.

(signed) *A. Shea.*

NEW YORK, NEWFOUNDLAND, AND LONDON TELEGRAPH COMPANY.

From *William Halley*, Cape Race Lighthouse, to *A. Shea*, 14 August 1860.

WEATHER at Cape Race on 10th, 11th, and 12th instant, dense fog and mist; wind, south-west, moderate. Impossible to see this land on those days. Unsafe for a steamer to make Cape Race.

(signed) *William Halley.*

Enclosure No. 3, in No. 12.

NEWFOUNDLAND.

SAINT JOHN'S, to Wit.

ON this 17th day of August in the year of our Lord 1860 before me, William Henry Mare, of the town of St. John's in the Island of Newfoundland, notary public by lawful authority duly admitted and sworn, personally came and appeared, Thomas Winter, esq., sub-collector of Her Majesty's Customs at the port of Gaultois, in this island, who solemnly declared—

That on the morning of Friday the 10th instant, he left the harbour of Lamaline on the west side of Placentia Bay, about 15 miles from the Island of St. Pierre in the coasting schooner "Charles," bound to this port of St. John's, and on Sunday the 12th instant, arrived here. That during the whole passage the coast was enveloped in dense fog, and he was thereby prevented from seeing land any time during the voyage, until within a few miles of this port, although after doubling Cape Race, the vessel was so near the land that he could distinctly hear the sea beating against the shore, and continued to do so until arrival here.

(signed) *Thomas Winter.*

Declared before me, and to which I have hereunto set my hand and affixed my seal of office.

Quod attestor,
(signed) *W. A. Mare,*
Not. Pub.

— No. 13. —

(64,729.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 28 September 1860.

I BEG to return the account transmitted in your letter of the 26th instant, and to request that, as the payments to be made to the Atlantic Royal Mail Steam Navigation Company depend upon the time occupied in the several voyages, a statement may be made out showing what was the time taken in each case, and the excess, if any, over the time allowed by the contract.

I enclose, as a specimen of what is required, the copy of an account rendered by another Company which performs a mail service under similar conditions.

It is also requisite that, with the amended account, and as vouchers for its accuracy, you should forward to me the certificates which, on the completion of each voyage, have been given by the Admiralty agents in charge of the mails to the commanders of the packets.

I have further to remind you that you have omitted to deduct from the account the two sums of 500 *l.* each, which the Company was required to forego on the two occasions upon which the steamer "Prince Albert" was permitted to be used in the conveyance of the mails.

A. Boate, Esq.

Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *J. Tilley.*

— No. 14. —

(1065 L.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 29 September 1860.

IN reply to my letter of the 14th instant, in which I inquired, by direction of the Postmaster General, whether, if his Lordship would consent to waive his legal right to require the Atlantic Royal Mail Steam Navigation Company to convey mails to and from Newfoundland by the vessels employed in the American service, without any addition to the subsidy for that service, the Directors would agree to carry such mails on the conditions therein laid down, you informed me that an answer to this question should be forwarded to the

Postmaster

Postmaster General after a meeting of the Directors to take place on the 28th instant.

As no further communication has been received from you, I am desired by his Lordship to request that he may be furnished with a reply without further delay.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) J. Tilley.

— No. 15. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
29 September 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of this day's date, and in reply beg to acquaint you, that owing to the absence of several of the Directors from London upon important business of the Company, a Board was not formed on Wednesday last.

Another meeting is appointed for Wednesday next, when your letter of the 14th instant will be laid before the Board, and an answer forwarded to you immediately afterwards.

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 16. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
2 October 1860.

Sir,

WITH reference to your communication of the 28th ultimo (No. 64,729), I have the honour to transmit herewith an amended claim for the amount due to the Company for mail services performed in the September quarter, 1860, which I trust will be found correct.

The certificates received from the Admiralty agents are also herewith transmitted.

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 17. —

(64,729.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 3 October 1860.

THE amended account which you transmitted in your letter of yesterday's date having been examined, I beg to enclose a warrant for the amount which is found to be due to the Atlantic Royal Mail Steam Navigation Company for the four voyages completed.

With regard to the fifth voyage charged for in the account rendered, I have to point out to you that the steamer "Connaught" did not leave Galway as a mail packet, the mails of that week having been despatched by the Canadian mail packet "North Briton."

It is true that, at the urgent solicitation of the Company, a bag of letters was, in compliance with a request made in a note from the Secretary of the Treasury, made up at this office on the evening of the 10th July, and forwarded to Galway to be put on board the "Connaught," but it was clearly understood at the time

that this would not give rise to any demand for payment, and this voyage has therefore been struck out of the account.

There are two further errors in the account with respect to the second voyage of the "Prince Albert." The reasons given for the length of time occupied on the outward trip are quite insufficient to warrant any exemption from penalties for the whole of the excess over the time allowed by the contract, and the homeward voyage, instead of being performed in six hours less, occupied an hour and a half more than the time allowed.

I have to add, that certificates were not forwarded by you for each voyage, but in future these must be regularly sent with the account.

I am, &c.
(signed) *J. Tilley.*

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

— No. 18. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
4 October 1860.

Sir,

THE directors of this Company have fully considered the correspondence which has passed between this Company and the Post Office Department, as well as that with the Treasury, in reference to the existing postal contracts and the various points involved in such correspondence; and as the present Board of Directors has only recently been appointed, they have deemed it necessary to make personal examination of the ships already built for the Company, and those still in process of completion, with a view of making themselves acquainted with the exact position of affairs.

The result of this, and of the consideration which they have given to the correspondence, is, that the Directors trust now to be enabled to submit to his Lordship the Postmaster General a defined plan, with reference to the continuance of the service, which may get rid of all points of discussion, and ensure a performance of the service in a manner creditable to the Company and satisfactory to the Post Office Department.

The Directors, however, deem it of the utmost importance that they should be favoured with a personal interview with the Postmaster General, and I am therefore desired to ask that his Lordship will be good enough to receive a deputation from this Board, when the Directors will submit their views for his Lordship's consideration, in the full confidence of a satisfactory adjustment of all questions.

I beg the favour of your giving me the earliest notice of the time at which it will be convenient for his Lordship to receive this deputation, in order that I may be enabled to summon those members of the Board who reside in Ireland.

I have, &c.
(signed) *A. Boate.*

The Secretary, General Post Office.

— No. 19. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
5 October 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of the 3d instant (No. 64,729), enclosing an order of payment for 10,655 l., on account of mail service for September quarter 1860.

I have, &c.
(signed) *A. Boate.*

The Secretary,
General Post Office, London.

— No. 20. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,

5 October 1860.

Sir,

REFERRING to my communication of the 4th instant, asking his Lordship, the Postmaster General, to receive a deputation of the Directors of the Company; and having regard to the possibility of the time not enabling his Lordship to appoint an interview before Tuesday next (the ordinary day of departure for a fortnightly service from Galway), the Directors request permission to forego the despatch of a vessel from Galway on Tuesday the 9th instant.

The Secretary,
General Post Office.I have, &c.
(signed) *A. Boate*.

— No. 21. —

(66,699.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 5 October 1860.

WITH reference to your letter of this day's date, requesting that, pending the decision upon the proposal to make the packet service between Galway and America, temporarily, a monthly instead of a fortnightly service, the Company may be permitted to forego the despatch of a vessel from Galway on Tuesday next, the 9th instant, I beg to inform you on behalf of the Postmaster General, that your request is granted, and that notice will be immediately issued that the next packet from Galway will be that of the 23d instant.

A. Boate, Esq.

I am, &c.
(signed) *J. Tilley*.

— No. 22. —

Mr. *Hamilton* to the Postmaster General.

My Lord,

Treasury Chambers, 5 October 1860.

I HAVE laid before the Lords Commissioners of Her Majesty's Treasury your report* of the 23d ultimo, on an application of the Royal Mail Steam Navigation Company for a partial suspension of their contract for the performance of the Galway postal service; and I am directed by their Lordships to state in reply, that if it were possible to look solely to postal considerations, a suspension of this contract, so as to save the subsidy, whether for six months or for a more extended period, might be desirable; but it is necessary to look at the whole circumstances of the case, in which a contract has been made by the Government and confirmed by Parliament.

The first question is, whether the failure to comply literally with the conditions of the contract, by having the new steamers ready, has been of such a nature that, taking a fair view of the whole circumstances, and having reference to the usual practice in other cases, your Lordship, who is primarily responsible in these matters, is prepared to report that, in your opinion, the contract has been so far violated in essential particulars that it should be considered as forfeited.

In case of such a report being received either now or at any time hereafter from your Lordship, my Lords will be prepared to give it their most attentive consideration. But should you be of opinion that, although the contract has not
been

* See Letter No. 10.

been in all respects fulfilled, yet that the Company have done their best, and have so far carried its main stipulations into effect, that it would be harsh and inequitable, if not illegal, to attempt to cancel the contract on the ground of non-fulfilment, without giving them a further period to complete their remaining steamers, then my Lords would be of opinion that, on the whole, an arrangement either on the basis of a monthly service, or of a total suspension for a period not exceeding six months, and subject to the conditions referred to in the letter from this Board of the 13th ultimo, would be the best course to adopt; and they would leave it to your Lordship to decide between the two alternatives, after hearing the parties who have applied to the Treasury for an interview to urge reasons in support of their proposal for a monthly service, but have been referred by my Lords to your Lordship, as the head of the department with which the responsibility primarily rests.

The Postmaster General,
&c. &c. &c.

I have, &c.
(signed) *Geo. A. Hamilton.*

— No. 23. —

(1125 L.)

Mr. Tilley to Mr. Boate.

Sir,

General Post Office, 8 October 1860.

IN reply to your letter of the 4th instant, I am directed by the Postmaster General to inform you that his Lordship will receive a deputation of the Directors of the Atlantic Royal Mail Steam Navigation Company at this office, at one o'clock, on either Wednesday or Thursday next, whichever day may suit the convenience of the deputation. I beg that you will let me know, for the information of Lord Stanley of Alderley, on which of these days the deputation will attend.

A. Boate, Esq.
10, Cannon-street, E. C.

I am, &c.
(signed) *J. Tilley.*

— No. 24. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E. C., London,
8 October 1860.

Sir,

IN acknowledging the receipt of your communication of this day's date, No. 1125 L, intimating that Lord Stanley of Alderley will receive a deputation of the Directors of this Company, either on Wednesday or Thursday, I am instructed to acquaint you that the deputation will have the honour of waiting upon his Lordship on Thursday, the 11th instant, at one o'clock.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 25. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London,
11 October 1860.

Sir,

REFERRING to the interview which the Directors of this Company had with his Lordship the Postmaster General this morning; and the conditional arrangement then made with respect to the "Prince Albert," going out on the 23d instant

instant with the American and Colonial mails. I have now the honour, on behalf of the Board, to state the conditions on which the "Prince Albert" is to be accepted.

1st. That the "Prince Albert" shall be surveyed by an Admiralty agent, to whom instructions shall be given, agreeably with what his Lordship assented to, namely, that the ship is not to be put into dry dock, unless the surveyor should find from his general survey that such a step is absolutely necessary.

2d. That the sum of 500 *l.* shall be deducted from the subsidy as a fine; and that the ship is to be liable for any penalties which may arise for non-performance of the voyage, under the terms of the contract.

3d. That this is to be without prejudice to any question now pending.

The vessel is now at Galway, and ready for survey at any moment.

I am instructed by the Directors to state that since their return to the office they have looked into the question of the tonnage of this ship, and find that, by the Parliamentary Return, her dimensions are as follows: length, 274 feet; breadth, 38 feet; depth, 27 feet, which gives, according to calculation, 1,936 $\frac{3}{4}$ tons, builder's measurement.

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 26. —

(1154 L.)

Mr. Tilley to Mr. Boate.

Sir,

General Post Office, 13 October 1860.

IN reply to your letter of the 11th instant, I beg to inform you that the Postmaster General has requested the Board of Admiralty to cause a survey to be made by their officers of the steamer "Prince Albert," and has stated to the Lords Commissioners that he does not wish that vessel to be put into a dry dock, unless the surveyors find, from their general survey, that such a step is absolutely necessary.

A. Boate, Esq., 10, Cannon-street, E. C.

I am, &c.
(signed) J. Tilley.

— No. 27. —

(1156, L.)

Mr. Tilley to Mr. Boate.

Sir,

General Post Office, 16 October 1860.

I AM directed, by the Postmaster General to state, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that, in consequence of the recent acceleration of the Irish mails, it has become necessary to alter the hour fixed for the departure from Galway of the packets conveying the mails to America under the Company's contract, and that his Lordship has decided upon fixing one o'clock, instead of three o'clock, p.m., as the hour for the departure of those packets in future.

A. Boate, Esq.

I am, &c.
(signed) J. Tilley.

— No. 28. —

(1137, L.)

Mr. Tilley to Mr. Boate.

Sir,

General Post Office, 16 October 1860.

I AM directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that his Lordship desires to receive, with the least possible further delay, a reply to the letter

which by his directions I addressed to you, on the 14th ultimo,* respecting the Newfoundland Mail Service,

I am at the same time to request that the Directors will furnish his Lordship with a statement showing the position in which the Company now stands with respect to the special service between Galway and Newfoundland, the contract for which, made on the 22d October 1858, expired on the 31st December last.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) J. Tilley.

— No. 29. —

Mr. *Weir* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company,
16 October 1860.

Sir,

THE steam ship "Prince Albert," of London, 1,463 tons register, Captain Walker, being the ship appointed to sail with Her Majesty's mails of 22d October instant from Galway for New York, I have the honour to request you will cause a certificate to be issued exempting that ship from the operation of the Passenger Act, from and after the 24th instant, under the bond given by this Company dated 22d June 1859.

I have, &c.
(signed) A. M. Weir,
General Manager.

The Secretary, General Post Office.

— No. 30. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E, C., London,
17 October 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 16th instant.

When the Directors had the honour of waiting upon the Postmaster General, his Lordship required them to state, in writing, their views and determination upon the various matters discussed, and they requested time, until they had the opportunity of considering them at a full meeting of the Board of Directors, several of whom were then absent.

This opportunity has not yet been afforded, but it is expected that a full Board will attend on Wednesday next, after which a communication, entering fully into the subject, shall be transmitted for his Lordship's consideration.

The Directors are under the impression, that when his Lordship consented to the "Prince Albert" being despatched with the mails on the 23d instant (subject to survey), it was at the same time admitted that no urgent necessity existed for deciding hastily upon other important points.

The Secretary,
General Post Office.

I have, &c.
(signed) A. Boate.

— No. 31. —

(68,346.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 19 October 1860.

WITH reference to your letter of the 11th instant, I am directed to acquaint you that the steamer "Prince Albert" having been surveyed by the Admiralty surveyors, and the report of those officers having been laid before the Postmaster General, his Lordship has been pleased to permit that vessel to convey the mails of Tuesday next to Newfoundland and the United States, on condition that the sum of 500 *l.* shall be deducted from the subsidy for that voyage, and that the Company are liable to the usual penalties if the voyage be not performed under the terms of the contract.

The Postmaster General begs, however, that it may be distinctly understood that he accepts this vessel for one voyage only.

I am, &c.

(signed) *J. Tilley*.

A. Boate, Esq.

Atlantic Royal Mail Steam Navigation Company.

— No. 32. —

(1175 L.)

Mr. *Tilley* to Mr. *Boate*.

Sir,

General Post Office, 19 October 1860.

IN compliance with the request contained in your letter of the 16th instant, I am directed by the Postmaster General to transmit to you the enclosed certificate exempting the "Prince Albert" steamship from the operation of the Passenger Act.

I am, &c.

(signed) *J. Tilley*.

A. Boate, Esq.

— No. 33. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E.C., London,

25 October 1860.

Sir,

IN compliance with the request of his Lordship the Postmaster General, that this Company should submit, in writing, their views upon the several points which formed the subject of discussion at the interview which the Directors had with Lord Stanley of Alderley, on Thursday the 11th instant, I have now the honour to state, for his Lordship's consideration,

1st. The question of the construction of the contract of the 21st April 1859, as to whether the Company is under obligation to deliver mails at St. John's, Newfoundland, is so important an element in the consideration of these matters, that I am desired respectfully to direct his Lordship's attention to the letter * of the 7th September 1860, addressed by Messrs. Vallance & Vallance to the Treasury, an extract from which is annexed.

2d. This letter contains the views of the Company, first, as to the construction of the contract, namely, that such contract does not impose upon the Company the obligation to carry mails to St. John's, Newfoundland, but only to deliver telegraphic messages there, and secondly, that so far as the intentions of the contracting parties were concerned, and so far as those intentions would govern the construction, there is no evidence whatever to lead to the conclusion, that

* See Enclosures No. 3, in No. 3.

that either the Government, or the Company, ever contemplated to provide for carrying mails to St. John's, but, on the contrary, the original tender by the Company, the Minutes of the Lords of the Treasury, the instructions from the Treasury to the Admiralty, and every document connected with the affair distinctly negatives any intentions of the kind; and in corroboration of this view, I have the honour to transmit, for his Lordship's perusal, the copy of a letter (Appendix, No. 2), from the contract department of the Admiralty to Messrs. Vallance, in which it is distinctly stated that "certainly when the contract was settled, it was not intended to send mails to St. John's."

3d. If, however, the Postmaster General should, on further consideration, be of opinion that, according to the terms of the contract, the Company are bound to deliver mails at St. John's, I have respectfully to request that his Lordship will permit the Directors to solicit from the Lords Commissioners of Her Majesty's Treasury, the construction placed by their Lordships upon the Company's original tender and acceptance for the mail service, and upon their Lordships' instructions to the Admiralty, under which the contract was framed.

4th. The views of the Company therefore on the several matters brought under the attention of the Postmaster General, are as follows, and which the Directors respectfully trust may meet with his Lordship's acquiescence:

First. The Company is willing (subject to the following conditions) to reduce the Newfoundland subsidy by the sum of 4,500*l.* after the end of the present financial year, making it in fact 8,500*l.* per annum from the 1st April 1861, the mails to be delivered monthly by the same steamers which perform the service under the Imperial contract.

Secondly. The Company will deliver telegraphic messages at St. John's by every steamer (that is fortnightly), agreeably with the terms of the Imperial contract of the 21st April 1859.

Thirdly. The Company is not to be bound on the homeward voyage to return to Halifax, with telegraphic messages, should the ships be unable to deliver them at St. John's.

Fourthly. The service under the Imperial contract to be allowed to be a monthly service during the ensuing months of November, December, January, and February (the next departure to be on the 20th November), and the fortnightly service to commence on the 12th March 1861.

Fifthly. That the "Prince Albert" be accepted as one of the ships to perform the monthly service, subject to a penalty of 500*l.* for each voyage, and subject to any penalties to be incurred under the terms of the contract.

5th. The unfortunate loss of the "Connaught," the news of which reached London only on Saturday last, the 20th instant, has deprived the Company of one of their new ships, the Directors trust that this loss having arisen from circumstances over which they had no control, may entitle them to his Lordship's consideration, and that some indulgence may be extended to the Company.

His Lordship was informed that the second new ship (the "Leinster") was ready, and the Directors would have been prepared to have performed the monthly service with the "Connaught" and "Leinster," had his Lordship declined to receive the "Prince Albert."

Under the present most unfortunate and unexpected loss of the "Connaught," the Directors are compelled earnestly to submit, that his Lordship the Postmaster General will now allow the "Prince Albert" to be accepted with the "Leinster" for four voyages.

6th. With respect to the position of the Colonial contract, I have the honour to state that a Minute of the Council of the Colonial Government of Newfoundland was passed in 1859, extending the contract for a period of four years further, from 1st January 1860.

Application was made to the Treasury for the confirmation of the Colonial Minute, and from the circumstance of the sum of 4,500*l.* for this service having been subsequently provided for in the Parliamentary Estimates for 1860-1, the Directors assumed that to be a sufficient recognition of the arrangement by the Treasury for the continuance of the contract.

Moreover,

Moreover, the Company have continued to perform the service in the present year, under the recognition and instruction of the Post Office Department; a forfeiture of the Newfoundland subsidy for one month, viz. 1,000 £., having been specially imposed by the Postmaster General as the penalty for the delay of the Colonial mails from the 21st to the 24th July 1860, when the Directors requested permission, in the month of July, to convey the Newfoundland mails in the ship appointed to perform the fortnightly Imperial service on the 24th of that month, so that they might not be compelled to send two ships to sea within three days of each other.

The Directors respectfully refer to the correspondence on this point in the appendix to this letter, which treats the Colonial contract as a separate and independent contract.

I have only to add that the Directors have determined that no efforts shall be wanting on their parts, and they have decided on building immediately two additional vessels of greater power and tonnage than those already built, so as to ensure the full and efficient performance of the contract.

The Secretary,
General Post Office.

I have, &c.
(signed) A. Boate.

Enclosure No. 1, in No. 33.

EXTRACT from Letter addressed by Messrs. *Vallance & Vallance* to the Treasury,
7 September 1860.

We had the honour to receive your letter of the 29th ultimo, in reference to the mail service contract with the colony of Newfoundland, and we have since received the instructions of the Directors of the Atlantic Royal Mail Steam Navigation Company on the subject.

We must in the first place, tender our respectful protest against such a construction of the Imperial mail contract of 21st April 1859, as would impose upon the Company the obligation to carry mails to St. John's, Newfoundland.

We do not propose to trouble you with any arguments on this point, but trust you will permit us to refer to the intention of the contracting parties, Her Majesty's Government and the Company.

We feel assured that whatever may be the technical construction of the contract, the Company will receive at the hands of the Government, such a fair and equitable construction (and if necessary, such an alteration), as would be accorded by the law to all contracts between any of Her Majesty's subjects.

And first as to the intention in reference to the Imperial contract for the American mails.

The contract is dated the 21st April 1859; at this time the Company were performing the mail service under a colonial contract with the Government of Newfoundland, between Galway and St. John's; this was a contract with the colony and not with the British Government.

This Company then sent in a tender to the Treasury, offering to carry the American mails between Galway and Boston, Halifax or Portland and New York. The tender was expressly limited to these mails.

It was stated, however, in the letter that the Company would be able to carry telegraphic messages to St. John's Newfoundland.

On the 22d day of February 1859, a letter was addressed by the Treasury to the Company informing them, "That their Lordships would be prepared to enter into a contract with them for the conveyance of the mails once in every fortnight, to and from Galway and New York, and Galway and Boston."

In this letter it will be seen that no reference whatever was made either as to delivering mails or telegraphic messages at Newfoundland.

On the 15th March 1859 another letter was addressed by the Treasury to the Company, enclosing copy of a letter addressed by the Treasury to the Admiralty, directing, "Preparation of a contract for the conveyance by this Company by a fortnightly mail service, between Galway and Boston, and Galway and New York alternately."

A letter was also addressed by the Treasury to the Admiralty, dated 15th March 1859, which states, "The performance of a contract by mail service between Galway and Boston, and Galway and New York alternately."

It also states, "The Company at all times to deliver telegraphic messages either at St. John's, Newfoundland, or at Halifax, Nova Scotia, within six days."

So far therefore as intention was concerned, it was never contemplated or intended either by the Treasury or the Company that the Company should carry mails to St. John's.

If any confirmation of this were needed, it is satisfactory to know that this is the view of the Admiralty Department where the contract was actually drawn and completed.

We would add that it would be in your recollection, that in the personal interview we had the honour to have with you, and the discussions which took place on the subject of this contract, there never was the slightest or most indirect reference to the Company's being expected under the Imperial contract to carry mails to St. John's, Newfoundland.

Enclosure No. 2, in No. 33.

Mr. Brady to Messrs. Vallance.

Dear Sirs,

Contract Office, Admiralty, 28 September 1860.

IN reply to your note of the 25th instant, I perfectly remember the discussion to which you allude, touching the delivery of telegraphic messages at St. John's, and the contract appears to me now, as it appeared to us both at the time, perfectly clear on the point.

The first clause on page 3 requires telegraphic messages to be delivered at St. John's. The second clause on the same page requires that all steamers employed under the contract shall call at St. John's both on their outward and homeward voyages, or (failing to make St. John's through stress of weather) at Halifax, Nova Scotia, and then goes on to provide that all such mails, passengers, and telegraphic messages are to be delivered and received at each of the ports or places at which the said vessels shall touch, as shall have to be delivered or received at such places respectively, viz., telegraphic messages at St. John's or Halifax within six days, as provided in the preceding clause of the contract, and mails, passengers, &c., as regards the places mentioned in table "A," within the times therein mentioned.

Nothing can be clearer to my mind, and certainly when the contract was settled it was not intended to send mails to St. John's.

Messrs. Vallance & Vallance,
20, Essex-street, Strand, W. C.

I am, &c.
(signed) Antonio Brady.

Enclosure No. 3, in No. 33.

Secretary of Company to Mr. F. Hill.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

London, 17 July 1860.

Sir,

REFERRING to the interview had with you this day by the general manager of the Company, at which you stated, as the only condition on which you could advise the Postmaster General to sanction the mails for Newfoundland of the 21st being conveyed by the steamers leaving Galway for America on the 24th instant, that the Company should forfeit 1,000*l.*, being the amount of the subsidy to which they would be entitled under their contract with the Newfoundland Government;

The Directors respectfully submit that this is a severe condition to impose for substituting Tuesday, the 24th, as the day of departure of the Newfoundland mails from Galway instead of Saturday, the 21st instant.

Under the circumstances, however, the Directors have no option but to accede to the conditions of the Post Office department;

Nevertheless they are induced to hope that, on consideration of the circumstances, his Grace the Postmaster General will not insist upon (as an equivalent for this temporary arrangement) the loss to the Company for the ensuing voyage of the subsidy accorded to them under the separate contract with the Colonial Government of Newfoundland.

To F. Hill, Esq., General Post Office.

I have, &c.
(signed) A. Boate.

Enclosure No. 4, in No. 33.

Mr. F. Hill to Secretary of Company.

Sir,

General Post Office, 18 July 1860.

I AM directed by the Postmaster General to inform you, with reference to your letter of yesterday's date, that, as the Directors of the Atlantic Royal Mail Steam Navigation Company agree to waive all claim for payment of the subsidy for that particular voyage, his Grace will not insist upon a vessel being despatched from Galway with the mails for Newfoundland on the 21st instant.

I am, however, to state that permission for the Company to send no packet on the 21st instant is only given on the distinct understanding that the despatch of a packet from Galway

Galway to the United States, *via* Newfoundland, takes place on the 24th instant in due course, and that if that packet be not despatched the Company shall, within seven days from the 24th instant, send to Newfoundland the packet which should properly leave Galway on the 24th instant.

To A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company (Limited).

I am, &c.
(signed) F. Hill.

— No. 34. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

Sir,

London, 29 October 1860.

I HAVE the honour to acquaint you, for the information of the Postmaster General, that the "Leinster" is ready for Admiralty survey at South Shields, in the Jarrow docks.

The Directors intend to despatch the ship from the Tyne on Saturday the 3d November, for the purpose of having her tried over the measured mile in Stokes Bay.

Notice of the day for the trial trip will be given so soon as the ship arrives at Southampton.

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 35. —

Mr. F. Hill to Mr. Boate.

(73,062.)

Sir,

General Post Office, 31 October 1860.

I HAVE to acknowledge the receipt of your letter of the 29th instant, and to inform you that the Lords Commissioners of the Admiralty have been requested to cause the necessary survey to be made of the "Leinster."

A. Boate, Esq.

I have, &c.
(signed) F. Hill.

— No. 36. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E. C.,

Sir,

London, 31 October 1860.

MR. VALLANCE has stated to the Board of Directors the purport of the communication he made to Mr. Laing, the Financial Secretary to the Treasury, on the subject of the claim of this Company for the postal subsidy for the voyage of the "Connaught" in June last, and the explanation which Mr. Laing gave as to the arrangement made with the Government thereon.

This explanation was given in the presence of Mr. Page, of the General Post Office, and the Directors understand it was to the effect that the Government would not object to pay the subsidy, according to the terms of the contract, but that they were not to be called upon to pay it twice over; that is, to the owners of the "North Briton" and to this Company also.

As the Directors are informed that the Post Office Department has not paid the subsidy, but has credited the Canadian Government with the amount of the postage of the letters sent by the "North Briton," I have now the honour to request that credit may be given to this Company for the balance of 3,000*l.*

which remains after deducting the payments made to the Canadian Government in respect to the mail bags sent by the "North Briton," which otherwise would have been sent by the "Connaught."

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 37. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 1 November 1860.

ON receipt of Mr. Arbuthnot's letter of the 13th September last, I caused a letter* (of which a copy is enclosed) to be written to the Atlantic Royal Mail Steam Navigation Company, inquiring whether, if I would consent to waive my legal claim to require the Company to convey mails to and from Newfoundland, by the vessels employed in the mail service between Galway and the United States, without any addition to the subsidy of 3,000 *l.* per double voyage, they would agree to carry such mails by every packet, for a payment by the Colony at the rate of 8,500 *l.* per annum.

To that letter I only received a reply on the 26th ultimo.

In the meantime I had had an interview with a deputation from the new Board of Directors of the Company, and had requested them to put in writing any proposals they had to make with respect to a provisional modification of the service, rendered necessary by the delay in the completion of their vessels.

I also called upon them to explain what, in their view, was the present position of the Company in regard to the separate Newfoundland service.

The letter† received on the 26th ultimo refers to all these points, and I beg to transmit a copy of it for the information of your Lordships, together with a copy of a further letter‡ which, by my directions, has been this day sent to the Company, stating the conditions upon which I am willing to waive a strict fulfilment of the stipulations of their contract with Her Majesty's Government. The course which I have taken is in accordance with the views of your Lordships, as expressed in Mr. Arbuthnot's letter above referred to.

I propose to make the Newfoundland mail service the subject of a separate letter to the Company, and to inform them that I cannot concur in the construction which they seek to put upon the clauses of the contract of April 1859, which relate to the vessels touching at Newfoundland; that I entirely agree in the opinion given by the solicitor of this department, that the contract requires the Company to land and embark mails at Newfoundland as part of the service paid for by the subsidy of 3,000 *l.* per voyage, and that I am not prepared to permit any relaxation of the obligations of the Company in this respect.

As stated in the first paragraph of this letter, the Directors of the Company have indeed been asked whether, if I consented to waive my legal claim in this respect, they would agree to convey a mail to Newfoundland by every packet for a colonial payment of 8,500 *l.* a year; but this inquiry, not having received an affirmative reply, falls to the ground.

It would also appear (and I think it important to call your Lordships' attention to the fact) that the sanction of Parliament to the very heavy subsidy for this service was given in the full expectation that at least all the duty mentioned in the contract would be performed; and I think no Member of Parliament could have read that contract, and particularly clause 5, and construed it according to its obvious meaning, without believing that it included the conveyance of mails to and from Newfoundland.

As regards the separate Newfoundland service, I believe I am right in saying that no contract or agreement exists; and I am of opinion that the Company should be at once informed that no payment will be made to them on account of that service for a period subsequent to June last, when the "Golden Fleece" left Galway under the provisional arrangement sanctioned by your Lordships.

In July the Company applied to this department for permission to forego the voyage

* See Letter No. 4.

† See Letter No. 33.

‡ See Letter No. 38.

voyage which they should have made in that month, on the ground that they had no vessel available; but since July they have neither despatched a vessel on the separate service, nor asked for permission to forego the several voyages.

Not only, therefore, is the colonial contract of 1858 (which was only for a year) at an end, but the provisional arrangement under which, by the authority of your Lordships, the service was afterwards continued from month to month, has been terminated by the act of the Company in not providing vessels for the service.

It is stated in the enclosed letter from the Company that a Minute of the Executive Council of Newfoundland had extended the contract for a further period of four years. But this does not agree with the statement made by the Governor of Newfoundland in a Despatch to the Colonial Office, dated the 10th August last, in which he says that "the contract between the Galway Company and the Newfoundland Government ceased on the 31st December last, and that there is no such contract now in existence;" and that all that the Legislature of Newfoundland had done was to pass "a resolution to continue paying the Galway Company, for four years longer, 8,500*l.* annually, provided Her Majesty's Government agreed to continue their proportion of the subsidy for the same period." The vote is, therefore, altogether dependent upon a continuance of the Imperial grant; and as I trust that this grant will no longer be paid, the payment to the Company from the Colony will also cease.

If your Lordships agree in my recommendation, the amount to be voted by the Legislature of Newfoundland should be paid over to this department in aid of the expense of the Packet Service; as I fully concur in the opinion expressed in Mr. Laing's letter of the 27th of July last, that it would be altogether unreasonable that Newfoundland should entirely escape, at the expense of the mother country, the payments which she voluntarily made for an inferior service before the Imperial contract was concluded.

I have, &c.

(signed) *Stanley of Alderney.*

The Lords Commissioners of the Treasury.

— No. 38. —

Mr. F. Hill to Mr. Boate.

Sir,

General Post Office, 1 November 1860.

I HAVE received and laid before the Postmaster General your letter of the 25th ultimo, in answer to one which I addressed to you on the 14th September last by his Lordship's directions, respecting the mail service between Galway and Newfoundland and the United States.

Before replying to your letter, the Postmaster General desires me to request that the attention of the Directors of the Atlantic Royal Mail Steam Navigation Company may be drawn to the length of time which has been allowed to elapse since the information now furnished was asked for, and that they may be reminded that, whilst the Company are under an obligation to despatch a packet from Galway on Tuesday next, the 6th instant, and will become liable to heavy penalties if such packet be not despatched, the conditions upon which the Company shall be relieved from that liability (if they are to be so relieved), remain unsettled solely through the delay of the Directors in replying to the inquiries addressed to them.

After making this observation, I am desired by the Postmaster General to inform you in the first place that, having received from the Lords Commissioners of the Admiralty a report showing the result of the survey of the "Prince Albert," he cannot permit that vessel to be again employed in the mail service, which the Atlantic Company have undertaken to perform.

The "Leinster," the only other vessel named by the Company, being still in the hands of the builders, and not having been surveyed, the Company is obviously incapable of fulfilling the conditions of the contract by providing a packet of the stipulated kind for the mails of the 6th instant, and similar packets for the regular despatch of fortnightly mails subsequently; and this notwithstanding a

period of four months has now elapsed since the time when the Company were bound to be in full readiness for the complete performance of the contract.

Under these circumstances it is evidently in the Postmaster General's power to declare the contract to be at an end. Nevertheless he is willing, as a concession to the Company, to consent, on certain conditions, to their request to be permitted for a time to work the service monthly instead of fortnightly.

The Postmaster General will allow the Company to forego the voyage of the 6th instant without exacting any penalty beyond the forfeiture of the subsidy. But, in granting this indulgence, he begs it may be clearly understood that this is the last occasion on which he will make any special regulation applicable to a single voyage only. In future, a packet must sail every fortnight on the appointed day, or the Company must at once notify their acceptance of the following conditions for a monthly service:

1st. No payment to be made for the voyages to be omitted.

2d. The Company to provide, for the conveyance of the mails on the 20th instant, a vessel which shall be surveyed by the Admiralty surveyors, and accepted by the Postmaster General one week previously, that is, by Tuesday the 13th instant.

3d. The Company, at the same time, to submit for approval the names of one or more vessels of not less than the tonnage and power specified in the contract, to be employed for the conveyance of the December mail, and to run alternately with the vessel which is to carry the mail of the 20th instant.

In the event of two fit vessels being provided, one to be accepted and the other to be submitted for approval, before the 13th instant, the Postmaster General will consent to the proposal of the Company that the service shall be monthly instead of fortnightly until the 12th March next; with a proviso, however, that at the period named the contract shall be terminated, if the Company are not then ready to fulfil its conditions.

I am to add that a further communication will be addressed to you shortly respecting the Newfoundland Mail Service; the necessity of replying at once to the other parts of your letter having prevented that subject receiving the requisite consideration.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 39. —

Mr. *F. Hill* to Mr. *Boate*.

(64,729.)

Sir,

General Post Office, 5 November 1860.

WITH reference to your letter of the 31st ultimo, I have to request that you will be good enough to furnish an account of the voyage of the "Connaught," (for which you claim the payment of 3,000*l.*), in the form prescribed by my letter of the 28th of September last.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 40. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

Sir,

London, 7 November 1860.

IN pursuance of the request contained in your communication of the 5th instant, No. 64729, I have the honour to transmit herewith an account of the voyage

voyage of the "Connaught," commencing on the 11th July, and terminating on 20th August 1860.

The Secretary, General Post Office.

I have, &c.
(signed) A. Boate.

— No. 41. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),

Sir,

London, 7 November 1860.

I HAVE the honour to acquaint you, for the information of his Lordship the Postmaster General, that your communication of the 1st instant was this day fully considered by the Board of Directors of the Company, being the first occasion on which the Directors have met since the receipt of your letter, and I am instructed to state, for his Lordship's consideration—

1st. That in consequence of the intimation contained in the above letter, that the "Prince Albert" cannot be again accepted for the mail service, a decision which the Directors were not prepared to receive, after the Admiralty survey which she recently passed, they have used every possible exertion to provide, either by purchase or charter, a ship to replace this vessel, in order to propose a monthly service with the "Leinster," and another ship.

The Directors beg to direct his Lordship's attention to the accompanying reports from their general manager and the broker of the Company, which will fully show the impossibility of their obtaining a ship of the tonnage and power required by the contract, or even equal to the "Prince Albert."

2d. His Lordship is doubtless aware that the Company has had difficulties to encounter of no ordinary character since the period when the contract was granted, in April 1859, arising out of questions both political and departmental, over which they have had no control, and which have had a most injurious effect on the interests of the Company.

These difficulties could not be foreseen, and were never anticipated at the time the engagement was entered into with the Government in 1859, in respect to this contract.

3d. The continual doubt thrown upon the contract for 14 months, pending the Parliamentary inquiry and report, which was not terminated until the 26th June 1860, paralysed and embarrassed the entire project, and caused the shareholders to hold back the calls upon the shares for which they had subscribed. The builders also relaxed their exertions to complete the ships; in fact, every effort was made by those who were opposed to the existence of the Galway line to prejudice it in the minds of the public, and, if possible, to crush the enterprise altogether.

These circumstances the Directors respectfully submit entitle them to consideration at the hands of his Lordship the Postmaster General.

Notwithstanding all these difficulties, the Directors were able to commence the service within the time stipulated; but owing to the above causes, they were compelled to offer the "Parana" and "Prince Albert" as temporary ships.

The additional difficulty which was not anticipated, viz. the rejection of the "Prince Albert" for any further service, and the utter impossibility of obtaining a steam ship in this country (which the Directors were willing to purchase or charter at any cost), of the power and tonnage required by the Post Office Department, leave the Directors no alternative but respectfully to adopt the suggestion contained in the Post Office letter of the 25th August last, and to submit, for his Lordship's consideration, that the contract be suspended until March 1861, by which period the Directors will have their three new ships fully equipped for the fortnightly service.

The Directors also intend immediately to construct another ship, to replace the "Connaught."

The Directors are fully confident that, by the period named, they will be in a position to carry out the service to the entire satisfaction of his Lordship the Post-

master General; and they earnestly hope, that the reasons they have assigned, coupled with the loss of the "Connaught," will afford sufficient grounds to justify his Lordship in agreeing to a suspension of the contract until March 1861.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

Enclosure No. 1, in No. 41.

To the Chairman and Directors of the Atlantic Company.

Gentlemen,

Liverpool, 6 November 1861.

I REGRET to inform you that I have not succeeded in either chartering or purchasing the "Arabia," or any other of the Cunard steamers that might be suitable to carry out the mail service from Galway.

The Cunard Company will sell the "Niagara" or "America;" both of these ships are in first-rate order and ready to go to sea at a moment's notice, but as these vessels are of less tonnage than the "Prince Albert," I presume his Lordship the Postmaster General, would refuse to accept them to carry out the Galway mail contract. I may remark, however, that they are accepted to carry out the Cunard mail service.

I have now ascertained the resources of all the large steam ship companies in the kingdom, and I find that among all these Companies, viz., "The Royal Mail," the "Peninsular and Oriental," the "Philadelphia and New York," the "Montreal" and the "Cunard Company," that there are only three or four steamers of the dimensions that the Government seem disposed to confine us to.

I am surprised to learn that the "Prince Albert" was refused by the Postmaster General. She is equal in tonnage to any of the Cunard steamers, except the "Persia," and she has proved herself to be equal in speed to any of them except the latter.

I am, &c.
(signed) *A. M. Wier.*

Enclosure No. 2, in No. 41.

To the Chairman and Directors of the Atlantic Royal Mail Company, London.

Walmer Buildings, Water-street, Liverpool,
6 November 1860.

Gentlemen,

REFERRING to our letter of the 2d instant, we have again been in communication with Mr. M'Iver in reference to the charter or purchase of one of the Cunard mail boats suitable for your Company; we regret, however, to say Mr. M'Iver declines entirely to charter any one of them, and further, he now declines to sell the "Arabia," having made definite arrangements to run her this winter in their own service. We may again call your attention to the "America" or "Niagara," both here at present under no definite engagements; they are quite ready, and passed for the mail service from this port, and from our own knowledge, we feel quite certain there are no other boats in the Kingdom to be had which are so suitable for the service as the "America" or "Niagara." Waiting your further instructions,

We are, &c.
(signed) *Curry, Kellock & Co.*

— No. 42. —

Mr. Hamilton to the Postmaster General.

My Lord,

Treasury Chambers, 17 November 1860.

ADVERTING to your letter of the 1st instant, enclosing a copy of a communication which your lordship had caused to be addressed to the Atlantic Royal Mail Steam Navigation Company, dispensing, on certain conditions, and for a time, with the complete performance of their contract of April 1859, I am desired by the Lords Commissioners of Her Majesty's Treasury to state that they entirely agree with your Lordship that it should be clearly and fully understood and provided that if, at the end of the period limited for the concession, the Company shall still not be in a position to fulfil all the obligations of the contract, it must then be terminated and finally abandoned.

I am further to state that my Lords concur with the views which your Lordship

ship takes both as regards the cessation of the separate Newfoundland service, and the liability of the Company to deliver the mails at Newfoundland under their contract of April 1859.

As my Lords understand that your Lordship is about to address a further communication to the Company in modification of so much of the proposal contained in the above-mentioned letter to the Company as refers to the monthly despatch of vessels, my Lords would be glad to have an opportunity of considering the terms of the proposed letter, and I am therefore to request that they may be favoured with a copy thereof.

I have, &c.
(signed) *Geo. A. Hamilton.*

The Postmaster General,
&c. &c. &c.

— No. 43. —

The Postmaster General to the Treasury.

My Lords, General Post Office, 19 November 1860.

IN compliance with the directions contained in your letter of the 17th instant, I have the honour to transmit to your Lordships copies of two letters,* which I propose to address to the Atlantic Royal Mail Steam Navigation Company, one on the subject of the request of the Company to be allowed temporarily to suspend the performance of their contract, and the other respecting the Newfoundland mail service and the obligation of the Company to convey mails to and from St. John's by every vessel employed in the carriage of the mails between Galway and the United States.

I have, &c.
(signed) *Stanley of Alderley.*

The Lords Commissioners
of the Treasury.

— No. 44. —

Mr. *Hamilton* to the Postmaster General.

My Lord, Treasury Chambers, 19 November 1860.

WITH reference to your Lordship's letter of this day's date, transmitting copies of two letters which you propose to address to the Atlantic Royal Mail Steam Navigation Company, one on the subject of the request of the Company to be allowed temporarily to suspend the performance of their contract, and the other respecting the Newfoundland mail service, I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint your Lordship that they approve of the proposed letters,* the drafts of which they return, subject to the amendment which has been introduced into the concluding paragraph of the letter bearing the No. 1259 L.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Postmaster General.

— No. 45. —

Mr. *F. Hill* to Mr. *Boate*.

(1259 L.)

Sir,

General Post Office, 20 November 1860.

HAVING laid before the Postmaster General your letter of the 8th instant, I am directed by his Lordship to request that you will state to the Directors of the

* See Letters Nos. 45 and 46.

the Atlantic Royal Mail Steam Navigation Company, that although by the inability of the Company to carry out the stipulations of their contract (notwithstanding the indulgence already extended to them), they have rendered themselves liable to very heavy penalties and to the avoidance of the contract, his Lordship will grant the further concession now asked for, and will permit them to suspend the mail service between Galway, Newfoundland, and the United States, until Tuesday the 12th March next, but only on the following condition:—that the Company shall forthwith execute an agreement with this department providing that if they are not prepared to recommence the service at the period named, and to continue thenceforth to fulfil all the conditions of the contract of 1859, strictly according to their fair intent and meaning, including the conveyance without any additional payment of mails to and from Newfoundland by every ship employed in the service, such contract shall, without any further act, or any liability to a claim for damages, become null and void.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 46. —

Mr. *F. Hill* to Mr. *Boate*.

(1226 L.)

Sir,

General Post Office, 20 November 1860.

WITH reference to my letter of the 1st instant, in which I informed you that the Postmaster General would cause a further communication to be addressed to the Atlantic Royal Mail Steam Navigation Company, respecting the Newfoundland mail service, I am now directed by Lord Stanley of Alderley, to request that you will state to the Directors of the Company that he cannot concur in the construction which they seek to put upon the clauses of the contract of April 1859, which refer to the packets touching at Newfoundland.

His Lordship has no doubt whatever that the contract requires the Company to land and embark mails at Newfoundland, as part of the service paid for by the subsidy of 3,000 *l.* per voyage; and as he feels assured that the sanction of Parliament to that very heavy subsidy was given in the full expectation that at least all the duty mentioned in the contract would be performed, he is not prepared to permit any relaxation of the obligations of the Company in this respect.

As regards the separate Newfoundland service, it is evident that no contract or agreement exists, and that the service has ceased by the omission of the Atlantic Royal Mail Steam Navigation Company to provide any vessels for the conveyance of mails since June last. Under these circumstances I am directed by Lord Stanley to inform you that no payment will be made to the Company on account of that service for a period subsequent to the voyage of the "Golden Fleece," which left Galway on the 23d June under the provisional arrangement sanctioned by the Lords of the Treasury on the termination of the contract of the 22d October 1858, in December last.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 47. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,
London, 21 November 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letters of the 20th instant, Nos. 1226 and 1259 L; also a further letter with enclosure dated this day, and I am instructed to state, for the information of his Lordship the Postmaster General,

General, that the Board of Directors have deemed it right to consult with their solicitors before they can reply to the letters above referred to, which involve questions of such vital importance to the interests of the Company.

The Secretary, General Post Office.

I am, &c.
(signed) *A. Boate.*

— No. 48. —

Mr. *F. Hill* to Mr. *Boate.*

(1293 L.)

Sir,

General Post Office, 21 November 1860.

WITH reference to my letter of yesterday's date, No. 1259 L, I am directed by the Postmaster General to transmit to you, for the consideration of the Directors of the Atlantic Royal Mail Steam Navigation Company, the draft of an agreement which has been prepared by the solicitor of this department for execution by the Company, in pursuance of the condition under which his Lordship will consent to the suspension of the mail service between Galway, Newfoundland, and the United States, until the 12th March next.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

Enclosure in No. 48.

ARTICLES of AGREEMENT made this day in the year of our Lord 1860, between the Right Honourable Edward John Lord Stanley, of Alderley, Her Majesty's Postmaster General, for the time being, of the one part, and the Atlantic Royal Mail Steam Navigation Company (limited,) of the other part.

WHEREAS by Articles of Agreement, dated the 21st day of April 1859, and made between the Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, for and on behalf of Her Majesty, of the one part, and the said Atlantic Royal Mail Steam Navigation Company (limited) of the other part; the said Company for the considerations in the now recited contract, mentioned, contracted, and agreed to convey Her Majesty's mails, between Galway in that part of the United Kingdom of Great Britain and Ireland, called Ireland, and Boston, in the United States of America, and between Galway, aforesaid, and New York, in the said United States, at the times, in the manner, and for the term of years (which is at present unexpired) in the now reciting contract respectively mentioned or referred to: And whereas, under or by virtue of an Act of Parliament, passed in the 23d and 24th years of the reign of Her present Majesty, intituled, "An Act to transfer to the Postmaster General, securities entered into with the Commissioners of the Admiralty, in relation to the Packet service," all the estate, right, title, and interest of the said Commissioners, of, in, to, and out of the said hereinbefore recited contract have become transferred to and vested in the said Postmaster General. And whereas it has been agreed between the said Postmaster General and the said Company, that the said hereinbefore recited contract, and the operation thereof, shall be suspended, and the services thereby contracted to be performed, discontinued, until the 12th day of March, which will be in the year 1861: Now these presents witness, that it is hereby agreed and declared between and by the said parties hereto, that the said hereinbefore recited contract of the 21st day of April 1859, and the operation thereof shall be suspended, and shall continue to be suspended until and up to the said 12th day of March 1861, and that until and up to the said 12th day of March 1861 the services by such contract contracted to be performed, shall not be performed, and that the consideration thereby agreed to be paid, shall not be paid, anything in the said hereinbefore recited contract contained to the contrary thereof notwithstanding: Provided always, and it is hereby further agreed and declared, and the said Company do hereby, for themselves, their successors, and assigns, covenant and agree with and to the said Postmaster General, his successors and assigns, that they the said Company, their successors or assigns, shall and will on and after the said 12th day of March 1861 well and truly perform, or cause to be performed all and singular the services in the said hereinbefore recited contract particularly mentioned, at the times, in the manner, and for the remainder of the term of years then unexpired in such contract respectively mentioned or referred to, and generally in such or the like manner, as if this agreement had not yet been made and entered into: Provided always, and it

is hereby further agreed and declared, that in case the said Company shall not on and after the said 12th day of March 1861 well and truly perform, or cause to be performed, all and singular the services in the said hereinbefore recited contract particularly mentioned at the times, in the manner and for the remainder of the term of years then unexpired, therein respectively mentioned or referred to, and generally in such or the like manner as if this agreement had not been made and entered into; the said hereinbefore recited contract and the operation thereof shall thereupon determine, and every clause, matter, and thing therein contained, shall become absolutely null and void; and that the said Company, their successors or assigns, shall not be entitled, either at law or in equity, to claim, recover, or receive any sum or sums of money by way of damages, compensation, or otherwise, by reason of the determination of such contract, and the operation thereof, under the circumstances and at the time hereinbefore mentioned. And whereas by the said hereinbefore recited contract of the said 21st day of April 1859, the said Company agreed that all the said vessels employed in the conveyance of Her Majesty's mails, should, both on the outward and homeward voyages, call at St. John's, Newfoundland, or in the event of any of the vessels being prevented making St. John's, to the satisfaction of the Admiralty agent, or other officer in charge of Her Majesty's mails, by stress of weather, or other unavoidable cause, then and in such case, the vessels should call at Halifax, Nova Scotia; and the said Company should convey in the said vessels to and from, and cause to be delivered and received, at each of the ports or places at which the said vessels were to proceed, call, or touch, in the performance of the now reciting contract, all such of Her Majesty's mails, passengers, and telegraphic messages, as should have to be delivered or received at such places respectively; and as regards the places mentioned in the time table (A), thereunto annexed, within the times therein respectively specified. And whereas a question has arisen between the said Company and the Postmaster General as to the construction of the lastly hereinbefore recited clause of the said hereinbefore recited contract, and to the nature and extent of the services to be performed by the said Company thereunder, and for the purpose of settling such question, and specifying the true intent, meaning, and construction of such clause, and the services to be performed thereunder, it has been agreed between and by the said parties hereto, that each of them, the said Company for themselves, their successors and assigns, and the said Postmaster General for himself, his successors, and assigns, should, and each of them accordingly do, hereby agree and declare to and with the other of them, that on and after the said 12th day of March 1861 (being the day on which the said hereinbefore recited contract shall be revived, and the services thereby agreed to be performed, recommenced and performed) the said Company shall and will at their own costs and charges, and without receiving any further or other consideration therefor than that covenanted to be paid to the said Company by the said Postmaster General, for the general services in the said hereinbefore recited contract mentioned, convey, or cause to be conveyed, as well mails as passengers and telegraphic messages on the outward voyage from Galway to St. John's, or Halifax, and from St. John's or Halifax to Boston and New York, and on the homeward voyage from New York to Boston, to St. John's, and from St. John's to Galway; and that the said Company shall and will deliver, and receive, or cause to be delivered and received, at each of the ports or places at which the said vessels shall proceed, call, or touch in the performance of such contract, as well all such of Her Majesty's mails, as passengers and telegraphic messages as shall have to be delivered or received at such ports or places, and generally in such or the like manner, and subject to such penalties, provisoes clauses, matters, and things as if the true intent, meaning, and construction, as by these presents defined and expressed of the lastly hereinbefore recited clause of the said hereinbefore recited contract had been in such contract similarly defined and expressed. In witness, &c.

— No. 49. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E.C.,
London, 29 November 1860.

Sir,

REFERRING to the communications from the Post Office Department of the 20th and 21st instant, in reference to the application of this Company for the suspension of the Imperial contract for the conveyance of the mails between this country and the United States until the 12th March 1861, I have now the honour to state the views of the Directors thereon.

The Directors have taken into consideration the important condition which his Lordship the Postmaster General, proposes to attach to the consent to this suspension, namely, the delivery by the Company of mails to the Colony of Newfoundland.

In deference to the views of his Lordship, the Directors agree to this condition, and now state that they will be prepared to deliver the mails by all their vessels

vessels calling at Newfoundland fortnightly, without asking any additional payment from the Imperial Government.

It is, however, of course understood that the 8,500 *l.* per annum, payable by the Colony, will continue to be paid to the Company, in addition to the Imperial subsidy.

The Directors conclude that this was intended, as it is the condition specially mentioned in the early negotiations in September last, in reference to the delivery of mails fortnightly at St. John's, the letters from your Department of the 14th and 29th of September expressly proposing that the Company should forego only the 4,500 *l.* per annum payable by the Imperial Government for the Colonial Service, but that they should continue to receive the 8,500 *l.*, payable by the Colony in respect of this particular service.

It is upon this assumption only that the Company could enter into any negotiations for the delivery of mails fortnightly at St. John's, Newfoundland.

The Directors would respectfully state that they cannot withdraw the opinions they submitted to the Postmaster General and to the Imperial Government as to the intention of the contracting parties on this point, or as to the strict interpretation of the contract, but they do not desire to trouble his Lordship further on the matter, but at once concede to his Lordship's suggestions.

I am desired to remark that the alteration will greatly extend the benefit of the Postal Service to the Colony, as it will give to it a service double of that contracted for and of a much more efficient nature.

I am desired respectfully to remind his Lordship, the Postmaster General, that the Council of Newfoundland have passed a Minute to continue the contract for four years only from the 1st of January, and the Directors solicit the co-operation of his Lordship in the application which they propose to make to the Colony of Newfoundland for an extension for a period commensurate with the Imperial contract, namely, seven years from June 1860.

The Draft Agreement carrying out these changes is with the Solicitors of the Company, and will be returned to the Post Office Department in due course.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 50. —

Mr. F. Hill to Mr. Boate.

(1305 L.)

Sir,

General Post Office, 29 November 1860.

THE Supplementary Account, which accompanied your letter of the 7th instant, having been examined, I beg to transmit to you a further warrant for 2,109 *l.*, the sum which is found to be due to the Atlantic Royal Mail Steam Navigation Company for the Mail Service performed by the Contract Packet "Connaught" between Galway and Boston, from the 11th July to the 20th August last.

I request that you will be good enough to acknowledge the receipt of this warrant at your earliest convenience.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 51. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10 Cannon-street, E.C.,

London, 3 December 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 29th ultimo, No. 1305 L, enclosing warrant for the sum stated to be due for the Mail Service

216.

E

Service

Service performed by the "Connaught" on the round voyage between Galway and Boston, commencing 11th July and terminating 20th August last.

The Directors observe that a deduction is made of 490 *l.* as a penalty under the contract for excess of time in the performance of the service.

As they conceive that this has been done under misapprehension, I am instructed to call your attention to the circumstance, that the "Connaught" was delayed off St. John's, Newfoundland, for a period of 37½ hours, owing to a fog of unusual duration and density, which utterly prevented the ship making St. John's on the homeward voyage.

This circumstance the Directors respectfully submit comes within the provision of the contract as being one "over which they had not, and could not have any control."

The Directors trust, therefore, that the warrant may be amended, adding the amount which has been deducted.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

No. 52.

Mr. F. Hill to Mr. Boate.

(1338 L.)

Sir,

General Post Office, 3 December 1860.

I HAVE laid before the Postmaster General your letter of the 29th ultimo, in reference to two letters which, by his Lordship's directions, I addressed to you on the 20th ultimo.

In reply, I am desired at once to request, that you will inform the Directors of the Atlantic Royal Mail Steam Navigation Company, that the construction which you state they put upon those parts of my letters above referred to, which relate to the Newfoundland Mail Service, is wholly incorrect, and Lord Stanley of Alderley cannot for a moment admit that they will bear any such interpretation. On the contrary, it is stated, in one of those letters, that the contract for the separate Colonial Service is at an end, and that the Imperial contract requires the Company to land and embark mails at St. John's as part of the service paid for by the subsidy of 3,000 *l.* per voyage; whilst in the other letter you were informed that the Postmaster General required the Company to fulfil all the conditions of the contract of 1859 strictly, according to their fair intent and meaning, including the conveyance of the Newfoundland mails, without any additional payment. There can thus be no doubt whatever what were his Lordship's intentions in this respect.

It is true that, as stated in your letter, the Directors were asked, in September last, whether, if the Postmaster General consented to waive his legal right to compel the Company to convey the Newfoundland mails without any additional remuneration, they would agree to carry those mails for a payment by the Colony of 8,500 *l.* a year; but no affirmative answer having been given to that inquiry, the matter fell to the ground.

In the meantime the Company, having altogether failed in the performance of the service undertaken by them, has applied to Her Majesty's Government for very large concessions, which would include relief from heavy penalties, which are daily accruing against them, and which the Postmaster General has in no way pledged himself to relinquish. Under these circumstances it becomes the obvious duty of the Postmaster General to reconsider the whole question, and to see upon what terms he would be warranted in according to the Company the further indulgence which they solicit.

Further reflection, moreover, has only strengthened Lord Stanley in the opinion which he originally entertained, that the view taken by the Company of the obligations of their contract cannot be sustained, and he feels it to be his duty therefore to state to the Company, that if the agreement, a draft of which I forwarded to you on the 21st ultimo, be not executed forthwith, his Lordship will feel himself under the necessity of declaring the contract of 1859 void.

A. Boate, Esq
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 53. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 3d December 1860.

WITH reference to Mr. Hamilton's letter of the 19th ultimo, approving of the letters which I proposed to address to the Atlantic Royal Mail Steam Navigation Company, on the subject of the request of the Company to be allowed temporarily to suspend the performance of their contract, I beg to inform your Lordships, that those letters, amended in conformity with your instructions, were sent to the Company on the 20th ultimo.

I have now the honour to transmit, for your Lordships' information, a copy of a further letter* from the Company, dated the 29th ultimo, together with a copy of the reply* which I have caused to be made to it.

I trust that your Lordships will approve of the course adopted.

The Lords Commissioners
of the Treasury.

I have, &c.
(signed) *Stanley of Alderley.*

— No. 54. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.

Sir,

London, 5 December 1860.

I HAVE the honour to acknowledge the receipt of your letter of the 3d instant, (No. 1338 L.), upon receipt of which I communicated with such of the Directors as were in London; and finding that Mr. Malcomson, the chairman of the Company, and four other Directors who take an active part in the Company's affairs, are in Ireland and could not therefore attend the Board meeting to-day, I am directed to state for the information of the Postmaster General, that a special meeting of the Directors will be summoned for Monday next, the 10th instant, when those gentlemen and the other Directors can attend in London, and your letter above referred to shall be laid before them.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 55. —

Mr. *F. Hill* to Mr. *Boate*.

(1353 L.)

Sir,

General Post Office, 7 December 1860.

I HAVE laid before the Postmaster General your letter of the 3d instant, and in reply I am directed to state to you, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that the excuse offered for the delay of the contract packet "Connaught," on the homeward voyage from Boston to Galway, cannot be admitted by his Lordship in mitigation of the penalties incurred for excess of time occupied on that voyage.

A. Boate, Esq.

Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

* See Letters Nos. 49 and 52.

— No. 56. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
London, 12 December 1860.

Sir,

THE Directors of the Company have taken into consideration your letter of the 3d instant, conveying the determination of his Lordship the Postmaster General to declare the contract for the American postal service null and void, unless the Company agree, as the condition of the temporary suspension of the service for which they had applied, that the Company shall carry mails fortnightly to Newfoundland, and forego any claim for such additional service.

The very serious effect of these conditions has naturally called for mature consideration, but the Directors have determined, in deference to his Lordship's views, to assent to the conditions.

The Directors observe that the draft agreement sent by you for the approval of the Board contains a condition, that if the Company are not prepared to commence and carry on the service by the 12th March next, then the contract thereby becomes null and void, and the Company are precluded from all claims for damages.

The Directors beg to observe that this clause was not inserted in the original contract, and they are not aware that so stringent and severe a clause was ever before inserted in any similar contract; but they are still willing to adopt it with some modification.

More than three quarters of a million of money will by March next have become invested in this Company, and the Directors are solemnly assured by their shipbuilders that they will be prepared to deliver the further ships in time to renew the service on the 12th March next.

Although the Directors are using every effort which can be exerted to ensure a full and complete preparation by the time named, and anticipate being ready, still they feel that it would be a most serious act on their part towards their shareholders, and the banking and other interests which are identified with the Company, and which have become so identified under arrangements which neither involved nor contemplated any such condition; if they were to assent to this condition it might, from some accidental circumstance over which they could have no control, involve a serious loss to the shareholder and other interests. The Directors cannot for a moment doubt that, upon further consideration, the Postmaster General will modify it.

The Directors venture to think that the special circumstances which have been more particularly mentioned in former letters, would afford ample grounds for the application made for a temporary suspension of the contract, as it was not until the 9th August last (16 months, nearly, from the date of the contract), that the House of Commons affirmed the contract.

The Directors therefore submit it would not have been unreasonable for them to have applied for a suspension of the contract for 12 months.

Still, with a view of defining a time for the complete commencement of the service, the Directors would name the 1st June next, as the time at which the condition should take effect, if by that time the Company are not prepared to commence the service fully, but giving the Company permission to commence it earlier.

It is obviously to the interest of the Company to commence the fortnightly service at the earliest possible moment.

In accordance with these views, the Directors have returned the agreement with some modifications.

In acceding to the terms imposed by the Postmaster General, the Directors consider they are not precluded themselves from making a representation to the Treasury with reference to the amount agreed to be contributed by the colony of Newfoundland; but they will not trouble the Postmaster General on this point.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 57. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London, 13 December 1860.

Sir,

I HAVE the honour to transmit herewith by desire of the Board of Directors a claim for the amount due to the Company for the conveyance of mails between St. John's, Newfoundland and Galway, from the 1st January to 30th June 1860, for which I respectfully request a warrant may be issued to the Company.

I have, &c.
(signed) *A. Boate.*

The Secretary, General Post Office.

Enclosure in No. 57.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London, 13 December 1860.ACCOUNT for the Galway and Newfoundland Mail Service for the half year ending
30 June 1860.

	£.
Mail service, 13 voyages per annum, equal to 1,000 L per voyage - -	13,000
Viz.:	
“Circassian,” sailed from Galway 8th January 1860 - - - -	1,000
“Prince Albert,” sailed from Galway 4th February 1860 - - - -	1,000
“Circassian,” sailed from Galway 6th March 1860 - - - -	1,000
“Prince Albert,” sailed from Galway 31st March 1860 - - - -	1,000
“Brazil,” sailed from Galway 28th April 1860 - - - -	1,000
“Prince Albert,” sailed from Galway 26th May 1860 - - - -	1,000
“Golden Fleece,” sailed from Galway 23d June 1860 - - - -	1,000
£.	7,000

(signed) *A. Boate.*

— No. 58. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 14 December 1860.

WITH reference to my letter of the 3d instant, transmitting a copy of the reply which I had caused to be given to a letter from the Atlantic Royal Mail Steam Navigation Company, respecting the proposed suspension of their contract, I have the honour to lay before you the copy of a further letter received yesterday from the Company, in which they ask that they may be allowed until the 1st June next to recommence the service between Galway and America, should they not be able to begin earlier, and that the agreement which they are required to execute shall be altered accordingly.

I see no reason, however, for granting this further indulgence, and extending the period for the suspension of the mail service beyond March next, the date specially named by the Company when they applied for such suspension, and, if your Lordships approve, I propose to answer the Company to that effect.

The statement of the Directors that by the agreement which they are now called upon to sign the Company will be subjected to more stringent terms than those contained in the original contract, is erroneous.

With regard to the concluding remarks in the enclosed letter, I have only to observe that the settlement of the question raised relative to the bi-monthly mail

service to and from Newfoundland was an essential condition on my part in agreeing to the temporary suspension of the contract; a concession which, as already intimated to the Company, is intended to include relief from heavy penalties which are daily accruing against them, and that I am decidedly of opinion that no relaxation in this respect should be permitted.

I have, &c.
(signed) *Stanley of Alderley.*

The Lords Commissioners
of the Treasury.

— No. 59. —

Mr. F. Hill to Mr. Boate.

(1386 L.)

Sir,

General Post Office, 15 December 1860.

I HAVE laid before the Postmaster General your letter of the 13th instant, and in reply I am directed to state to you, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that his Lordship has no power to pay the Company for the conveyance of the mails between St. John's, Newfoundland, and Galway, from the 1st January to the 30th June 1860, as the service was not performed under any contract with this department.

With respect to any portion of the cost of this service which the Imperial Government may have arranged to contribute, I am directed to state that this is a matter to be settled between Her Majesty's Government and the Colony of Newfoundland, after the latter shall have paid the Company's claim.

I am, &c.
(signed) *F. Hill.*

A. Boate, Esq.

Atlantic Royal Mail Steam Navigation Company.

— No. 60. —

Mr. Arbuthnot to the Postmaster General.

My Lord,

Treasury Chambers, 17 December 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to state, in reply to your Lordship's report of the 14th instant, that my Lords concur with you in seeing no reason for extending the period of the suspension of the contract with the Atlantic Royal Mail Steam Navigation Company beyond March next, and they approve of your Lordship's proposal to reply to the Company to that effect.

I have, &c.
(signed) *G. Arbuthnot.*

The Postmaster General.

— No. 61. —

Mr. F. Hill to Mr. Boate.

(1392 L.)

Sir,

General Post Office, 17 December 1860.

HAVING laid before the Postmaster General your letter of the 12th instant, requesting, on behalf of the Directors of the Atlantic Royal Mail Steam Navigation Company, that they may be allowed until the 1st of June next to recommence the mail packet service between Galway and America, should they not be able to recommence earlier, and that the agreement which the Postmaster General requires them to execute be altered accordingly,—I am directed by his Lordship to inform you that he sees no reason for granting this further indulgence, and extending the period for the suspension of the mail service beyond March next.

the

the date specially named by the Company when they applied for such suspension.

At the same time I am to point out that the statement of the Directors, that, by the agreement which they are now called upon to sign, the Company will be subject to more stringent terms than those contained in the original contract, is erroneous.

In corroboration of this, I am to refer you to the passages which I have marked in red ink in clause 43 of the contract.

With regard to the concluding remarks in your letter, I am to observe that the settlement of the question raised relative to the bi-monthly mail service to and from Newfoundland was an essential condition on the part of the Postmaster General in agreeing to the temporary suspension of the contract, a concession which, as already intimated to the Company, is intended to include relief from heavy penalties which are daily accruing against them, and that no relaxation in this respect can be permitted.

I am, &c.
(signed) *F. Hill.*

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

— No. 62. —

Mr. *Boate* to the Secretary to the Post Office.

Sir,
Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C., London, 19 December 1860.

THE loss of the "Connaught" by fire in October last, under circumstances utterly beyond the control of the Company, alone prevents the Directors entering into so serious an engagement as one declaring that their postal contract shall be void if they are not ready to recommence the service on the 12th of March next.

But for the loss of the "Connaught" they would at once have undertaken to do so.

Under the special circumstances of the case, the Directors did hope that his Lordship would have consented to the 1st of June being named instead of the 12th of March.

The delay in the commencement of such contract occasions no loss to the Government; it merely defers for three months more the public advantages to be derived from the line.

As these advantages are admitted to be most valuable in a commercial point of view, the Directors submit that the allowing the suspension up to the 1st of June will best tend to ensure the most efficient performance of such service.

It is of the utmost importance to bear in mind that there are no vessels in this country which can be purchased to supply the place of the "Connaught," but if his Lordship the Postmaster General is anxious to have the service recommenced on the 12th of March, the Directors will at once enter into an engagement to recommence it on that day if his Lordship will allow the "Prince Albert" to be substituted for the "Connaught" up to the 1st of June next.

The Directors will not trouble his Lordship by referring to any of the reasons which they have before ventured to submit; they would, however, ask for a reconsideration of those reasons, and of the hardship of any measure which will tend to render this contract null and void under the special circumstances which surround the case.

There is an essential difference between clause 43 in the original contract, to which you refer, and the clause introduced into the new contract which the Postmaster General requires to have signed.

The former only renders the contract voidable, and would admit the consideration of special circumstances, whilst the clause inserted in the new contract renders the contract absolutely void in case of a breach thereof, without any regard to the special circumstances under which the same may have occurred.

The Directors therefore confidently rely upon receiving at the hands of his

Lordship that liberal consideration which they think the special circumstances of the case will justify.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 63. —

Mr. F. Hill to Mr. Boate.

(1421 L.)

Sir,

General Post Office, 26 December 1860.

HAVING laid your letter of the 19th instant before the Postmaster General, I am directed by his Lordship to inform you in reply that he must adhere to the decision already communicated to you, and must require the Atlantic Royal Mail Steam Navigation Company forthwith to execute the stipulated agreement binding themselves to recommence the fortnightly mail service from Galway in March next (the time specified by them as that on which they should be ready to fulfil the provisions of their contract), or the contract to be void.

At the time the Company made application for a suspension of their contract, they were aware of the loss of the "Connaught."

Moreover, his Lordship directs me to remark that the loss of the "Connaught," could, under no circumstances, afford the Company valid grounds for the extension of time claimed. It was incumbent upon them, as it is upon all other mail packet companies, to provide for the maintenance of the service under all contingencies, and not to depend upon a single ship, liable at all times to be disabled in performing an Atlantic voyage.

For the reasons already stated, his Lordship must again decline to accept the steamer "Prince Albert" as one of the vessels for the conveyance of the mails.

The Postmaster General cannot admit that there is any practical distinction between the provision in clause 43 of the Company's contract and the clause introduced into the new agreement relative to the circumstances under which the contract will become void; but, in order to remove any ground for discussion on this point, he will not object to substitute for the clause to which the Company take exception the following words:

"Provided always, and it is hereby further agreed and declared, that in case the said Company shall not, on and after the said 12th day of March 1861, well and truly perform, or cause to be performed, the services in the said hereinbefore recited contract particularly mentioned, at the times and in the manner therein expressed, and thereby commit a breach of such contract and of this agreement, it shall be lawful for the Postmaster General for the time being, by writing under the hand of either the Secretary or one of the Assistant Secretaries for the time being of the Post Office, to determine the said hereinbefore recited contract, without any previous notice to the said Company or their agents, nor shall the said Company be entitled to any compensation in consequence of such determination."

At the same time the Postmaster General begs it may be distinctly understood that, in the event of the Company not being prepared to recommence the service on the appointed day, and thenceforward to perform the conditions of the contract strictly according to their fair intent and meaning, his Lordship will at once exercise his power of terminating the contract.

The Solicitor of the Post Office has been directed, in revising the draft agreement, to insert for the date at which the service is to recommence the latest Tuesday in March, instead of Tuesday the 12th.

In acquainting you that the Postmaster General cannot grant any further extension of the time for the recommencement of the service, nor accept of the "Prince Albert" for the conveyance of the mails, I am to request that you will state to his Lordship when the Company will be ready to execute the agreement.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 64. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10 Cannon-street, E.C.,

Sir,

London, 28 December 1860.

I REGRET that in the absence of the Chairman and most of the Directors of the Company during the present Christmas week, I am unable to answer his Lordship's letter of the 26th instant, which was received at the Company's office the day following Christmas-day.

I have, however, seen some of the Directors, and by their desire have written and telegraphed to the Chairman of the Company in Ireland, informing him of the communication, and requesting him to be present at the meeting of the Board on Wednesday next, after which a communication will be made, which I doubt not will be satisfactory to his Lordship the Postmaster General.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 65. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10 Cannon-street, E. C.,

Sir,

London, 1 January 1861.

I HAVE the honour to transmit herewith a claim for the Galway and United States Mail Service for the quarter ending 31st December 1860.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

Enclosure in No. 65.

STATEMENT of the Time of Receipt and Delivery of MAILS by the Steamers of the *Galway* Line.

Ship.	OUTWARD.						HOMEWARD.						TOTAL.
	Receipt in Galway.	Delivery at		Before due.	After due.	Penalty.	Receipt in		Delivery at Galway.	Before due.	After due.	Penalty.	
		New York.	Boston.				New York.	Boston.					
<i>Connaught</i> -	25 Sept. 2.20 p.m.	-	9 Oct. 2.30 p.m.	-	D. H. M. 2 8 0	-	-	-	-	-	D. H. M. -	-	-
<i>Prince Albert</i> -	23 Oct. 12.18 p.m.	7 Nov. 6 p.m.	-	-	2 5 42	-	20 Nov. 12.3 p.m.	-	5 Dec. 6.40 a.m.	-	4 8 37	-	-

For causes of detention, vide certificates from Admiralty Agent, herewith transmitted.

(signed) *A. Boate*, Secretary.

— No. 66. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10 Cannon-street, E.C.,

Sir,

London, 2 January 1861.

THE Board of Directors met this day to take into consideration your letter of the 26th ultimo, agreeably to my communication of the 28th ultimo.

On the important questions involved, and with a view of settling them in a manner satisfactory to the Postmaster General, the Chairman of the Company is desirous of having the opportunity of a personal interview with Lord Stanley; but understanding that his Lordship is not in town this week, Mr. Malcomson will do himself the honour of waiting upon Lord Stanley immediately on his return to town.

In the meantime be good enough to send the draft agreement referred to in your letter of the 26th ultimo.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 67. —

Mr. *F. Hill* to Mr. *Boate*.

(1421 L.)

Sir,

General Post Office, 3 January 1861.

IN compliance with the request made in your letter of the 2d instant, I have to transmit to you the draft of an amended agreement to be entered into by the Atlantic Royal Mail Steam Navigation Company, for the suspension of the operation of the contract for the conveyance of mails between Galway and the United States.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill*.

Enclosure in No. 67.

GALWAY, BOSTON, AND NEW YORK MAILS.

ARTICLES of AGREEMENT made this day of in the year of our Lord 1861, between the Right Honourable Edward John Lord Stanley of Alderley, Her Majesty's Postmaster General for the time being, of the one part, and the Atlantic Royal Mail Steam Navigation Company (Limited) of the other part.

WHEREAS by articles of agreement, dated the 21st day of April 1859, and made between the Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, for and on behalf of Her Majesty of the one part, and the said Atlantic Royal Mail Steam Navigation Company (Limited) of the other part, the said Company, for the considerations therein mentioned, contracted and agreed to convey Her Majesty's mails between Galway in that part of the United Kingdom of Great Britain and Ireland called Ireland, and Boston in the United States of America, and between Galway aforesaid and New York in the said United States, at the times, in the manner, and for the term of years (which is at present unexpired) in the said contract respectively mentioned or referred to And whereas, under or by virtue of an Act of Parliament, passed in the 23d and 24th years of the reign of Her present Majesty, intituled, "An Act to transfer to the Postmaster General, securities entered into with the Commissioners of the Admiralty in relation to the Packet Service," all the estate, right, title, and interest of the said Commissioners of, in, to, and out of the said herein-before recited contract, have become transferred to and vested in the said Postmaster General: And whereas it has been agreed between the

the said Postmaster General and the said Company, that the said herein-before recited contract and the operation thereof shall be suspended, and the services thereby contracted to be performed discontinued until the 26th day of March 1861: Now these presents witness, that it is hereby agreed and declared between and by the said parties hereto, that the said herein-before recited contract of the 21st day of April 1859, and the operation thereof shall be suspended, and shall continue to be suspended until and up to the said 26th day of March 1861, and that until and up to the said 26th day of March 1861, the services by such contract contracted to be performed shall not be performed, and that the consideration thereby agreed to be paid shall not be paid, anything in the said herein-before recited contract contained to the contrary thereof notwithstanding: Provided always, and it is hereby further agreed and declared, and the said Company do hereby for themselves, their successors and assigns, covenant and agree with, and to the said Postmaster General, his successors and assigns, that they the said Company, their successors or assigns, shall and will, on and after the said 26th day of March 1861, well and truly perform, or cause to be performed, all and singular the services in the said herein-before recited contract particularly mentioned at the times, in the manner, and for the remainder of the term of years then unexpired, in such contract respectively mentioned or referred to, and generally during the remainder of the said term, in such or the like manner as if this agreement had not been made and entered into: Provided always, and it is hereby further agreed and declared, that in case the said Company shall not on and after the said 26th day of March 1861, well and truly perform, or cause to be performed, the services in the said hereinbefore recited contract particularly mentioned, at the times and in the manner therein expressed, and thereby commit a breach of such contract and of this agreement, it shall be lawful for the Postmaster General for the time being, by writing under the hand of either the Secretary or one of the assistant secretaries for the time being of the Post Office to determine the said hereinbefore recited contract without any previous notice to the said Company or their agents, nor shall the said Company be entitled to any compensation in consequence of such determination: And whereas, by the said hereinbefore recited contract of the said 21st day of April 1859, the said Company agreed that all the said vessels employed in the conveyance of Her Majesty's mails, should both on the outward and homeward voyages call at Saint John's, Newfoundland, or in the event of any of the vessels being prevented making Saint John's to the satisfaction of the Admiralty agent or other officer in charge of Her Majesty's mails by stress of weather, or other unavoidable cause, then and in such case the vessels should call at Halifax, Nova Scotia; and the said Company should convey in the said vessels, to and from, and cause to be delivered and received at each of the ports or places at which the said vessels were to proceed, call, or touch in the performance of the now reciting contract, all such of Her Majesty's mails, passengers, and telegraphic messages as should have to be delivered or received at such places respectively, and as regards the places mentioned in the 'Time Table A. thereunto annexed, within the times therein respectively specified. And whereas a question has arisen between the said Company and the Postmaster General, as to the construction of the lastly herein-before recited clause of the said herein-before recited contract, and to the nature and extent of the services to be performed by the said Company thereunder; and for the purpose of settling such question it has been agreed between and by the said parties hereto, that each of them, the said Company for themselves, their successors and assigns, and the said Postmaster General for himself, his successors and assigns, should and each of them accordingly do hereby agree and declare to and with the other of them, that on and after the said 26th day of March 1861 (being the day on which the said herein-before recited contract shall be revived, and the services thereby agreed to be performed recommenced and performed), the said Company shall and will, at their own costs and charges, and without receiving any further or other considerations therefor than that covenanted to be paid to the said Company for the general services in the said herein-before recited contract mentioned, convey, or cause to be conveyed, as well mails as passengers and telegraphic messages, on the outward voyage from Galway to St. John's or Halifax, and from St. John's or Halifax to Boston and New York, and on the homeward voyage from New York or Boston to St. John's, and from St. John's to Galway; and that the said Company shall and will deliver and receive, or cause to be delivered and received, at each of the ports or places at which the said vessels shall proceed, call, or touch in the performance of such contract, as well all such of Her Majesty's mails as passengers and telegraphic messages as shall have to be delivered or received at such ports or places, and generally in such or the like manner, and subject to such penalties, provisoes, clauses, matters and things, as if the intent, meaning, and construction as by these presents defined and expressed of the lastly herein-before recited clause of the said herein-before recited contract had been in such contract similarly defined and expressed. In witness, &c.

— No. 68. —

(5. M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 5 January 1861.

I HAVE laid before the Postmaster General your letter of the 2d instant, and in reply I am directed to inform you that his Lordship will see Mr. Malcomson on either Tuesday or Wednesday next, at two o'clock.

I am, &c.
(signed) *F. Hill*.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

— No. 69. —

Mr. *Boate* to Mr. *F. Hill*.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

Sir,

London, 5 January 1861.

IN acknowledging the receipt of your communication of this day's date, No. 5 M., I have the honour to state, that Mr. Malcomson returned to Ireland last night; but from what I know of his arrangements for the ensuing week, I believe Wednesday next, the 9th instant, will be the most convenient day for him to wait upon his Lordship the Postmaster General.

I am, &c.
(signed) *A. Boate*, Secretary.

F. Hill, Esq.,
General Post Office.

— No. 70. —

10. M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 12 January 1861.

I AM directed by the Postmaster General to transmit to you, with reference to your letter of the 1st instant, the enclosed warrant for the sum of two thousand pounds (2,000 £), in payment of the amount due to the Atlantic Royal Mail Steam Navigation Company for the conveyance of Her Majesty's mails during the quarter ended 31st December 1860.

The Postmaster General desires me to point out that the voyage undertaken by the packet "Connaught" in September last was not completed, as the vessel was lost at sea before it reached the United States; but as the mails were carried on by an American brigantine, to Boston, and delivered there on the 9th of October, his Lordship has considered it equitable to pay the subsidy for the outward voyage (less deductions for over-time occupied), on condition that, in the event of any claim being hereafter made by the commander or owners of the brigantine for saving the mails, and carrying them on to Boston, the Company shall hold themselves liable to pay such claim.

I am further to point out that the voyage of the "Prince Albert," from Galway to New York, was performed partly in October and partly in November, the time allowed by the contract being 11 days two hours in the former month, and 13 days in the latter; but that the Company have made out their claim as if for a winter voyage, thus taking advantage of the longer period allowed.

His Lordship cannot admit this claim. The vessel left Galway on the 23d October, and reached New York on the 7th November, and consequently half the voyage was performed in a summer and half in a winter month, such months being defined by the contract. The justice of the case has therefore been met by taking the mean of the two, and thus allowing 12 days one hour for the voyage, on which principle the account has been amended.

I am, &c.
(signed) *F. Hill*.

A. Boate, Esq.

— No. 71. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 15 January 1861.

THE mail service undertaken by the Atlantic Royal Mail Steam Navigation Company is still unperformed, but up to the present time the Company have not intimated their readiness to sign the agreement, which, by your letter of the 19th November last, I was authorised to require them to execute forthwith, as the only condition upon which they could be allowed to suspend the service temporarily.

My last letter to the Company was delivered at their office on the 26th December, and in that letter I again informed them that the agreement, binding themselves to recommence the service in March next, on the distinct understanding that in the event of their not being prepared to recommence the service on the appointed day, and thenceforward to perform the conditions of the contract strictly according to their fair intent and meaning, I should at once exercise my power of terminating the contract, must be forthwith executed.

As nearly three weeks have since elapsed, and nothing has been done, although in the interval I have seen the chairman of the Company, and personally informed him to the like effect, it appears to me that the time has arrived for taking more decisive steps.

I beg, therefore, to communicate to your Lordships my intention, should you concur with me in the propriety of such a course, of writing a further letter to the Company, stating, that if the agreement be not executed within seven days from the date of my letter, I shall, without further notice, declare the contract at an end.

The Lords Commissioners
of the Treasury.

I am, &c.
(signed) *Stanley of Alderley.*

— No. 72. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.

Sir,

London, 16 January 1861.

THE chairman of the Company reported to an adjourned meeting of the Board of Directors the result of his interview with his Lordship the Postmaster General on the ninth instant, and that his Lordship is still indisposed to assent to the views of the Company with regard to the commencement of the service, which the Directors deeply regret.

It has already been explained that at least three ships are necessary, but that the Company contemplate having five for such service.

Two will be ready for the Admiralty and Board of Trade survey early in the ensuing month, and the third is progressing towards completion.

Although these three ships will enable the Directors to commence the service on the 26th March, as required by the Postmaster General, still, having regard to the terms of the new contract, they cannot contemplate that it is the intention of Lord Stanley thus to place them altogether in the power of the shipbuilders, who, by delaying the delivery of the ships, would peril a subsidy granted to the Company by Her Majesty's Government, and confirmed by the House of Commons.

But for the loss of the "Connaught," and the absolute impossibility of purchasing or chartering any vessel in England of sufficient capacity and speed, this difficulty would not have arisen.

The question is, therefore, reduced to this. The Postmaster General has kindly consented to defer the commencement of the service until the 26th of March. The Directors, although willing to commence on that day, are anxious, and they again urge that under the circumstances, and having regard to the

signing of a new contract, the 1st of June following should be named in the new contract.

This point, although comparatively unimportant as regards the public service, is of the most serious consequence as regards the interests of the Company, for the Directors cannot but feel that, having regard to the lapse of time, nearly 14 months, between the signing of the contract, and its confirmation by the House of Commons, and to the fact that this confirmation was only given five months ago, a period not sufficient for the preparation of a steam fleet of the magnitude required to carry on such a service, they are justified in asking at the hands of Her Majesty's Government the extension they now seek for.

It should be borne in mind that the Directors are willing, in deference to the views of the Postmaster General, to carry the mails fortnightly to St. John's, Newfoundland, not desiring to trouble his Lordship in reference to the claim which they conceive they have upon the Treasury resulting from their correspondence with that department.

His Lordship is aware that the present Board of Directors have only come into power within the last four months; and, identified with Ireland as many of them are, they feel that they cannot press too strongly upon his Lordship a reconsideration of the question, as they are convinced it would be painful to him to adopt any step towards nullifying the Imperial contract upon the simple question at issue.

As some substantial assurance to the Postmaster General that no exertion shall be wanting, nor any means spared on the part of the Directors in effectually working the service after its commencement, I have the honour to state, that measures have been adopted for purchasing two well-known and efficient steamers in America, the only ships coming within the terms of the contract which there is the slightest chance of purchasing.

The Directors earnestly hope, therefore, that his Lordship the Postmaster General will permit them again to urge the following requests:

1. That the first of June should be named in the new contract for the commencement of the service; or,
2. That the service should commence on 26th March; but that no accidental delay or omission in the fortnightly service between that day and first June, should involve any question of avoidance of the contract; or,
3. That the service should be commenced on the 26th March, and be a monthly service until June, then a fortnightly service.

In conclusion, I am desired respectfully to request his Lordship's attention to the fact, that a capital of nearly three quarters of a million will be absorbed in preparing for this service, and the Directors feel strongly that there are political and commercial consequences involved in the continuance of this contract as affecting the interests of Ireland, which they would also respectfully urge upon his Lordship's favourable consideration.

I have, &c.
(signed) *A. Boate.*

The Secretary, General Post Office.

— No. 73. —

Mr. *Hamilton* to the Postmaster General.

My Lord,

Treasury Chambers, 18 January 1861.

In reply to your letter of the 15th instant, relative to the non-performance of the mail service undertaken by the Atlantic Royal Mail Steam Navigation Company, I am commanded by the Lords Commissioners of Her Majesty's Treasury to signify to you their Lordships' approval of the course which you propose to take in regard to the signing of the agreement.

I am, however, to add, that my Lords presume that your Lordship will reserve to yourself liberty to act as you may think proper in case, upon failure to sign within the appointed time, the default should be accounted for in a manner satisfactory to you.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Postmaster General.

— No. 74. —

(60 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 19 January 1861.

HAVING laid before the Postmaster General your further letter of the 16th instant, I am directed by his Lordship to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that, after the repeated communications made to the Company relative to the suspension of the mail service between Galway and America, he must decline to enter into further discussion on the subject.

His Lordship cannot agree to the mutilated service proposed in your letter, as such a service would be of little or no value either to Her Majesty's Government or the public generally.

The indulgence which the Postmaster General has consented to grant to the Company is that for which they themselves asked, and is, as his Lordship fully believes, greater than was ever granted to any other packet company under contract with the Government.

Not only has his Lordship expressed his willingness to allow a long suspension of the service, instead of requiring the Company either to perform the conditions of their contract or to surrender it, but he has consented to such a suspension at a time of year when the performance of the service would necessarily have been most expensive to the contractors.

In stating that the Postmaster General declines to assent to any one of the requests contained in your letter, I am to add, that if the agreement which the Company have been required to enter into be not executed within seven days from this date, his Lordship will, without further notice, declare the contract at an end.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill*.

— No. 75. —

Mr. *Boate* to Mr. *F. Hill*.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

London, 23 January 1861.

Sir,

THE Directors have appointed two o'clock to-morrow, the 24th instant, to sign and seal the deed of agreement with the Postmaster General, and I am instructed to request you will be so good as to furnish the Company with a copy of this deed, signed by the Postmaster General, in order that both copies of the deed may be signed and sealed to-morrow in the presence of the gentlemen from the Solicitor's Department of the Post Office.

I have, &c.
(signed) *A. Boate*.

P. S.—One copy of the deed has been sent here this day by the Solicitor to the General Post Office.

F. Hill, Esq.,
General Post Office.

— No. 76. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

Sir,

London, 24 January 1861.

I HAVE the honour to inform you, that the seal of the Company has been this day affixed to the contract* prepared under your instruction providing for the commencement of the postal service, under the Imperial contract on the 26th of March next.

The Directors feel it a duty they owe to themselves and their shareholders, to state that they considered themselves constrained to execute this contract in consequence of the peremptory intimation contained in your letter of the 19th instant, in which it is stated that the Postmaster General declined to assent to any one of the requests contained in my former letter, and had directed you to add, that if the agreement which the Company had been required to enter into "was not executed within seven days, his Lordship would, without further notice, declare the contract at an end;" at the same time, they cannot forbear recording their respectful protest against this condition. When the special circumstances of this case are considered, and which have been more particularly referred to in my communications to your department on the 29th November, 12th and 19th December 1860, and 16th January 1861, the Directors cannot but entertain a feeling of disappointment and regret, that the requests (which they venture to submit were most reasonable), should not have been assented to, and further time given to commence the service, as the mere question at issue was one of time, namely, between the 26th of March and the 1st of June.

Impeded and prejudiced as this Company has been by political questions and discussions, they still feel that they have good grounds for urging his Lordship the Postmaster General to accede to their request.

This view applies with greater force when it is considered that the effect of any determination of this contract before the Company have really had a fair opportunity of entering upon it, would create dissatisfaction in the commercial and political circles of Ireland to a most serious extent, as it would be impossible to satisfy the people of Ireland that such consideration and indulgence have been shown with respect to this contract to the same extent as have been shown with respect to other important contracts between Government and contracting parties, not only in postal communication, but in other branches of the service.

There is another part of the subject to which the Board of Directors beg to refer, namely, the carrying of the mails fortnightly to St. John's, and the foregoing of the special subsidy for that service.

The Postmaster General insisted that this service came within the construction of the Imperial contract, but the Directors felt it their duty to call his Lordship's attention to their correspondence with the Treasury, and the Minutes of the Lords of the Treasury on the subject, and they confidently trust that they have furnished abundant evidence to show that whatever might be the strict construction of the wording of the contract, there never was in the negotiation and terms on which it was based, any intention either on the part of the Government to require, or the Company to carry those colonial mails under the Imperial contract. His Lordship stated that he could only look to the contract, and the Directors, anxious to make every concession when they were seeking for some indulgence as to the commencement of the contract, conceded the point, and at once took upon themselves to adopt the Postmaster General's construction, reserving, however, their right to apply to the Treasury on the subject, in the confident assurance of being able to show that the depriving of the Company of any subsidy paid by the Colonial Government would be inconsistent with the assurance conveyed in a letter addressed by the Treasury to Messrs. Vallance & Vallance, dated 29th August last.

In signing this contract, therefore, the Directors beg respectfully to state that they

* See Enclosure in No. 67.

they have done so in compliance with your letter of the 19th instant, and with the reservation of their right to apply to the Treasury on the question of the correspondence of that department as to the colonial subsidy.

In conclusion, the Directors have only to assure the Postmaster General, through you, that no exertion whatever will be wanting on their part to commence and carry out the service in an efficient and satisfactory manner; but should any accidental circumstance arise over which the Directors have no control, tending to interrupt the strict regularity of the service, they rely upon his Lordship extending to them such a liberal consideration as the circumstances may warrant.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 77. —

The Postmaster General to the Treasury.

My Lords,

General Post Office, 28 January 1861.

WITH reference to the correspondence that has taken place on the subject of the inability of the Atlantic Royal Mail Steam Navigation Company to perform the mail service stipulated for in their contract, I beg to inform your Lordships, that the agreement which I required the Company to enter into as the sole condition upon which I would relieve them from the penalties already incurred, and would consent to a temporary suspension of the service, was executed on the 24th instant.

I transmit herewith some copies of the agreement, one of which I think should be forwarded at once to the Governor of Newfoundland through the Secretary of State for the Colonies.

It will be necessary to direct the attention of his Excellency to the clause in this agreement, which clears up all doubt, if any existed, respecting the obligation of the Company to convey mails to and from St. John by every packet, as a part of the service undertaken for the Imperial subsidy of 3,000 *l.* per double voyage.

He should also be informed, that it has been distinctly intimated to the Company, that by their omission to provide, since June last, vessels for the conveyance of mails to and from Newfoundland under the colonial contract, the separate service has ceased, and that no payment will be made to the company on account of that service for any period subsequent to the voyage of the "Golden Fleece," which left Galway on the 23d June, under the provisional arrangement sanctioned by your Lordships on the termination of the contract of the 22d October 1858, in December 1859.

Your Lordships will no doubt cause a separate communication to be addressed to the Government of Newfoundland respecting the contribution to be made by that Government hereafter towards the amount of the Imperial subsidy, as their payments direct to the Company have ceased.

I have, &c.
(signed) *Stanley of Alderley.*

The Lords Commissioners of the Treasury.

— No. 78. —

Mr. Boate to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E. C.

Sir,

London, 21 February 1861.

THE Directors are desirous of making arrangements for the immediate trial of two more of their new steam ships; one is at Hull and the other at Newcastle; and, as they have been informed that a measured mile has been laid down in the River Humber for the trial of steam-ships, I have the honour to request you will be so good as to acquaint me whether this measured mile has been established

by the Government, and if the Admiralty Surveyors will try the ship there, which has been built and equipped at Hull.

Another of the Company's ships the Directors propose to submit immediately for trial at Southampton, where she has been ordered to proceed, and is expected to arrive at that port early in the ensuing week.

The Directors will shortly be in a position to submit two more steamers, in addition to the above, for trial by the Government surveyors.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 79. —

(14,448.)

Mr. *F. Hill* to Mr. *Boate.*

Sir,

General Post Office, 22 February 1861.

In reply to your letter of yesterday's date, I have to state, that this department is not aware whether the measured mile to which you refer as having been laid down in the River Humber for the trial of steam ships has been established by the Government, or whether the Admiralty Surveyors will test at that place the speed of the ship which you announce has been built and equipped at Hull, but that inquiry on these points will at once be made of the Board of Admiralty.

With reference to your statement that another of the Company's ships has been ordered to proceed for trial to Southampton, where she is expected to arrive early in the ensuing week, I have to remind you, that by a letter dated the 16th July last, the Atlantic Royal Mail Steam Navigation Company was informed that it was absolutely necessary that not less than a week's notice should be given to this department when any packet belonging to the Company is required to be surveyed, and that by another letter dated the 22d August, a regulation was laid down that, in addition to the week's notice previous to survey, another week must be allowed between the date of the survey and the period at which the vessel, if accepted, should be employed.

I beg that you will let me know the name of the vessel referred to, and the day when she will be ready for survey at Southampton, bearing in mind that on the day fixed the vessel must be in all respects ready for the purpose.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street.

I am, &c.
(signed) *F. Hill.*

— No. 80. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.,

Sir,

London, 2 March 1861.

In accordance with the instructions conveyed in your letter of the 16th July 1860, I have the honour to acquaint you, for the information of his Lordship the Postmaster General, that the "Hibernia" steam ship, belonging to this Company, will be ready for survey and trial at Southampton on Monday next, the 11th instant.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

— No. 81. —

(14,448.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 4 March 1861.

WITH reference to your letter of the 21st ultimo, in which inquiry is made whether a measured mile has been laid down in the River Humber by the Government, and whether the Admiralty Surveyors will try a ship there, I have to inform you, that it has been ascertained from the Admiralty that a measured mile for testing the speed of vessels has been marked off on the south bank of the Humber, near Stallingborough, by the officer in charge of the Admiralty survey of the east coast of England, and that orders will be given to the Admiralty surveying officer to try the ships as proposed by the Atlantic Royal Mail Steam Navigation Company, unless it should be found hereafter that the speed of a ship cannot be satisfactorily ascertained at that place.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street.

I am, &c.
(signed) *F. Hill*.

— No. 82. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.

Sir,

London, 5 March 1861.

I AM instructed by the Directors to submit, for the approval of his Lordship the Postmaster General, the following dates on which they propose that the ships of the Company shall depart from New York and Boston alternately on their return to Galway during the months of April, May and June:

From Boston	-	-	-	-	April 16
„ New York	-	-	-	-	„ 30
„ Boston	-	-	-	-	May 14
„ New York	-	-	-	-	„ 28
„ Boston	-	-	-	-	June 11
„ New York	-	-	-	-	„ 25

I have, &c.
(signed) *A. Boate*.

The Secretary, General Post Office.

— No. 83. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.

Sir,

London, 12 March 1861.

IN accordance with the instruction conveyed in your letter of the 16th July 1860, I have the honour to acquaint you, for the information of his Lordship the Postmaster General, that the steam ship "Columbia," belonging to this Company, will be ready for survey and trial at Southampton on Monday next, the 18th instant.

I have, &c.
(signed) *A. Boate*.

The Secretary, General Post Office.

— No. 84. —

(221 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 13 March 1861.

I HAVE laid before the Postmaster General your letter of the 5th instant, and, in reply, I am directed to state to you, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that his Lordship has been pleased to approve of the first return mail after the re-commencement of the service being despatched from Boston on the 16th April, the second from New York on the 30th April, and so on, every alternate fortnight throughout the year.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill*.

— No. 85. —

Mr. *Boate* to the Secretary of the Post Office.

Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E. C.
London, 14 March 1861.

Sir,

I HAVE the honour to state, for the information of the Postmaster General, that the Directors propose to place the steam ship "Adriatic," belonging to this Company, in dry dock at Southampton on the 21st instant, for survey by the Admiralty Surveyors, with a view to her employment in the postal service between Galway and America.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 86. —

(249 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 15 March 1861.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 12th instant, and to inform you, that he has requested the Lords Commissioners of the Admiralty to cause the steam ship "Columbia" to be surveyed for the Galway Mail Service, and has acquainted their Lordships with the date proposed for the trial trip of that vessel.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill*.

— No. 87. —

(19,902.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 15 March 1861.

HAVING laid before the Postmaster General your letter of yesterday's date, stating that the steamer "Adriatic" will be ready for survey on the 21st instant, with a view to her employment in the postal service between Galway and America,

I am

I am directed by his Lordship to state that, in offering for the conveyance of the mails a ship of which the designs and plans have not been previously approved of, the Atlantic Royal Mail Steam Navigation Company are not acting in conformity with the stipulations of their contract.

His Lordship, however, will reserve his decision on the matter until he has before him the result of the survey which the Admiralty will be requested to cause to be made on the day appointed.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E. C.

I am, &c.
(signed) *F. Hill.*

— No. 88. —

(263 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 19 March 1861.

REFERRING to your letter of the 2d instant, I am directed by the Postmaster General to acquaint you, that the steamer "Hibernia" has been surveyed, and that the surveying officer reports that the hand gear is too slow to reverse the engines when at full speed; and that starting gear, to be driven by the auxiliary engine, which is at all times at work for driving the air pumps, has been fitted, but is now out of order. It appears that Messrs. Palmer have undertaken to adjust this gear before the ship proceeds on her voyage to America, and to fit approved starting gear on her return. Mr. Weir has also promised to see carried out some suggestions of the surveying officer for improving the ventilation of the stoke-hole, and for the greater safety of the woodwork round the chimney.

Subject to the foregoing alterations being properly carried into effect, his Lordship approves of the "Hibernia" being employed in the conveyance of the mails between Galway and America.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street.

I am, &c.
(signed) *F. Hill.*

— No. 89. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E. C.

Sir,

London, 22 March 1861.

I HAVE the honour to state, for the information of the Postmaster General, that the steam ship "Hibernia," which was surveyed and accepted for the postal service to America, and was to have been despatched from Galway on the 26th instant, encountered a severe hurricane in the Channel on the 18th and 19th instant, and has sustained some damages, which must be repaired before she can proceed on her voyage to America; but these repairs cannot be completed by Tuesday next.

The steam ship "Columbia" is now under survey at Southampton, which will not be completed before Monday; she cannot therefore reach Galway for departure on Tuesday next.

The ship "Adriatic," recently purchased by this Company, is expected at Queenstown from New York in the course of the next 24 hours, with Her Majesty's mails on board, which should have been brought home in the Cunard ship "Australasian," and arrangements have been made to detain her at Queenstown on her arrival, with a view to placing her on the Galway line, so as to meet the present casualty. In order, however, to avoid as little incon-

venience as possible to the Public Service, the Directors have obtained the offer of the steam ships "Parana" and "Magdalena," now in the West India Royal Mail Service, and they have the honour to offer for his Lordship's acceptance one of these ships (both of which exceed the tonnage and steam power stipulated in this Company's contract) in lieu of the "Hibernia," for the mail service between Galway and Boston on the 26th instant.

His Lordship will thus perceive, that the Directors have spared neither money or pains to provide for the accident to the "Hibernia."

The Directors await his Lordship's early decision in this matter, that no time may be lost in completing the necessary arrangements.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate.*

P.S.—Should the above proposition not meet Lord Stanley's approval, the Directors respectfully request that, under the special circumstances of the case, the service should commence on the 9th April instead of the 26th March.

— No. 90. —

Mr. F. Hill to Mr. Boate.

(283 M.)

Sir,

General Post Office, 23 March 1861.

I HAVE submitted to the Postmaster General your letter of yesterday's date, in which you state, that owing to damage sustained by the steam ship "Hibernia," on her voyage from Southampton to Galway, which ship was to have been despatched from Galway on the 26th instant, with the mails for America, that vessel cannot be prepared for sea on the appointed date.

To meet this casualty, the Directors of the Atlantic Royal Mail Steam Navigation Company offer either to make arrangements for sending out the mails of the 26th by the steam ship "Adriatic," now on her voyage from America, or to employ the "Parana" or the "Magdalena" for the voyage.

The Postmaster General cannot, however, permit the Company to despatch the mails by either of these vessels.

The "Adriatic" has not been surveyed, and has not even arrived in this country.

The "Parana" has been refused several times, and the "Magdalena," although already in the mail service (being one of the Brazil mail packets), has not been required to sail at the speed necessary on the Galway line, and cannot, therefore, have been surveyed for such a service.

On this new failure of the Company to perform its obligations, Lord Stanley of Alderley would have felt himself entirely justified under the agreement executed on the 24th January last, in at once terminating the contract, but considering that the Company have got ready a vessel which has been surveyed and accepted, he will not under the circumstances use, in this instance, his full power, but will limit himself to imposing upon the Company a penalty of 3,000*l.* (this penalty being, of course, in addition to the loss of the subsidy), and he will authorise the recommencement of the service to be postponed until Tuesday the 9th April next; the first departure on the other side being, in like manner, delayed for a fortnight.

His Lordship desires me to state, however, that in thus abstaining to exercise in this one instance his full right, he merely holds in suspense his power of annulling the contract; that this is the last deviation of any kind from the obligations of the contract which he will permit, and that if the Company (no matter from what cause) fail to despatch a packet on the 9th April, and on every alternate Tuesday, or fail to continue to perform in every respect the stipulations of the contract, he will terminate the contract.

You have already, on behalf of the Company, stated your acceptance of these conditions, but I am desired to add, that an official letter confirming that statement must be delivered at this office not later than the evening of Monday next, the 25th instant.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(signed) *F. Hill.*

— No. 91. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon-street, E. C.

Sir,

London, 25 March 1861.

IN acknowledging the receipt of your communication of the 23rd instant, No. 283 M., I have the honour to state, for the information of his Lordship the Postmaster General, that the Directors of the Company accept the terms imposed by Lord Stanley of Alderley for the postponement of the service until Tuesday the 9th April next.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 92. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E. C.

Sir,

London, 25 March 1861.

WITH reference to my communication of the 14th instant, I have the honour to acquaint you that the steam-ship "Adriatic" is now in dock at Southampton, ready for survey.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 93. —

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 26 March 1861.

As it will be necessary that, after the damage which the steamer "Hibernia" is represented to have sustained she should be again surveyed before being permitted to leave this country as a mail packet, I am directed by the Postmaster General to request that you will inform this department as early as possible when and where this survey is to take place.

A. Boate, Esq.,
Atlantic Royal Steam Navigation Company,
10, Cannon-street, E. C.I am, &c.
(signed) *F. Hill*.

— No. 94. —

Mr. *Boate* to Mr. *F. Hill*.Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon-street, E. C.

Sir,

London, 27 March 1861.

IN acknowledging the receipt of your communication of 26th instant, I have the honour to state, for the information of the Postmaster General, that the "Hibernia" is about to be placed in dock at Liverpool. A communication shall be made to you, at the earliest possible moment, of the date when she will be ready for survey.

F. Hill, Esq., &c. &c. &c.
General Post Office.I have, &c.
(signed) *A. Boate*.

— No. 95. —

(290 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 28 March 1861.

WITH reference to your letter of the 22d instant, respecting the accident to the steamer "Hibernia," I am directed by the Postmaster General to request that he may be furnished with a detailed report respecting the injuries sustained by that vessel, and which prevented her from prosecuting her voyage to Galway.

A. Boate, Esq.,
Atlantic Royal Steam Navigation Company,
10, Cannon-street.

I am, &c.
(signed) *F. Hill*.

— No. 96. —

Mr. *Boate* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon-street, E. C.

Sir,

London, 28 March 1861.

IN acknowledging the receipt of your communication of this day's date, requesting that a detailed report be furnished of the injuries sustained by the steam ship "Hibernia," while on her voyage between Southampton and Galway, I have the honour to state, for the information of the Postmaster General, that the vessel shipped a heavy sea, which carried away her skylights forward, and caused her to make water. There was no loss of any of the ship's boats, or any injury to any person on board.

The ship will be thoroughly examined in dock at Liverpool on Saturday next.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 97. —

(No. 23,254.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 28 March 1861.

THE attention of the Postmaster General has been called to a report which appears in this day's newspapers of the proceedings at a general meeting of the Atlantic Royal Mail Steam Navigation Company, held yesterday, and at which the Chairman of the Company is stated to have expressed a "sanguine expectation of obtaining from the French Government the conveyance, not only of telegraphic messages from France, but the postal and other communications from that country."

As this is not the first time that it has been publicly stated that the Atlantic Royal Mail Steam Navigation Company had entered into negotiations with the Government of France for the conveyance of French mails to and from America, the Postmaster General, to prevent any future misapprehension, requests to be furnished with an explanation of the course contemplated by the Company. If you will refer to clause 40 of the contract made with the Admiralty on the 21st April 1859, you will find that the whole postage of all mails, despatches, and letters of every description conveyed in the vessels employed under that contract, whether carried from or out of Her Majesty's dominions or otherwise, is at the disposal of the Postmaster General.

A. Boate, Esq.

I am, &c.
(signed) *F. Hill*.

— No. 98. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company,
10, Cannon-street, E.C., London,

1 April 1861.

Sir,

IN acknowledging the receipt of your communication of the 28th ultimo, referring to a statement made by the Chairman at a general meeting of the shareholders of this company, recently held in London, and calling for an explanation of the course contemplated by the company in respect to negotiations said to be pending for the conveyance of French telegrams and mails, I have the honour to state, for the information of his Lordship the Postmaster General, that the directors in the negotiations referred to contemplate the establishment of a weekly communication between Europe and America, but they will do nothing which may in any way affect the postal contract of the 21st April 1859, without communicating with his Lordship the Postmaster General, and obtaining his sanction thereto.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 99. —

Mr. *Boate* to the Secretary to the Post Office.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E.C., London,

1 April 1861.

Sir,

WITH reference to your letter of the 28th ultimo, respecting the damage to the "Hibernia," I have the honour to state that this ship is now in Messrs. Laird & Co.'s dock at Birkenhead, and under the pressing necessity of preparing her for sea with as little delay as possible. The directors trust you will cause her to be surveyed on Wednesday next, the 3d instant.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boate*.

— No. 100. —

Mr. *Boate* to Mr. *F. Hill*.Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon-street, E.C., London,

1 April 1861.

Sir,

I HAVE the honour to request you will favour me with the usual certificate of exemption for the steam ship "Columbia," which ship is intended to take the Boston mails on the 9th instant.

F. Hill, Esq., &c. &c. &c.
General Post Office.I have, &c.
(signed) *A. Boate*.

— No. 101. —

(24,019.)

Mr. *F. Hill* to Mr. *Peel*, M. P.

Sir,

General Post Office, 2 April 1861.

I AM directed by the Postmaster General to transmit to you, to be laid before the Lords Commissioners of the Treasury, the copy of a letter* from the Secretary of the Atlantic Royal Mail Steam Navigation Company, applying for a certificate of exemption from the Passengers Act in favour of the steamer "Columbia," intended

* See Letter in No. 100.

intended by the company to take out the mails from Galway of the 9th instant.

An authority was given by the Lords Commissioners on the 8th September 1859, for granting a certificate to all the vessels of this company employed in the conveyance of the Newfoundland mails; but as the service has since been altogether suspended, and as the Postmaster General is not aware whether the bond stated to have been entered into by the company is still in force, he thinks it right, before granting the certificate in this case, to communicate with the Lords Commissioners, and to request to be informed whether they approve of the application of the company being complied with.

The Right Honourable F. Peel, M.P.
&c. &c. &c., Treasury.

I am, &c.
(signed) F. Hill.

— No. 102. —

Mr. *Hamilton* to the Postmaster General.

My Lord,

Treasury Chambers, 4 April 1861.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit for your Lordship's information, with reference to your letter of the 2d instant, the enclosed copy of a report from the Emigration Commissioners on the subject of the application from the Atlantic Royal Mail Steam Packet Company, for a certificate of exemption from the Passengers Act, in favour of the steamer "Columbia."

The Postmaster General,
&c. &c. &c.

I have, &c.
(signed) Geo. A. Hamilton.

Enclosure in No. 102.

Sir,

Emigration Office, 3 April 1861.

I HAVE to acknowledge the receipt this day of the letter addressed to the Treasury by the Post Office, enclosing an application from the Secretary of the Royal Atlantic Steam Packet Company, for the usual certificate of exemption from the Passengers Act for the company's steamer "Columbia." The Postmaster General requests to be informed whether that certificate is to be granted.

According to the terms of the contract between Her Majesty's Government and the company, the certificate in question cannot, I conceive, be refused to any vessel of the company duly authorised to carry the mails from Galway to North America. The bond, however, taken by us under the directions of the Treasury is still in force, and our officer will see that the conditions of it are carried out in the case of the "Columbia," as he has done in the case of all previous ships belonging to the company.

G. A. Hamilton, Esq.
&c. &c. &c.

I have, &c.
(signed) T. W. C. Murdoch.

— No. 103. —

(19,407.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 4 April 1861.

WITH reference to your letter of the 12th ultimo, I am directed by the Postmaster General to acquaint you that he has had before him the reports of the officers appointed to survey the steam ship "Columbia," and that, under the opinion expressed in those reports, he can only accept the "Columbia" as a packet for the mail service between Galway and America for two round voyages. On the completion of those two voyages, the vessel must be again examined in dry dock, and her final acceptance or rejection will depend upon the result of that examination.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation
Company.

I am, &c.
(signed) F. Hill.

— No. 104. —

Mr. *F. Hill* to Mr. *Peel*, M.P.

Sir,

General Post Office, 5 April 1861.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 4th instant, accompanied by copy of one from the Emigration Office, respecting the application made by the Atlantic Royal Mail Steam Navigation Company for a certificate of exemption from the Passengers Act for the company's steamer "Columbia."

The Emigration Commissioners state that they conceive that, according to the terms of the contract between Her Majesty's Government and the company, the certificate in question cannot be refused to any vessel of the company duly authorised to carry the mails from Galway to North America.

In reference to this observation, the Postmaster General thinks that the Commissioners are under some misapprehension, probably from having referred to the first contract, entered into in October 1858, between the Atlantic Company and the Government of Newfoundland, in which there was a clause stipulating that the company's vessels should be exempt from the conditions of the Passengers Act.

That agreement, however, is at an end, and the only contracts with the company now existing are, that concluded with the Admiralty on the 21st April 1859, and that* which the Postmaster General required the company to execute on the 24th January last, when he authorised a suspension of the service.

I enclose a copy of those contracts, which, it will be seen, contain no such stipulation as that alluded to.

Under these circumstances I am to suggest that the Emigration Commissioners should be again written to, and further inquiry made whether, in this altered state of things, the certificate of exemption for the "Columbia" should be granted.

I am, &c.
(signed) *F. Hill.*

The Right Honourable *F. Peel*, M.P.,
&c. &c. &c., Treasury.

— No. 105. —

Mr. *Hamilton* to the Postmaster General.

My Lord,

Treasury Chambers, 6 April 1861.

WITH reference to your letter of the 5th instant, on the subject of the exemption from the Passengers Act of the vessels of the Atlantic Royal Mail Steam Navigation Company, I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit for your Lordship's information copy of a report on the same subject, dated 6th instant, from the Emigration Commissioners, and I am to state that my Lords will not think it right, under the circumstances represented, to sanction the certificate of exemption being granted to those vessels in future.

Their Lordships, however, consider that for the reasons stated by the Commissioners, the certificate should not be withheld from the "Columbia," which is to sail on the 9th instant, if you should find that the contractors would be put to any serious inconvenience by the refusal to grant the certificate in this instance.

I am, &c.
(signed) *Geo. A. Hamilton.*

The Postmaster General.

* See Enclosure in No. 48.

Enclosure in No. 105.

Sir,

Emigration Office, 6 April 1861.

I HAVE to acknowledge the receipt, this morning, of the letter addressed to the Treasury by direction of the Postmaster General, on the 5th instant, on the subject of the exemption from the Passengers Act of the vessels of the Atlantic Royal Mail Steam Navigation Company. The Postmaster General suggests that my letter to you, of 3d instant, on this subject was probably written under the misapprehension that the contract with the company, of October 1858, which stipulated for the exemption of the vessels of that company, is still in force, and points out that that contract is at an end, and that in the contract of 21st April 1859, now existing, there is no such stipulation. It is therefore recommended that we should be again called on for a report as to the exemption of the "Columbia" from the Passengers Act.

In reply, I beg to say that the conjecture of the Postmaster General, that my letter of 3d instant was written under a misconception of the circumstances, is correct. We were not aware that any new contract had been made with the company, still less that the company's right to claim an exemption from the Passengers Act had come to an end. That being the case, we can have no hesitation in expressing our opinion that these vessels ought not to be exempted from the operation of the Passengers Act. They are essentially passenger ships, the six vessels which sailed last year having carried in 14 voyages no less than 5,944 passengers, of whom only 464 were cabin passengers, and 5,480 steerage passengers, being on an average 391 steerage passengers on each voyage; on six of these voyages, the number of steerage passengers carried was 3,620, being upwards of 600 on each. The passengers they carry are moreover of as poor and ignorant a class as those who sail from any other port of the United Kingdom, and require, therefore, as much the protection of the Passengers Act. To place these vessels on the same footing, in respect to the Passengers Act, as the Cunard or West India line of steamers, which carry scarcely any steerage passengers, appears to us unreasonable.

In respect of the "Columbia," which is to sail on the 9th instant, the Lords of the Treasury may perhaps consider that as the directors of the company may have been led to expect the exemption they have on previous occasions enjoyed, it would scarcely be right to withdraw it at so late a period. I would request, however, the earliest intimation of their Lordship's decision that we may communicate by telegraph with our officer, who will have proceeded to Galway under the impression that he is to clear the vessel under the bond only, and not under the Act.

G. A. Hamilton, Esq.,
&c. &c. &c.

I have, &c.
(signed) T. W. C. Murdoch.

— No. 106. —

(328. M.)

Mr. F. Hill to Mr. Boate.

Sir,

General Post Office, 8 April 1861.

WITH reference to your letter of the 1st instant, I am directed by the Postmaster General to request that you will state to the directors of the Atlantic Royal Mail Steam Navigation Company, that he has referred for the decision of the Treasury their application for a certificate of exemption for the steam ship "Columbia."

The Lords Commissioners, in reply to his Lordship's letter, observe, that the vessels of the Atlantic Company are essentially passenger ships, the six vessels which sailed last year having carried in 14 voyages no less than 5,944 passengers, of whom only 464 were cabin passengers; and that, under these circumstances, it will not be right to exempt those vessels in any way from the provisions of the Passenger Act in future.

At the same time their Lordships have stated, that as the refusal of the certificate at this late period, in the case of the "Columbia," might put the company to serious inconvenience, they will not object to such certificate being granted in this instance.

I am accordingly desired by the Postmaster General to request that you will inform him whether the Atlantic Company will suffer such inconvenience if the certificate be not granted, and, in that case, that you will let him know what is the tonnage of the "Columbia," and to what port she belongs, as those particulars must be inserted in the certificate.

A. Boate, Esq.
Atlantic Royal Mail Steam Navigation
Company, 10, Cannon-street, E. C.

I am, &c.
(signed) F. Hill.

— No. 107. —

Mr. *Boatè* to the Secretary to the Post Office.

Atlantic Royal Mail Steam Navigation Company
(Limited), 10 Cannon-street, E. C., London,
8 April 1861.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of this day's date, No. 328 M., and in reply beg to state that it will cause serious inconvenience, not only to the company, but create a delay in the despatch of the "Columbia," if the certificate of exemption is now withheld.

The "Columbia" is 2,960 tons, gross measurement, 1,521 net, and is registered in the port of London.

As the certificate cannot possibly reach Galway in time for the despatch of the ship, probably you will have the goodness to telegraph to the Postmaster, or Collector of Customs, that the certificate will be granted (as on a former occasion), or favour me with a letter which I can produce at the Emigration Office, to enable the officers of that department to do so.

The Secretary, General Post Office.

I have, &c.
(signed) *A. Boatè.*

— No. 108. —

(328 M.)

Mr. *F. Hill* to Mr. *Boatè*.

Sir,

General Post Office, 8 April 1861.

UNDER the circumstances stated in your letter of this day's date, I transmit to you a certificate, exempting the mail packet "Columbia" for one voyage from the operation of the Passengers Act.

On the production of this letter at the Emigration Office, the Commissioners will no doubt inform their officers at Galway, by means of the electric telegraph, that the certificate has been furnished.

A. Boatè, Esq.,
Atlantic Royal Mail Steam Navigation
Company.

I am, &c.
(signed) *F. Hill.*

— No. 109. —

(347 M.)

Mr. *F. Hill* to Mr. *Boatè*.

Sir,

General Post Office, 11 April 1861.

REFERRING to your letter of the 1st instant, I am directed by the Postmaster General to acquaint you, for the information of the directors of the Atlantic Royal Mail Steam Navigation Company, that the steamer "Hibernia," having been surveyed, has been found quite unseaworthy, and that she cannot be permitted to be employed in the conveyance of the mails between Galway and the United States until she shall have been strengthened in such a manner and to such an extent as the surveying officer of the Admiralty may deem necessary.

A. Boatè Esq.,
Atlantic Royal Mail Steam Navigation Company,
Cannon-street.

I am, &c.
(signed) *F. Hill.*

— No. 110. —

(371 M.)

Mr. *F. Hill* to Mr. *Boate*.

Sir,

General Post Office, 15 April 1861.

WITH reference to my letter of the 4th instant, informing you that the Postmaster General could only accept the steamer "Columbia" for the conveyance of the mails between Galway and America for two round voyages, I am directed by his Lordship to request that you will state to the directors of the Atlantic Royal Mail Steam Navigation Company, that, as they are fully aware of the objections raised by the surveying officer of the Admiralty against the "Columbia," as regards her strength and general fitness for the mail service, his Lordship expects that they will meet those objections in the case of the "Anglia," a sister ship, before they offer that vessel for survey.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company,
Canonn-street, E. C.

I am, &c.
(signed) *F. Hill*.
