

POSTAL CONTRACTS.

COPIES of CONTRACTS entered into between Her Majesty's Postmaster General and the North German Lloyd, the Liverpool, New York, and Philadelphia Steamship Company, and Messrs. *Cunard, Burns, & MacIver*, for the Conveyance of MAILS to *New York*; and, of the CONTRACT entered into between Her Majesty's Postmaster General and the Liverpool, New York, and Philadelphia Steamship Company for the Conveyance of MAILS to *Halifax*, with Copies of the CORRESPONDENCE relating thereto.

(*Mr. Hunt.*)

*Ordered, by The House of Commons, to be Printed,
6 December 1867.*

[*Price 8 d.*]

POSTAL CONTRACTS.

RETURN to an Order of the Honourable The House of Commons,
dated 6 December 1867;—for,

COPIES “of CONTRACTS entered into between Her Majesty’s Postmaster General and the North German Lloyd, the Liverpool, New York, and Philadelphia Steamship Company, and Messrs. Cunard, Burns, and MacIver, for the Conveyance of MAILS to *New York*:”

“And, of the CONTRACT entered into between Her Majesty’s Postmaster General and the Liverpool, New York, and Philadelphia Steamship Company for the Conveyance of MAILS to *Halifax*, with Copies of the CORRESPONDENCE relating thereto.”

Treasury Chambers, }
6 December 1867. }

GEORGE WARD HUNT.

— No. 1. —

NORTH AMERICAN MAILS.

ARTICLES OF AGREEMENT made this 30th day of November in the year 1867 between the Most Noble James Duke of Montrose Her Majesty’s Postmaster General for the time being of the first part the North German Lloyd of Bremen (hereinafter called the Contractors) of the second part and Henry Huth of Moorgate-street in the City of London Merchant and Daniel Meinertzhagen of the same place Merchant of the third part Witness that the Contractors for themselves their successors and assigns hereby covenant with Her Majesty’s Postmaster General his executors administrators successors and assigns Her Majesty’s Postmaster General for the time being in manner following (that is to say):—

1. THE Contractors will at all times during the continuance of this Agreement or so long as the whole or any part of the service hereby agreed to be performed ought to be performed in pursuance thereof provide keep seaworthy and in complete repair and readiness for the purpose of conveying as hereinafter provided all Her Majesty’s mails (in which term “mails” all bags boxes or packets of letters newspapers books or printed papers and all other articles transmissible by the post without regard either to the place to which they may be addressed or to that in which they may have originated also all empty bags empty boxes and other stores and articles used or to be used in carrying on the Post Office service which shall be sent by or to or from the Post Office are agreed to be comprehended) which shall at any time and from time to time by the Postmaster General or any of his officers or agents be required to be conveyed as hereinafter provided a sufficient number of good substantial and efficient steam vessels of adequate power and speed and supplied with first-rate appropriate steam-engines and in all respects suited to the performance of the services herein agreed to be performed within the respective times herein stipulated.

Contractors to provide vessels.

Equipment of
vessels.

2. The vessels to be employed under this Agreement shall be always furnished with all appropriate and necessary machinery engines apparel furniture stores tackle boats fuel lamps oil for lamps and engines tallow provisions anchors cables fire pumps and other proper means for extinguishing fire lightning conductors charts chronometers proper nautical instruments and whatever else may be requisite for equipping the said vessels and rendering them constantly efficient for the service hereby agreed to be performed and also manned and provided with competent officers with appropriate certificates according to the German law and with a sufficient number of competent engineers and a sufficient crew of able seamen and other men.

Day and port of
departure.

3. One of such vessels so equipped and manned as aforesaid shall on every Tuesday during the continuance of this Agreement put to sea from Southampton with Her Majesty's mails on board and proceed thence direct to New York in the United States of America.

Hour thereof.

4. The time of departure of each of the said vessels from Southampton aforesaid shall be such as the said Postmaster General shall from time to time by notice in writing direct provided always that the said Postmaster General shall give to the Contractors three calendar months' notice in writing of any change in the time appointed for such departure.

Limits of voyage.

5. Each voyage shall be considered to commence on the embarkation of the mails at Southampton and to terminate on the arrival of the said mails at the quarantine ground in New York.

Duration thereof.

6. The duration of such voyage shall not exceed 276 hours.

Penalty for failure
to have vessel ready.

7. If the Contractors fail on any Tuesday during the continuance of this Contract to provide an efficient vessel at Southampton aforesaid ready to put to sea at the appointed hour then and so often as the same shall so happen the Contractors shall forfeit and pay unto Her Majesty Her heirs and successors the sum of 300 l.

The mail officer.

8. The Contractors shall if required by the Postmaster General receive and allow to remain on board each of the said vessels while employed in the performance of this Agreement and while returning from New York to Southampton an officer to be appointed by the Postmaster General to take charge of the said mails.

Sorters.

9. The Contractors shall also receive and allow to remain on board each of the said vessels while employed in the performance of this Agreement and also while returning from New York to Southampton such a number of officers of the Postmaster General as shall be required for the purpose of sorting and making up the mails conveyed or to be conveyed by such vessel.

Accommodation for
mail officer and
sorters.

10. The Contractors shall provide suitable accommodation and victualling for the officers employed in the service of the Postmaster General as aforesaid either as chief cabin passengers or as fore cabin passengers at the option of the said Postmaster General and the Postmaster General shall pay to the Contractors by way of passage money for the accommodation and victualling of each such officer in respect of every voyage between Southampton and New York and back the sum of 33 l. for every such officer who shall be treated as a chief cabin passenger and the sum of 22 l. for every such officer who shall be treated as a fore cabin passenger.

Place of deposit for
mails and sorting
room.

11. The Contractors shall at their own cost provide to the satisfaction of the Postmaster General on each of the vessels to be employed under this Agreement a separate and convenient room for the convenient and secure deposit of the mails under lock and key and shall also at the like cost (if and when they shall be required so to do by the Postmaster General) erect and provide to the satisfaction of the Postmaster General on each of such vessels a separate and convenient room for sorting and making up the said mails and shall provide in such room all such furniture lamps fittings and other conveniences as shall be necessary and all such furniture lamps fittings and other conveniences shall be from time to time cleansed and kept in repair and the oil for the lamps supplied by the servants and at the cost of the Contractors and the services of the crew of every such vessel shall from time to time be given in the conveyance of
the

the mails between the mail room and the sorting room and the Postmaster General shall pay to the Contractors the sum of 75 l. in respect of each vessel on which such sorting room as aforesaid shall be erected or provided.

12. At each port or place where the said mails are to be delivered and received the officer having charge of mails shall whenever and as often as by him shall be deemed practicable or necessary and either with or without any other officer in the service of the Postmaster General be conveyed on shore and also from the shore to the vessel employed for the time being in the performance of this Agreement together with or (if such officer shall consider it necessary for the purposes of this Agreement so to do) without mails in a suitable and seaworthy boat of not less than four oars to be furnished with effectual covering for the mails and properly provided manned and equipped by the Contractors.

Mail officer to be conveyed on shore.

13. If the Postmaster General during the continuance of this Agreement thinks fit to entrust the charge and custody of the mails or any part thereof to the master or commander of the vessel to be employed for the time being in the performance of this Agreement and in all cases where the officer or other person appointed to have charge of the mails shall be absent the master or commander of such vessel shall without any charge (other than that herein provided to be paid to the Contractors) take due care of and the Contractors shall be responsible for the receipt safe custody and delivery of the said mails and each of such masters or commanders shall make the usual declaration or declarations required or which may hereafter be required by the Postmaster General in such and similar cases and furnish such journals returns and information to and perform such services as the Postmaster General or his agents may require and every such master or commander or officer duly authorised by him having the charge of mails shall himself immediately on the arrival at the said port or place of any such vessels deliver all mails for such port or place into the hands of the Postmaster or such other person at such port or place as the Postmaster General shall authorise to receive the same.

Master to take charge of mails if required.

14. The Contractors shall not convey in any of the vessels employed under this Agreement any nitro-glycerine or other article which shall have been legally declared specially dangerous.

Vessels not to convey dangerous substances.

15. The Contractors and all commanding and other officers of the vessels employed in the performance of this Agreement and all agents seamen and servants of the Contractors shall at all times punctually attend to the orders and directions of the Postmaster General his officers or agents as to the mode time and place of landing delivering and receiving mails.

Orders of Postmaster General to be obeyed.

16. And in consideration of the due and faithful performance by the Contractors of all the services hereby agreed to be by them performed the Postmaster General doth hereby covenant that there shall be paid to the Contractors out of such aids or supplies as may be from time to time provided and appropriated by Parliament for that purpose so long as they perform the whole of the said services in the manner and with such vessels as herein respectively provided the following sums that is to say the sum of one shilling for every ounce of letters conveyed by them and the sum of threepence for every pound of newspapers conveyed by them and the sum of fivepence for every pound of book-packets or packets of trade patterns conveyed by them and except where otherwise expressly provided none of the duties performed by the Contractors in pursuance of this Agreement shall give them any claim to remuneration beyond the payment hereinbefore specified.

Subsidy.

17. Provided always and it is hereby declared that if the duration of any voyage made in pursuance of this Agreement shall exceed the time hereinbefore provided in that behalf by a period equal to or exceeding 12 hours then and in every such case a deduction shall be made from the amount payable to the Contractors in respect of such voyage under the last preceding clause of one-eighth part of such amount in respect of each complete period of 12 hours by which such voyage shall exceed the time hereinbefore provided in that behalf so that (by way of example) if such voyage shall exceed the time hereinbefore provided in that behalf by four complete days no payment shall be made to the Contractors in respect of such voyage.

Penalty for delay.

Account of correspondence to be kept.

18. The Postmaster General shall as soon as conveniently may be after the 1st day of January the 1st day of April the 1st day of July and the 1st day of October in every year during the continuance of this Contract cause an account to be made out and signed by the Receiver and Accountant General for the time being of the General Post Office of all sums of money which shall up to the last preceding of such quarterly days have become payable to the Contractors in respect of the carriage of mails in pursuance of the preceding clauses of this Agreement and every account so made out and signed shall as between the parties hereto be conclusive evidence of the facts stated therein and of the amount due to the Contractors as aforesaid and such amount shall be forthwith paid to the Contractors out of such aids or supplies as aforesaid after deducting therefrom any sums of money in respect of forfeitures which the Contractors may have incurred as herein provided.

Disputes to be referred to arbitration.

19. And it is hereby further agreed and declared between and by the said parties to these presents as follows (that is to say):—

If at any time during the continuance of this Agreement or after the determination thereof any dispute shall arise between the parties hereto or their executors administrators or successors respectively concerning any breach or alleged breach by or on the part of the Contractors of this Agreement or the sufficiency of any such breach to justify the Postmaster General in putting an end to the same or concerning the amount of consideration to be paid to or allowed by the Contractors as the case may be or concerning any of the covenants matters or things herein contained or in anywise relating thereto and notwithstanding the power herein contained to determine this Agreement and any execution or attempted execution of such power such dispute shall be referred to two arbitrators one to be chosen from time to time by the Postmaster General and the other by the Contractors and if such arbitrators should at any time or times not agree in the matter or question referred to them then such question in difference shall be referred by them to an umpire to be chosen by such arbitrators before they proceed with the reference to them. And the joint and concurrent award of the said arbitrators or the separate award of the said umpire when the said arbitrators cannot agree shall be binding and conclusive upon both parties.

Any submission hereto may be made a rule of court.

20. Any submission to arbitration in pursuance of this Agreement may be made a rule of any of Her Majesty's Courts of Record pursuant to the statute in that case made and provided on the application of either party.

Postage of all mails to belong to Her Majesty.

21. The Contractors shall not receive or permit to be received in the United Kingdom for conveyance on board any of the vessels employed under this Agreement any letters other than those contained in Her Majesty's mails the whole postage of which shall belong to Her Majesty and shall be at the disposal of the Postmaster General.

Commencement and termination of Agreement.

22. This Agreement shall commence on the 1st day of January 1868 and shall continue in force until the expiration of a written notice given at any time and by either the Contractors or the Postmaster General of not less than six calendar months.

Penalties to be considered liquidated damages.

23. All and every the sums of money hereby stipulated to be paid by the Contractors unto Her Majesty Her heirs and successors shall be considered as stipulated or ascertained damages whether any damage or loss has or has not been sustained and shall and may be retained by the Postmaster General out of any monies payable or which may thereafter become payable to the Contractors or the payment may be enforced as a debt due to Her Majesty with full costs of suit at the discretion of the Postmaster General provided however that the payment by the Contractors of any sums of money by way of penalties shall not in any manner prejudice the right of the Postmaster General to treat the failure (if any) on the part of the Contractors to provide a proper vessel or to perform any voyage at or within the times hereinbefore in that behalf mentioned as a breach of this Agreement.

Agreement not to be assigned.

24. The Contractors shall not assign underlet or dispose of this Agreement or any part thereof without the consent of the Postmaster General signified in writing under his hand or under the hand of the Secretary or one of the Assistant Secretaries of the Post Office and in case of the same or any part thereof

thereof being assigned underlet or otherwise disposed of or of any great or habitual breach of this Agreement or of any covenant matter or thing herein contained on the part of the Contractors their officers agents or servants and whether there be or be not any penalty or sum of money payable by the Contractors for any breach it shall be lawful for the Postmaster General if he shall think fit (and notwithstanding there may or may not have been any former breach of this Contract) by writing under his hand or under the hand of the Secretary or one of the Assistant Secretaries of the Post Office to determine this Agreement without any previous notice to the Contractors or their agents nor shall the Contractors be entitled to any compensation in respect of such determination and such determination shall not deprive the Postmaster General for the time being of any right or remedy to which he would otherwise be entitled by reason of such breach or any prior breach of such Contract.

25. If on the determination of this Agreement any vessel or vessels shall have started or shall start with the mails in conformity with this Agreement such voyage or voyages shall be continued and performed and the mails be delivered and received during the same as if this Agreement had remained in force with regard to any such vessels and services and with respect to such vessels and services as last aforesaid this Agreement shall be considered as having terminated when such vessels shall have reached their port or place of destination and such services shall have been performed and the Contractors shall receive the same remuneration in respect of each such voyage as if this Agreement had continued in full force until the termination thereof.

Voyages to be completed after termination of Agreement.

26. It shall be lawful for the Postmaster General from time to time to delegate all or any of the powers vested in him by virtue of these presents to such person or persons as he shall think fit.

Postmaster General may delegate his powers.

27. All notices or directions which the Postmaster General his officers agents or others are hereby authorized to give to the Contractors their officers servants or agents other than any notice of termination of this Contract may at the option of the Postmaster General his officers agents or others either be delivered to the master of any of the said vessels or other officer or agent of the Contractors in the charge or management of any vessel employed in the performance of this Agreement or sent by the post addressed to the Contractors at their office in Bremen or left at the office or last known office of their agents in Southampton and any notices or directions so given sent or left shall be binding on the Contractors provided always that any notice of termination of this Contract shall be sent by post addressed to the Contractors at their office or last known office in Bremen or left at the office of their agents in Southampton.

As to notices.

28. In pursuance of the provisions contained in the Act of Parliament passed in the 22nd year of the reign of King George the 3rd intituled "An Act for restraining any person concerned in any Contract Commission or Agreement made for the public service from being elected or sitting and voting as a Member of the House of Commons" no Member of the House of Commons shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom contrary to the true intent and meaning of the said Act.

Members of Parliament not to be interested in this Agreement.

29. This Agreement shall not be binding until it has lain upon the Table of the House of Commons for one month without disapproval unless it be previously approved by a resolution of the said House of Commons.

Agreement to be laid on table of House of Commons.

30. And lastly for the due and faithful performance of all and singular the covenants conditions provisoes clauses articles and agreements hereinbefore contained which on the part and behalf of the Contractors their successors and assigns are or ought to be observed performed fulfilled or kept the Contractors for themselves and their successors and the said Henry Huth and Daniel Meinertzhagen for themselves their heirs executors and administrators do hereby bind themselves jointly and severally unto our Sovereign Lady the Queen in the sum of 5,000 £. of lawful British money to be paid to our said Lady the Queen Her heirs and successors by way of stipulated or ascertained damages agreed upon between the said Postmaster

Bond clause.

General and the Contractors and the said Henry Huth and Daniel Meinertzhagen over and above any other sum or sums if any which may be payable in case of the failure of the said Contractors in the due execution of this Agreement or any part thereof.

In witness whereof the said James Duke of Montrose Her Majesty's Postmaster General Henry Huth and Daniel Meinertzhagen have hereunto set their hands and seals and the Contractors have hereunto caused their common seal to be affixed the day and year first above written.

Signed sealed and delivered by the within-named James Duke of Montrose Her Majesty's Postmaster General in the presence of

J. L. du Plat Taylor,
Private Secretary.

MONTROSE.

L. S.

Signed sealed and delivered by the within-named Henry Huth and Daniel Meinertzhagen in the presence of

Edwin Winter,
Solicitor's Department,
General Post Office.

HENRY HUTH.

L. S.

D. MEINERTZHAGEN.

L. S.

The common seal of the North German Lloyd of Bremen was hereunto affixed in the presence of

J. C. Müller,
Merchant of Bremen.
M. Schwoon,
Her Britannic Majesty's
Vice Consul.



The Managers of the
North German Lloyd.
H. PETERS.
Pr.

CRÜFEMANN,
Director.

— 2. —

NORTH AMERICAN MAILS.

ARTICLES OF AGREEMENT made this 3rd day of December in the year 1867 between the Most Noble James Duke of Montrose Her Majesty's Postmaster General for the time being of the first part William Inman of Liverpool in the county of Lancaster (which said William Inman and his executors and administrators are hereinafter designated the Contractors) of the second part and Thomas Langton Birley of Carr Hill Kirkham in the said county of Lancaster Esquire and Charles Inman of Liverpool aforesaid of the third part Witnesseth that the said William Inman for himself his heirs executors and administrators doth hereby Covenant with Her Majesty's Postmaster General his executors administrators successors and assigns Her Majesty's Postmaster General for the time being in manner following (that is to say):—

Contractors to provide vessels.

1. THE Contractors will at all times during the continuance of this Agreement or so long as the whole or any part of the services hereby agreed to be performed ought to be performed in pursuance thereof provide keep seaworthy and in complete repair and readiness for the purpose of conveying as hereinafter provided all Her Majesty's mails (in which term "Mails" all bags boxes or packets of letters newspapers books or printed papers and all other articles transmissible by the post without regard either to the place to which they may be addressed or to that in which they may have originated also all empty bags empty boxes and other stores and articles used or to be used in carrying on the Post Office service which shall be sent by or to or from the Post Office are agreed to be comprehended) which shall at any time and from time to time by the Postmaster General or any of his officers or agents be required

required to be conveyed as hereinafter provided a sufficient number of good substantial and efficient steam-vessels of adequate power and speed and supplied with first-rate appropriate steam engines and in all respects suited to the performance of the services herein agreed to be performed within the respective times herein stipulated.

2. The vessels to be employed under this Agreement shall be always furnished with all appropriate and necessary machinery engines apparel furniture stores tackle boats fuel lamps oil for lamps and engines tallow provisions anchors cables fire pumps and other proper means for extinguishing fire lightning conductors charts chronometers proper nautical instruments and whatsoever else may be requisite for equipping the said vessels and rendering them constantly efficient for the service hereby agreed to be performed and also manned and provided with competent officers with appropriate certificates granted pursuant to the Act or Acts of Parliament in force for the time being relative to the granting certificates to officers in the merchant service and with a sufficient number of efficient engineers and a sufficient crew of able seamen and other men. Equipment of vessels.
3. One of such vessels so approved equipped and manned as aforesaid shall on every Thursday during the continuance of this Agreement put to sea from Queenstown in Ireland with Her Majesty's mails on board and proceed thence direct to New York in the United States of America. Day and port of departure.
4. The time of departure of each of the said vessels from Queenstown aforesaid shall be such as the said Postmaster General shall from time to time by notice in writing appoint provided always that the said Postmaster General shall give to the Contractors three calendar months' notice in writing of any change in the time appointed for such departure. Hour thereof.
5. Each voyage shall be considered to commence on the embarkation of the mails at Queenstown aforesaid and to terminate on the arrival of the said mails at the Post Office in New York aforesaid. Limits of voyage.
6. The duration of each voyage which shall commence between the 20th day of September and the 20th day of April (both days inclusive) shall not exceed 336 hours and the duration of each voyage which shall commence during the remaining part of the year shall not exceed 276 hours. Duration thereof.
7. If the Contractors fail on any Thursday during the continuance of this Contract to provide an efficient vessel at Queenstown aforesaid ready to put to sea at the appointed hour then and so often as the same shall so happen the Contractors shall forfeit and pay unto Her Majesty Her heirs and successors the sum of 300 *l*. Penalty for failure to have vessel ready.
8. The Contractors shall receive and allow to remain on board each of the said vessels while employed in the performance of this Agreement and while returning from New York to Queenstown an officer to be appointed by the Postmaster General to take charge of the said mails. The mail officer.
9. The contractors shall also receive and allow to remain on board each of the said vessels while employed in the performance of this agreement and also while returning from New York to Queenstown such a number of officers of the Postmaster General as shall be required for the purpose of sorting and making up the mails conveyed or to be conveyed by such vessel. Sorters.
10. The Contractors shall provide suitable accommodation and victualling for the officers employed in the service of the Postmaster General as aforesaid either as chief cabin passengers or as fore cabin passengers at the option of the said Postmaster General and the Postmaster General shall pay to the Contractors by way of passage-money for the accommodation and victualling of each such officer in respect of every voyage in either direction between Queenstown and New York the sum of 22 *l*. for every such officer who shall be treated as a chief cabin passenger and the sum of 16 *l*. for every such officer who shall be treated as a fore cabin passenger. Accommodation for mail officer and sorters.
11. The Contractors shall at their own cost provide to the satisfaction of the Postmaster General on each of the vessels to be employed under this Agreement a separate and convenient room for the convenient and secure deposit of the mails under lock and key and shall also at the like costs (if and when they shall Place of deposit for mails and sorting room.

shall be required so to do by the Postmaster General) erect and provide on each of such vessels a separate and convenient room for sorting and making up the said mails and shall provide to the satisfaction of the Postmaster General in such room all such furniture lamps fittings and other conveniences as shall be necessary and all such furniture lamps fittings and other conveniences shall be from time to time cleansed and kept in repair and the oil for the lamps supplied by the servants and at the cost of the Contractors and the services of the crew of every such vessel shall from time to time be given in the conveyance of the mails between the mail room and the sorting room.

Mail officer to be conveyed on shore.

12. At each port or place where the said mails are to be delivered and received the officer having charge of mails shall whenever and as often as by him shall be deemed practicable or necessary and either with or without any other officer in the service of the Postmaster General be conveyed on shore and also from the shore to the vessel employed for the time being in the performance of this Agreement together with or (if such officer shall consider it necessary for the purposes of this Agreement so to do) without mails in a suitable and seaworthy boat of not less than four oars to be furnished with effectual covering for the mails and properly provided manned and equipped by the Contractors.

Master to take charge of mails if required.

13. If the Postmaster General during the continuance of this Agreement thinks fit to entrust the charge and custody of the mails or any part thereof to the master or commander of the vessels to be employed for the time being in the performance of this Agreement and in all cases where the officer or other person appointed to have charge of the mails shall be absent the master or commander of such vessel shall without any charge (other than that herein provided to be paid to the Contractors) take due care of and the Contractors shall be responsible for the receipt safe custody and delivery of the said mails and each of such masters or commanders shall make the usual declaration or declarations required or which may hereafter be required by the Postmaster General in such and similar cases and furnish such journals returns and information to and perform such services as the Postmaster General or his agents may require and every such master or commander or officer duly authorised by him having the charge of mails shall himself immediately on the arrival at any of the said ports or places of any such vessels deliver all mails for such port or place into the hands of the Postmaster or such other person at such port or place as the Postmaster General shall authorise to receive the same.

Vessels not to convey dangerous substances.

14. The Contractors shall not convey in any of the vessels employed under this Agreement any nitro-glycerine or other article which shall have been legally declared specially dangerous.

Orders of the Postmaster-General to be obeyed.

15. The Contractors and all commanding and other officers of the vessels employed in the performance of this Agreement and all agents seamen and servants of the Contractors shall at all times punctually attend to the orders and directions of the Postmaster General his officers or agents as to the mode time and place of landing delivering and receiving mails.

Subsidy.

16. And in consideration of the due and faithful performance by the Contractors of all the services hereby agreed to be by them performed the Postmaster General doth hereby covenant that there shall be paid to the Contractors (out of such aids or supplies as may be from time to time provided and appropriated by Parliament for that purpose) so long as they perform the whole of the said services in the manner and with such vessels as herein respectively provided the following sums (that is to say) the sum of 1 s. for every ounce of letters conveyed by them and the sum of 3 d. for every pound of newspapers conveyed by them and the sum of 5 d. for every pound of book-packets or packets of trade patterns conveyed by them and except where otherwise expressly provided none of the duties performed by the Contractors in pursuance of this Agreement shall give them any claim to remuneration beyond the payment hereinbefore specified.

Penalty for delay.

17. Provided always and it is hereby declared that if the duration of any voyage made in pursuance of this Agreement shall exceed the time hereinbefore provided in that behalf by a period equal to or exceeding 12 hours then and in every such case a deduction shall be made from the amount payable to the Contractors in respect of such voyage under the last preceding clause of one-eighth

eighth part of such amount in respect of each complete period of 12 hours by which such voyage shall exceed the time hereinbefore provided in that behalf so that by way of example if such voyage shall exceed the time hereinbefore provided in that behalf by four complete days no payment shall be made to the Contractors in respect of such voyage.

18. The Postmaster General shall as soon as conveniently may be after the 1st day of January the 1st day of April the 1st day of July and the 1st day of October in every year during the continuance of this Contract cause an account to be made out and signed by the Receiver and Accountant General for the time being of the General Post Office of all sums of money which shall up to the last preceding of such quarterly days have become payable to the Contractors in respect of the carriage of mails in pursuance of the preceding clauses of this Agreement and every account so made out and signed shall as between the parties hereto be conclusive evidence of the facts stated therein and of the amount due to the Contractors as aforesaid and such amount shall be forthwith paid to the Contractors out of such aids or supplies as aforesaid after deducting therefrom any sums of money in respect of forfeitures which the Contractors may have incurred as herein provided.

Account of correspondence to be kept.

19. And it is hereby further agreed and declared between and by the said parties to these presents as follows that is to say:

Disputes to be referred to arbitration.

If at any time during the continuance of this Agreement or after the determination thereof any dispute shall arise between the parties hereto or their executors administrators or successors respectively concerning any breach or alleged breach by or on the part of the Contractors of this Agreement or the sufficiency of any such breach to justify the Postmaster General in putting an end to the same or concerning the amount of consideration to be paid to or allowed by the Contractors as the case may be or concerning any of the covenants matters or things herein contained or in anywise relating thereto and notwithstanding the power herein contained to determine this Agreement and any execution or attempted execution of such power such dispute shall be referred to two arbitrators one to be chosen from time to time by the Postmaster General and the other by the Contractors and if such arbitrators should at any time or times not agree in the matter or question referred to them then such question in difference shall be referred by them to an umpire to be chosen by such arbitrators before they proceed with the reference to them and the joint and concurrent award of the said arbitrators or the separate award of the said umpire when the said arbitrators cannot agree shall be binding and conclusive upon both parties.

20. Any submission to arbitration in pursuance of this Agreement may be made a rule of any of Her Majesty's courts of record pursuant to the statute in that case made and provided on the application of either party.

Any submission hereto may be made a rule of court.

21. The Contractors shall not receive or permit to be received in the United Kingdom for conveyance on board any of the vessels employed under this Agreement any letters other than those contained in Her Majesty's mails the whole postage of which shall belong to Her Majesty and shall be at the disposal of the Postmaster General.

Postage of all mails to belong to Her Majesty.

22. This Agreement shall commence on the 1st day of January 1868 and shall continue in force until the expiration of a written notice given at any time and by either the contractors or the Postmaster General of not less than six calendar months.

Commencement and termination of agreement.

23. All and every the sums of money hereby stipulated to be paid by the Contractors unto Her Majesty her heirs and successors shall be considered as stipulated or ascertained damages whether any damage or loss has or has not been sustained and shall and may be retained by the Postmaster General out of any monies payable or which may thereafter become payable to the Contractors or the payment may be enforced as a debt due to Her Majesty with full costs of suit at the discretion of the Postmaster General provided however that the payment by the Contractors of any sums of money (by way of penalties) shall not in any manner prejudice the right of the Postmaster General to treat the failure (if any) on the part of the Contractors to provide a proper vessel or

Penalties to be considered liquidated damages

to perform any voyage at or within the times hereinbefore in that behalf mentioned as a breach of this Agreement.

Agreement not to be assigned.

24. The Contractors shall not assign underlet or dispose of this Agreement or any part thereof without the consent of the Postmaster General signified in writing under his hand or under the hand of the secretary or one of the assistant secretaries of the Post Office and in case of the same or any part thereof being assigned underlet or otherwise disposed of or of any great or habitual breach of this Agreement or of any covenant matter or thing herein contained on the part of the Contractors their officers agents or servants and whether there be or be not any penalty or sum of money payable by the Contractors for any breach it shall be lawful for the Postmaster General if he shall think fit (and notwithstanding there may or may not have been any former breach of this Contract) by writing under his hand or under the hand of the secretary or one of the assistant secretaries of the Post Office to determine this Agreement without any previous notice to the Contractors or their agents nor shall the Contractors be entitled to any compensation in respect of such determination and such determination shall not deprive the Postmaster General for the time being of any right or remedy to which he would otherwise be entitled by reason of such breach or any prior breach of such Contract.

Voyages to be completed after termination of agreement.

25. If on the determination of this Agreement any vessel or vessels shall have started or shall start with the mails in conformity with this Agreement such voyage or voyages shall be continued and performed and the mails be delivered and received during the same as if this Agreement had remained in force with regard to any such vessels and services and with respect to such vessels and services as last aforesaid this Agreement shall be considered as having terminated when such vessels shall have reached their port or place of destination and such services shall have been performed and the Contractors shall receive the same remuneration in respect of each such voyage as if this Agreement had continued in full force until the termination thereof.

Postmaster-General may delegate his powers.

26. It shall be lawful for the Postmaster General from time to time to delegate all or any of the powers vested in him by virtue of these presents to such person or persons as he shall think fit.

As to notices.

27. All notices or directions which the Postmaster General his officers agents or others are hereby authorised to give to the Contractors their officers servants or agents other than any notice of termination of this Contract may at the option of the Postmaster General his officers agents or others either be delivered to the master of any of the said vessels or any other officer or agent of the Contractors in the charge or management of any vessel employed in the performance of this Agreement or left for the Contractors at their office or last known office in Liverpool and any notices or directions so given or left shall be binding on the Contractors. Provided always that any notice of termination of this Contract shall be served on the Contractors their officers servants or agents at their office or last known office in Liverpool.

Members of Parliament not to be interested in agreement.

28. In pursuance of the provisions contained in the Act of Parliament passed in the 22nd year of the reign of King George the Third intituled "An Act for restraining any person concerned in any Contract Commission or Agreement made for the public service from being elected or sitting and voting as a Member of the House of Commons" no Member of the House of Commons shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom contrary to the true intent and meaning of the said Act.

Agreement to be laid on table of House of Commons.

29. This Agreement shall not be binding until it has lain upon the Table of the House of the Commons for one month without disapproval unless it be previously approved by a resolution of the said House of Commons.

Bond clause.

30. And lastly for the due and faithful performance of all and singular the covenants conditions provisoes clauses articles and agreements hereinbefore contained which on the part and behalf of the Contractors are or ought to be observed performed fulfilled or kept the said William Inman Thomas Langton Birley and Charles Inman do hereby bind themselves their heirs executors and administrators and each of them doth hereby bind himself his heirs executors and administrators unto our Sovereign Lady the Queen in the sum of 5,000 £.

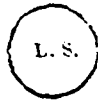
of

of lawful British money to be paid to our said Lady the Queen her heirs and successors by way of stipulated or ascertained damages agreed upon between the said Postmaster General and the said William Inman Thomas Langton Birley and Charles Inman over and above any other sum or sums if any which may be payable in case of the failure of the said Contractors in the due execution of this Agreement or any part thereof.

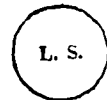
In witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.



MONTROSE.

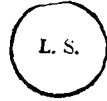


T. LANGTON BIRLEY.



WILLIAM INMAN.

CHAS. INMAN.



Signed sealed and delivered by the within-named James Duke of Montrose Her Majesty's Postmaster General in the presence of

J. L. Du Plat Taylor
Private Secretary.

Signed sealed and delivered by the within-named William Inman in the presence of

J. D. Rich
Controller Post Office Liverpool.

Signed sealed and delivered by the within-named Thomas Langton Birley in the presence of

J. D. Rich
Controller Post Office Liverpool.

Signed sealed and delivered by the within-named Charles Inman in the presence of

J. D. Rich
Controller Post Office Liverpool.

— No. 3. —

NORTH AMERICAN MAILS.

ARTICLES OF AGREEMENT made the 3rd day of December in the year of our Lord 1867 between the Most Noble James Duke of Montrose Her Majesty's Postmaster General (for and on behalf of Her Majesty) of the one part and Sir Edward Cunard of New York in the United States of America Baronet John Burns of Glasgow in that part of Great Britain called Scotland Merchant and Charles MacIver of Liverpool in the County Palatine of Lancaster Merchant hereinafter designated "the Contractors" of the other part.

WITNESS that in consideration of the payments hereinafter stipulated to be made to the Contractors the Contractors do for themselves their heirs executors and administrators and each and every of them for himself his heirs executors and administrators doth hereby covenant promise and agree to and with Her Majesty's Postmaster General his executors administrators successors and assigns Her Majesty's Postmaster General for the time being in manner following (that is to say) :—

Contractors to convey mails.

1. The Contractors their executors and administrators shall and will during the continuance of this Contract diligently faithfully and to the satisfaction of the said Postmaster General for the time being and with all possible speed convey Her Majesty's Mails (in which designation all bags boxes or packets of letters

letters newspapers books or printed papers and all other articles transmissible by the post without regard either to the place to which they may be addressed or to that in which they may have originated and all empty bags empty boxes and other stores and articles used or to be used in carrying on the Post Office service which shall be sent by or to or from the Post Office are agreed to be comprehended) which shall at any time or times and from time to time by Her Majesty's Postmaster General or any of the officers or agents of the said Postmaster General be required to be conveyed between England and North America as hereinafter mentioned by means of a sufficient number of good substantial and efficient steam vessels.

2. The Contractors their executors or administrators shall and will for the performance of the services between England and North America at all times at their own cost provide and keep seaworthy and in complete repair from the commencement and during the continuance of this Contract a sufficient number of good substantial and efficient steam vessels and at the like cost adequately provide and furnish all and every the vessels to be and while employed in the performance of this Contract with all necessary and proper tackle stores oil tallow fuel provisions machinery engines anchors cables boats fire pumps and all other proper and requisite means for extinguishing fire lightning conductors charts chronometers proper nautical instruments and all other furniture and apparel and whatsoever else may be requisite and necessary for equipping the said vessels and rendering them constantly efficient for the said services.

Vessels to be furnished with machinery, tackle, &c.

And manned with certificated officers, &c.

And a Medical Officer, &c.

3. Each and every of the said vessels shall at the like cost be manned with competent officers with appropriate certificates granted pursuant to the Act 17 & 18 Vict. c. 104 or to the Act or Acts in force for the time being relative to the granting certificates to officers in the merchant service and also with competent engineers and a sufficient crew of able seamen and other men and with a competent surgeon to be subject to the approval of the Postmaster General.

When vessel to leave Liverpool for New York.

When vessel to leave New York for Liverpool.

4. From and after the 1st day of January 1868 and thenceforward during the continuance of this Contract one of such vessels so equipped and manned with Her Majesty's mails on board shall on every Saturday at such hour as the said Postmaster General shall at any time or from time to time appoint proceed from Liverpool aforesaid without loss of time to New York in the said United States and another of such vessels with Her Majesty's mails on board shall on every Wednesday at such hour as the said Postmaster General shall at any time or from time to time appoint proceed from New York aforesaid to Liverpool aforesaid.

Vessels to call at Queenstown.

5. Each of the said vessels proceeding from or returning to Liverpool shall call and receive and deliver mails at Queenstown in Ireland.

Postmaster General at liberty to alter times of departure.

And to delay departure of vessel from port for any period not exceeding 24 hours.

6. The said Postmaster General for the time being shall be at liberty and have full power from time to time without making any compensation to the Contractors to alter the day and hour for the said vessels leaving all and every or any of the said places from whence the said mails are to be conveyed on giving three months notice in writing under his hand or the hand of the secretary or one of the assistant secretaries of the Post Office to the Contractors their executors or administrators It being nevertheless expressly understood that the said Postmaster General or any of his officers or agents shall be at liberty and have full power at any time during the continuance of this Contract to direct that any one or more of such vessels so conveying Her Majesty's mails from any of the said ports or places shall delay her or their departure for any period not exceeding 24 hours beyond the period which may have been previously fixed for the departure of such vessel or vessels and a letter addressed to the commander of the vessel so to be delayed shall be a sufficient authority for such detention.

Vessels to be provided with place of deposit for mails and a sorting room if required.

7. The Contractors shall provide at their own cost on board each of the vessels to be employed under this Agreement to the satisfaction of the Postmaster General a proper and convenient place of deposit for the mails with secure lock and key and also a separate and convenient room for the purpose of sorting and making up the mails and shall provide in such room all such furniture lamps fittings and other conveniences as shall be necessary and all

such

such furniture lamps fittings and other conveniences shall be from time to time cleansed and kept in repair and the oil for the lamps supplied by the servants and at the cost of the Contractors and the services of the crew shall from time to time be given for the conveyance of the mails between the mail room and the sorting room.

8. The Contractors their executors and administrators shall receive and allow to remain on board on each of the vessels to be employed in the performance of this Contract while they are so employed and also while remaining at any port or place to or from which mails are to be conveyed under this agreement whether any such vessel shall for the time being be with or without mails on board an officer to be appointed by the Postmaster General to take charge of Her Majesty's mails and also such other officers in the service of the Postmaster General as shall be reasonably required for the purpose of sorting such mails during the voyage of such vessel.

Mail officer and sorters to be conveyed on board vessels.

9. A suitable first-class berth with appropriate bed bedding and furniture shall at the cost of the Contractors their executors and administrators be provided and appropriated by them for the exclusive use and accommodation of the officer for the time being in charge of the said mails and such officer shall be victualled by the Contractors their executors and administrators as a chief cabin passenger without any charge either for his passage or victualling and the Contractors their executors and administrators shall also at their own cost provide suitable berths for the accommodation as fore-cabin passengers of the other officers employed to sort and make up the said mails and such last-mentioned officers shall be duly victualled by the Contractors their executors and administrators as fore-cabin passengers without any charge being made either for their passage or victualling.

And to be provided with all proper accommodation.

10. If the said Postmaster General shall at any time during the continuance of this Contract think fit to entrust the charge and custody of Her Majesty's mails to the commander or commanders of all or any of the vessels to be employed in the performance of this Contract such commander or commanders shall take due care thereof and shall make the usual declarations required or which may hereafter from time to time or at any time be required by Her Majesty's Postmaster General in such or similar cases and furnish such journals returns and information to and perform such services as the Postmaster General or his agents may require and such commander or commanders having the charge of such mails shall immediately on the arrival at any of the said ports and places of any vessel so conveying the said mails himself deliver Her Majesty's mails into the hands of the postmaster of the port or place where such mails are to be delivered or into the hands of such other person as the said Postmaster General shall authorise and direct to receive the same.

Postmaster General may entrust mails to commander of vessel who is to make usual declaration and receive and deliver mails, &c.

11. The Contractors shall not convey in any of the vessels employed under this agreement any nitro-glycerine or other article which shall have been legally declared specially dangerous.

Dangerous articles not to be conveyed.

12. At each and every of the said ports or places where any of the said vessels are to proceed the said officer or such other person having or authorised to have the charge of the said mails shall whenever and as often as deemed by him practicable or necessary be conveyed on shore and also from the shore to the steam vessel employed for the time being in the performance of this Contract together with or (if the duty of such officer or person renders it necessary) without Her Majesty's mails in a suitable boat of not less than four oars to be provided and properly manned and equipped by the Contractors.

At all places to which vessels proceed, officer to be conveyed to and from the shore.

13. If any vessel having Her Majesty's mails on board shall stop linger or deviate from the direct course on her voyage or shall delay starting at exact time or shall put back into port after starting then and in each and every of such cases and as often as the same shall happen the Contractors their executors and administrators shall and will pay unto Her Majesty her heirs and successors the sum of 100 *l.* and if a vessel which ought to leave Liverpool for New York in the performance of this Contract shall not proceed on her voyage for 12 hours after the proper and appointed time the Contractors their executors and administrators shall and will so often as any such omission shall happen pay unto Her Majesty her heirs and successors the sum of 500 *l.* and also the further sum of 500 *l.* for every successive period of 12 hours which shall elapse

Penalties for deviating, delaying departure, &c.

until such vessel shall proceed on her voyage in the performance of this Contract Provided always that if it shall be shown to the satisfaction of the Postmaster General that such delay or deviation or such failure to start was caused by circumstances not within the control of the Contractors the payment of the said penalties shall not be enforced.

Contractors and their agents to attend to orders of Postmaster General or officers as to landing, &c., mails.

14. The Contractors and all commanding and other officers of the vessels to be employed in the performance of this Contract and all agents seamen and servants of the Contractors shall at all times during the continuance of this Contract punctually attend to the orders and directions of the said Postmaster General or of any of his officers or agents as to the mode time and place of landing delivering and receiving mails.

Sums to be paid by Contractors to be considered stipulated damages.

15. All and every the sums of money hereby stipulated to be paid by the Contractors their executors or administrators unto Her Majesty her heirs and successors shall be considered as stipulated or ascertained damages and should the same or any of them become payable and not be discharged forthwith on the application of the said Postmaster General or his agents each and every of such sums of money may be deducted and retained by the said Postmaster General out of the monies payable to the Contractors their executors or administrators under this Contract or the payment thereof enforced with full costs of suit at the discretion of the said Postmaster General.

On requirement of Postmaster General, &c., a limited number of officers in the navy, army, or civil service with wives, &c., to be received on board as chief cabin passengers.

16. The Contractors shall and will when and as often as in writing they or the masters or commanders of their respective vessels shall be required so to do by the said Postmaster General or by the Lords Commissioners of the Admiralty or by any officers or agents acting on his or their authority (such writing to specify the rank or description of the person or persons to be conveyed and the accommodation to be provided for him or them) receive provide for victual and convey on board each and every or any of the vessels to be employed in the performance of this Contract (in addition to the officers or other persons authorised to have the charge of the said mails and to sort and make up the same) any officers in the Navy Army or Civil Service of Her Majesty not exceeding four in any one ship as chief cabin passengers with their wives and families and any persons not exceeding four in any one ship as fore cabin passengers with their wives and families together with servants of both chief and fore cabin passengers and any number of seamen marines soldiers or artificers not exceeding 10 in any one ship with their wives and families as deck passengers to be always provided with adequate protection from rain sun and bad weather and not exposed on deck without such competent shelter as long notice as practicable being given to the Contractors when accommodation shall be required for the wives or children of such officers or other persons.

And of fore-cabin passengers with wives, &c., and servants.

And of seamen, marines, soldiers, or artificers, &c., as deck passengers, with effectual protection from rain, &c.

What class of passengers they are to be considered.

17. Commissioned officers their wives and families shall be considered as chief cabin passengers non-commissioned officers their wives and families as fore cabin passengers and seamen marines private soldiers artificers and their wives and families as deck passengers and the said servants (in respect of accommodation) as the servants of chief cabin passengers.

Baggage space for officers (except Royal Engineers).

18. Each field officer and every naval officer of equal or superior rank shall be allowed 90 cubic feet of space in measurement for baggage provided (except in the case of the Royal Engineers such allowance shall not exceed 18 cwt. in weight and all other officers in Her Majesty's Naval and Military Service and officers in the Civil Service 60 cubic feet each and that (except in the case of the Royal Engineers) such allowance shall not exceed 12 cwt. in weight.

Baggage space for Royal Engineers.

19. The Royal Engineers shall be allowed the same measurement but to extend in weight to 27 cwt. for field officers and 18 cwt. for every other officer of the Royal Engineers.

Baggage space for Royal Artillery, &c., and married officers.

20. Soldiers of the Royal Artillery and Sappers and Miners and their wives shall be allowed six cubic feet each for baggage and all married officers when accompanied by their wives or families a further allowance not exceeding one-half of that before mentioned according to their rank and corps.

Conveyance of field pieces and hammocks.

21. For every company of the Royal Artillery embarked there shall be conveyed free of all charge the proper proportion of light field pieces if required and any hammocks and bedding which may be sent out for the use of the troops or other

other persons embarked shall be placed in charge of the officer authorised to have charge of Her Majesty's mails and be brought back to England if required free of any charge for freight.

22. The victualling of officers their wives and families conveyed as chief cabin passengers shall be the same as is usually allowed by the Contractors to chief cabin passengers their wives and families the victualling of non-commissioned officers their wives and families conveyed as fore cabin passengers shall be the same as is allowed to the boatswain and carpenter of the Contractors' steam ships and the victualling of seamen marines soldiers and artificers their wives and families conveyed as deck passengers shall be the same as is allowed to the seamen of the Contractors' steam ships and the victualling of the servants of officers whether chief or fore cabin passengers shall be the same as the servants of other chief and fore cabin passengers.

As to victualling of Government passengers.

23. The passage money shall be paid (in full of all charges for mess including a pint of port or good foreign white wine and one bottle of malt liquor per day for each officer conveyed as a chief cabin passenger and one gill of spirits for each non-commissioned officer seaman marine soldier artificer and servant conveyed as a fore cabin or a deck passenger at and after the rates mentioned in the following Table :—

Rates of passage money which is to be in full for mess wines, &c., and what the mess is to include.

TABLE OF RATES OF PASSAGE.

	Chief Cabin Passengers.				Fore Cabin Passengers.				Deck Passengers.			
	Officer.	Lady.	Children between 8 and 12 Years of Age.	Children between 3 and 8 Years of Age.	Man.	Woman.	Children between 8 and 12 Years of Age.	Children between 3 and 8 Years of Age.	Man.	Woman.	Children between 8 and 12 Years of Age.	Children between 3 and 8 Years of Age.
Rate from Liverpool to New York - -	£. s. 30 -	£. s. 20 -	£. s. 12 10	£. s. 6 5	£. s. 20 -	£. s. 20 -	£. s. 10 -	£. s. 5 -	£. s. 10 -	£. s. 10 -	£. s. 4 10	£. s. 2 10
Rate from New York to Liverpool - -	£. s. 30 -	£. s. 24 -	£. s. 12 -	£. s. 6 -	£. s. 15 -	£. s. 15 -	£. s. 7 10	£. s. 3 15	£. s. 10 -	£. s. 10 -	£. s. 4 10	£. s. 2 10

MEMORANDUM.—Children under three years of age to be carried free, and male servants to be charged one-half, and female servants two-thirds of the rates charged for the officers.

24. The payment of the passage ordered at the expense of the public for any person shall only be made on the production of the order for the passage and of a certificate from the person in the following form namely

Certificate for passage money.

" I hereby certify that on the _____ I embarked at _____ as a _____ passenger on board the mail steam packet _____ for a passage to _____ and landed at _____ on the _____ "

To this certificate the following addition is to be made in every case of a male cabin passenger namely

" I further certify that the first dinner meal taken on board was on the _____ and the last dinner meal on the _____ "

" Dated this _____ day of _____ "

And the correctness of the dates must be corroborated by the master of the packet adding underneath the passenger's signature.

" The dates inserted in this certificate are correct.

" (Signature)

" Master of the Packet."

25. The passage money for the families and wives of officers shall be paid to the Contractors by the officers themselves at rates never exceeding those contained in the before-mentioned table.

The passage money for families and wives of officers to be paid by officers, and what the rate is to be.

26. The passengers herein-before mentioned or referred to are to be exclusive of any men to be sent home under the provisions of the Act 11 Geo. 4, c. 20,

Passengers exclusive of men under 11 Geo. 4, c. 20.

the rate of passage for whom is to be and to be paid for in accordance with the provisions of that Act.

Soldiers as deck passengers to have adequate protection from rain, &c.

27. Whenever the Contractors shall convey any soldiers as deck passengers other than those specially provided for by this Contract the Contractors shall provide them with adequate protection from rain sun and bad weather and they shall not be exposed on deck without competent shelter.

Small packages to be received on board as Admiralty, &c., may direct.

28. The Contractors their executors or administrators shall and will receive on board each and every of the said vessels employed in the performance of this Contract any number of small packages containing astronomical instruments charts medicines wearing apparel or other articles and convey the same to and from and between all or any of the said ports or places to or from which Her Majesty's mails are to be conveyed in the performance of this contract when and as often as directed by the said Postmaster General or the Lords Commissioners of the Admiralty or his or their agents duly authorised free from all costs and charges and also shall and will receive on board each and every of the said vessels and convey to and from and between all or any of the same ports or places any naval or other stores not exceeding five tons in weight at any time at the usual rate of freight charged by the Contractors for private goods (but which shall never be more than after the rate of 5 $\%$ per ton) on receiving from the said Postmaster General or the Lords Commissioners of the Admiralty or any of his or their officers or agents two days' previous notice of its being his or their intention to have such stores so conveyed.

Limited quantity of stores to be conveyed and delivered at rates as for private goods on two days' notice.

Payment to Contractors for service.

29. And the said Postmaster-General in consideration of the premises and of the Contractors their executors and administrators and their officers servants and agents at all times during the continuance of this contract strictly and punctually performing the services herein-before contracted to be performed and the covenants and agreements hereby entered into by them the Contractors doth for and on behalf of Her Majesty Her heirs and successors agree with the Contractors their executors and administrators that the said Postmaster General on behalf of Her Majesty will pay or cause to be paid to the Contractors their executors and administrators (out of such aides or supplies as may be from time to time provided and appropriated by Parliament for that purpose) a sum after the rate of 80,000 $\%$ per annum by quarterly payments and with a proportionate part thereof should such respective services terminate on any other day than a day of quarterly payment the first quarterly payment to become due on the first day of April 1868. Provided always that the amount of all sums of money which the Contractors may and ought to receive from the Postmaster General of the United States or from any other person in respect of the conveyance by the Contractors during the continuance of this Contract of any mails from New York to Queenstown and Liverpool shall be paid over by the Contractors to Her Majesty's Postmaster General or may be deducted by Her Majesty's Postmaster General from any payments from time to time to become due to the Contractors in pursuance of this Agreement.

This Contract to commence on the 1st January 1868.

30. And it is hereby agreed and declared that this Contract shall commence on the 1st day of January 1868 and shall continue in force until the 31st day of December 1868 and shall then determine but not so as to prevent either of the said parties availing themselves of this Contract for recovering any sum or sums of money or damages should there have been any breach of this Contract previously to such determination.

Admiralty may purchase or charter vessels at a rate to be settled by arbitration in case of difference.

31. The Lords Commissioners of the Admiralty shall at any time during the continuance of this Contract if they shall consider it necessary for the public interest have power and be at liberty to purchase all or any of the said vessels at a valuation or to charter the same exclusively for Her Majesty's service at a rate of hire to be mutually fixed and agreed on by them and the said Contractors but if any difference should at any time or times arise as to the amount of valuation or hire so to be paid such difference shall be referred to two arbitrators one to be chosen by the said Commissioners and the other by the Contractors or to an umpire to be chosen by such arbitrators before they proceed with the reference to them and the said Commissioners in the case of hiring any such vessel shall return the same to the Contractors in the same state and condition as she was in at the time of any such hiring reasonable wear
and

and tear excepted and if any difference should arise upon that point the same shall be settled in the same manner as the amount for the hiring is to be settled in case of difference And it is further agreed that in case of such purchase or hire the service hereby contracted to be performed shall be performed by other vessels of the Contractors of a similar description to the vessel or vessels purchased or hired if they can in due and proper time furnish them and in the event of the said Contractors being allowed by the Postmaster General to continue to perform only a portion of the service there shall be paid to the said Contractors such sum of money as shall be agreed upon by the said Postmaster General and the said Contractors and in case of their differing as to the amount the difference to be settled by two arbitrators or an umpire to be chosen respectively by the said Postmaster General and the Contractors in manner aforesaid and the joint and concurrent award of the said arbitrators or the separate award of the said umpire when the said arbitrators cannot agree shall be binding and conclusive upon both parties and it is hereby agreed that any submission which may be made to arbitration in pursuance of this Contract shall be made a rule of Her Majesty's Court of Exchequer pursuant to the Statute in that case made and provided and that any witnesses examined upon any reference may be examined upon oath.

Submission to arbitration may be made a rule of the Court of Exchequer.

32. And it is hereby agreed that if at any time, and so long as the Contractors shall make it appear to the satisfaction of the Commissioners of Her Majesty's Treasury for the time being (but not otherwise) that from any change in the relations between this kingdom and any foreign State or from war or other causes distinctly of a public and national character to be judged of by the same Commissioners the rate of insurance for steam vessels and the freight payable by the Contractors for coals which may be used in the performance of this Contract and the rate of insurance on such coals shall have been raised above the rates actually payable for the same at the date of this Contract the Contractors shall be paid an additional sum of money according to the increase of the said rates but the said additional sum of money for freight shall be paid in respect of 40,000 tons of coal per annum and no more and the amount of any additional sum of money to be paid in any case or under any circumstances either for insurance and freight or otherwise shall not exceed the rate of 40,000 l. per annum but in no case whatever shall any additional sum be paid unless it shall have been proved to the satisfaction of the said Commissioners that such additional expenses equal to the amount claimed have been actually and bonâ-fide incurred and paid by the Contractors.

When additional sum of money is to be paid for insurance and freight.

33. And it is hereby further agreed and provided that the Contractors their executors or administrators shall not assign underlet or otherwise dispose of this Contract or any part thereof and that in case of the same or any part thereof being assigned underlet or otherwise disposed of or of any breach of this Contract on the part of the Contractors their executors or administrators it shall be lawful for the said Postmaster General if he think fit and notwithstanding there may or may not have been any former breach of this Contract by writing under his hand or under the hand of the secretary or one of the assistant secretaries of the Post Office for the time being to determine this Contract without any previous notice to the Contractors their executors or administrators or their agents nor shall the Contractors their executors or administrators be entitled to any compensation in consequence of such determination but even if this Contract be so determined the payment of the sum of money hereinafter agreed to be made shall be enforced should the same be not duly paid by the Contractors.

Contract not to be assigned, &c.

In case of assignment, &c., or breach Postmaster General may determine Contract without previous notice or compensation.

34. And it is also agreed that the notices or directions which the Postmaster General or his officers agents or other persons are hereby authorised and empowered to give to the Contractors their executors or administrators officers servants or agents may at the option of the Postmaster General or his officers agents or other persons be either delivered to the master or commander or other officer agent or servant of the Contractors their executors or administrators in the charge or management of any vessel to be or while employed in the performance of this Contract or be left at the last known place of business or abode in England or Scotland or America either of the said Sir Edward Cunard or John Burns or Charles MacIver their executors or administrators And any notices or directions so given or left shall be as binding on the said

As to the services of notices.

Sir Edward Cunard John Burns and Charles MacIver their executors or administrators as if duly served upon or left with them.

If when this contract terminates any vessel should have started or should start voyage to be continued free of charge as if Contract remained in force.

35. And it is hereby agreed that if when this Contract or any part thereof terminates any vessel or vessels should have started or should start with the mails in conformity with this Contract such voyage or voyages shall be continued and performed and the mails be delivered and received during the same as if this Contract remained in force with regard to any such vessels and services but the Contractors shall not be entitled to any payment or compensation for the same.

No Member of Parliament entitled to any share of Contract.

36. And in pursuance of the directions contained in a certain Act of Parliament made and passed in the 22nd year of the reign of King George the Third intituled "An Act for restraining any Person concerned in any Contract Commission or Agreement made for the public Service from being elected or sitting and voting as a Member of the House of Commons" it is hereby expressly declared and agreed and these presents are upon this express condition and the Contractors do covenant for themselves their heirs executors and administrators that no Member of the House of Commons shall be admitted to any share or part of this Contract or agreement or to any benefit to arise therefrom contrary to the true intent and meaning of the said Act.

Contractors bound in 25,000 £. for due performance of Contract.

37. And lastly for the due and faithful performance of all and singular the covenants conditions provisoes clauses articles and agreement hereinbefore contained which on the part and behalf of the Contractors their heirs executors and administrators are or ought to be observed performed fulfilled or kept the said Sir Edward Cunard John Burns and Charles MacIver do hereby bind themselves their heirs executors and administrators and each of them doth hereby bind himself his heirs executors and administrators unto our Sovereign Lady the Queen in the sum of 25,000 £. of lawful British money to be paid to our said Lady the Queen Her heirs and successors by way of stipulated or ascertained damages agreed upon between the said Postmaster General and the said Sir Edward Cunard John Burns and Charles MacIver (over and above any other sum or sums if any which may be payable) in case of the failure of the said Sir Edward Cunard John Burns and Charles MacIver their heirs executors or administrators in the due execution of this Contract or any part thereof.

In witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.

Signed sealed and delivered by the within-named James Duke of Montrose Her Majesty's Postmaster General in the presence of

J. L. Du Plat Taylor
Private Secretary.

MONTROSE.

L. S.

Signed sealed and delivered by the within-named Sir }
Edward Cunard in the presence of }

Signed sealed and delivered by the within-named John Burns in the presence of

Edwin Winter
Solicitor's Department,
General Post Office,
London.

JOHN BURNS.

L. S.

Signed sealed and delivered by the within-named Charles }
MacIver in the presence of }

— No. 4. —

CONTRACT OF 4 DECEMBER 1867.

HALIFAX MAILS.

ARTICLES OF AGREEMENT made the 4th day of December in the year of our Lord 1867 between the Most Noble James Duke of Montrose Her Majesty's Postmaster General for the time being of the first part William Inman of Liverpool in the county of Lancaster (which said William Inman and his executors and administrators are hereinafter described "the Contractors") of the second part and Thomas Langton Birley of Carr Hill Kirkham in the county of Lancaster Esquire and Charles Inman of Liverpool aforesaid of the third part witness that the said William Inman for himself his heirs executors and administrators doth hereby covenant with the Postmaster General his executors administrators successors and assigns Her Majesty's Postmasters General for the time being in manner following (that is to say):—

1. THE Contractors will faithfully convey or cause to be conveyed by good and sufficient steam vessels all Her Majesty's mails (which designation shall for the purposes of this Contract be considered as including all bags boxes or packets of letters newspapers books or printed papers and all other articles transmissible by post without regard either to the place to which they may be addressed or to that in which they may have originated) also all empty bags empty boxes and other stores and articles used or to be used in carrying on the Post Office service which shall be sent by or to or from the Post Office which the Postmaster General or any of his officers or agents shall require to be conveyed during the months of January February March April May and June 1868 from the port of Queenstown in Ireland to the port of Halifax in Nova Scotia on every alternate Sunday and from Halifax to Queenstown on every alternate Friday at such hours as the Postmaster General shall appoint and shall and will at their own costs and charges duly receive and safely deliver such Her Majesty's mails at Queenstown and Halifax respectively.

2. The Contractors will on Sunday the 5th day of January 1868 and thenceforward on every alternate Sunday during the continuance of this Contract at such hour as the Postmaster General shall appoint provide at the said port of Queenstown a good and sufficient steam vessel in every respect ready for sea for the conveyance of the said mails and such vessel shall immediately after Her Majesty's mails are put on board proceed without loss of time direct to Halifax and will on Friday the 3rd day of January 1868 and thenceforward on every alternate Friday during the continuance of this Contract at such hour as the Postmaster General shall appoint provide at the said port of Halifax a good and sufficient steam vessel in every respect ready for sea for the conveyance of the said mails and such vessel shall immediately after Her Majesty's mails are put on board proceed without loss of time direct to Queenstown and every such voyage from Queenstown to Halifax or from Halifax to Queenstown shall be completed within the period of 288 hours.

3. A separate and secure place of sufficient size protected from leakage and under lock and key shall be provided in each of such steam vessels for the deposit and safe custody of Her Majesty's mails and the place so provided shall be subject to the approval of the Postmaster General for the time being or of such person as he shall appoint to inspect and approve the same and the masters or commanders of such vessels shall take due care of and the Contractors shall be responsible for the receipt and delivery of the said mails and each of such masters or commanders shall make the usual declaration or declarations required or which may hereafter be required by the Postmaster General in such and similar cases and furnish such journals returns and information to and perform such services as the Postmaster General or his agents

may require and every such master or commander or officer duly authorised by him having the charge of mails shall immediately on the arrival at Halifax or Queenstown of every such vessel deliver all mails into the hands of the Postmaster or such other person at such places respectively as the Postmaster General shall authorise to receive the same.

4. The Contractors shall not convey in any of the vessels employed under this Agreement any nitro-glycerine or other article which shall have been legally declared specially dangerous.

5. The Contractors and all commanding and other officers of the vessels employed in the performance of this Agreement and all agents seamen and servants of the Contractors shall at all times punctually attend to the orders and directions of the Postmaster General his officers or agents as to the mode time and place of landing delivering and receiving mails.

6. All the costs and charges of providing the vessels to be employed under this Contract and the furniture and tackle thereof and the keeping the same vessels seaworthy and in repair and all the salaries and wages of the officers seamen and servants employed in or about the management thereof and all the sea and other risks port charges duties pilotage insurances and every other expense whatever relative to the same shall be wholly paid and borne by the Contractors.

7. The Contractors shall not receive or take or permit or suffer to be received or taken on board any or either of such vessels any letters for conveyance other than such as shall be contained in Her Majesty's mails save and except such letters as are by law exempt from the exclusive privilege of the Postmaster General nor any mails for conveyance on behalf of any colony or foreign country without the consent of the Postmaster General and in case of any such default respectively the Contractors shall be liable to be proceeded against for a breach of this Agreement.

8. And in consideration of the due and faithful performance by the Contractors of all the services hereby contracted to be by them performed the Postmaster General doth hereby covenant that there shall be paid to the Contractors (out of such aids or supplies as may be provided and appropriated by Parliament for that purpose) for each voyage with the mails under this Agreement from Queenstown to Halifax or from Halifax to Queenstown the sum of 375*l*.

9. It shall be lawful for the Postmaster General by writing under his hand or under the hand of the Secretary or one of the Assistant Secretaries of the Post Office at any time to determine and put an end to this Agreement without any previous notice in case of the breach thereof in any respect by the Contractors and the Contractors shall not be entitled to any compensation by reason of such determination and such determination shall not deprive the Postmaster General of any right or remedy to which he would otherwise be entitled by reason of such breach or any prior breach of this Agreement nor shall it interfere with the completion of any voyage which may have been commenced at the time of such determination.

10. If at the expiration of the month of June 1868 any vessel or vessels shall have been started with the mails from Queenstown or Halifax under this Agreement such vessel or vessels shall deliver such mails in conformity with this Agreement which shall be considered to terminate on the arrival of such last-mentioned vessel or vessels at Halifax or Queenstown.

11. All notices or directions which the Postmaster General his officers agents or others are hereby authorised to give to the Contractors their officers servants or agents may either be delivered to the master or commander of any of the said vessels or other officer or agent of the Contractors in the charge or management of any vessel employed in the performance of this Agreement or left for the Contractors or sent by post addressed to them at their office or house of business in Liverpool or any other place and being so given or left shall be binding on the Contractors but any notice of termination of this

Contract

Contract shall be served on the Contractors their officers servants or agents at their office or last known office in Liverpool.

12. The Contractors shall not assign underlet or otherwise part or dispose of this Agreement or any part thereof without the consent of the Postmaster General in writing for that purpose.

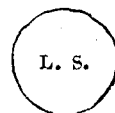
13. In pursuance of the directions contained in the Act of Parliament passed in the 22nd year of the reign of King George the 3rd intituled "An Act for restraining any person concerned in any contract commission or agreement made for the public service from being elected or sitting and voting as a Member of the House of Commons" no Member of the House of Commons shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom contrary to the true intent and meaning of the said Act.

14. And lastly for the due and faithful performance of all and singular the covenants conditions provisoes clauses articles and agreements hereinbefore contained which on the part and behalf of the Contractors are or ought to be observed performed fulfilled and kept the said William Inman Thomas Langton Birley and Charles Inman do hereby bind themselves their heirs executors and administrators and each of them doth hereby bind himself his heirs executors and administrators unto our Sovereign Lady the Queen in the sum of 5,000*l.* of lawful money of the United Kingdom to be paid to our said Lady the Queen her heirs and successors by way of stipulated or ascertained damages hereby agreed upon between the Postmaster General and the said William Inman Thomas Langton Birley and Charles Inman in case of the failure on the part of the Contractors in the due execution of this Agreement or any part thereof.

In witness whereof the said parties to these presents have hereunto set their hands and seals the day and year first above written.

Signed sealed and delivered by the within-named James Duke of Montrose Her Majesty's Postmaster General in the presence of

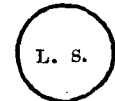
MONTROSE.



J. L. Du Plat Taylor,
Private Secretary.

Signed sealed and delivered by the within-named William Inman in the presence of

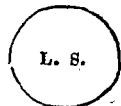
WILLIAM INMAN.



J. D. Rich,
Controller, Post Office, Liverpool.

Signed sealed and delivered by the within-named Thomas Langton Birley in the presence of

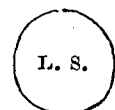
T. LANGTON BIRLEY.



J. D. Rich,
Controller, Post Office, Liverpool.

Signed sealed and delivered by the within-named Charles Inman in the presence of

CHAS. INMAN.



J. D. Rich,
Controller, Post Office, Liverpool.

— No. 5. —

COPY of TREASURY MINUTE, dated 5 December 1867.

LET copies of the Contracts entered into between the Postmaster General and the North German Lloyd, the Liverpool, New York, and Philadelphia Steam Ship Company and Messrs. Cunard Burns and MacIver, for the conveyance

veyance of mails to New York, and also of the Contract entered into between the Postmaster General and the Liverpool, New York, and Philadelphia Steam Ship Company for the conveyance of mails to Halifax, be laid upon the Table of the House of Commons.

Let copies also of the Correspondence relating to the conveyance of these mails, which sufficiently sets forth the grounds upon which my Lords have authorised the above-named Contracts, be laid upon the Table of the House.

— No. 6. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords,

General Post Office, 8 February 1866.

THE contract made by the Admiralty with Messrs. Cunard, Burns and Maclver, on the 24th June 1858, for the conveyance of the North American and Bahamas mails can be terminated in January 1868, if 12 months' notice be given to the contractors immediately after the 1st January 1867; and, as it appears to me desirable to submit this service to public competition, I request the authority of your Lordships for informing Messrs. Cunard, Burns, and Maclver that, when the proper time arrives, the notice will be served, and for advertising the service forthwith.

In suggesting this course, I think it right to refer to the letter which my predecessor, the Duke of Argyll, addressed to the Treasury on the 14th November 1857,* when the question of renewing the Contract for the North American service was under consideration.

* This letter will be found at p. 43 of Paper 184, presented to Parliament in 1859, Session 2.

The Contract then in force would have expired in 1862, and, if it had been allowed so to terminate and the service had been advertised, as proposed by the Duke of Argyll, I think it highly probable that instead of the annual loss which has been incurred, amounting to about 100,000 *l.* a year, tenders would have been received from parties willing to carry the mails for at least a large part of the service, viz., that between this country and New York, for the amount of sea postage, and that thus during the six years a very large saving might have been effected.

Indeed, previous to that time, offers had been made by Mr. William Inman, of Liverpool, on behalf of the Liverpool, New York, and Philadelphia Steam Ship Company, to convey mails weekly to and from America for the amount of the sea postage, and the vessels of that Company have since continued to run weekly with great regularity, and have, as often as permitted, carried the mails on behalf of the United States Post Office, the Company receiving as their remuneration the sea postage only.

I entertain hopes that, should this service be now advertised, the tenders for it will show that so large a reduction may be made in its cost, as not only to render the service self-supporting, but to make it practicable considerably to reduce the present rate of postage to the United States.

The Lords Commissioners
of the Treasury.

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

— No. 7. —

The Secretary to the Treasury to the Postmaster General.

My Lord,

Treasury Chambers, 4 April 1866.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to state that, in accordance with the recommendation contained in your Lordship's letter of the 8th February last, my Lords are pleased to authorise you to inform

inform Messrs. Cunard, Burns, and MacIver that, when the proper time arrives, notice will be served for the termination in January 1868 of the Contract made with them by the Admiralty for the conveyance of the North American and Bahamas mails.

My Lords are also pleased to approve of the service in question being advertised forthwith.

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

I am, &c.
(signed) *Hugh C. E. Childers.*

— No. 8. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords,

General Post Office, 26 April 1866.

IN accordance with the authority given in your Lordships' letter of the 4th instant, Messrs. Cunard, Burns, and MacIver, and the executors of the late Sir Samuel Cunard, have been informed that, at the proper time, notice will be given to them that their several Contracts for packet services to the United States, Nassau, Newfoundland, Bermuda, and St. Thomas, will be brought to an end. It now, therefore, remains for me to report, for your Lordships' consideration, the measures most desirable, in the public interest, to adopt for the future regulation of these services.

As regards the main service, viz., that between this country and the United States, I am of opinion that it is not expedient to enter into a new contract, either with Messrs. Cunard & Co. or with any other party, like that now existing; and, in place of it, I advise that I should be empowered in due time to make arrangements with the owners of well-appointed ships leaving this country on stated days, weekly, for the conveyance of the outward mails to New York, subject to a penalty in any case of omission, on the understanding that all letters, &c., for the United States ready for despatch on any such day shall be sent by such owner's ship, and that a payment for them shall be made equal to the whole sea postage, if the voyage be performed within a certain time, and equal to a smaller sum, according to a fixed scale, in cases of overtime.

Under such an arrangement, I think it probable, looking at the great commercial intercourse between the two countries, that a daily mail might be established.

So large a part of the American correspondence is for New York, or for places readily served from that city, that, in my opinion, it is desirable no longer to send the mails, as at present, alternately to Boston, but always to New York.

Another alteration which I would suggest, and which it is convenient here to mention, is that the British Post Office should undertake the conveyance of all letters, &c., sent from this country to the United States, and receive all the sea postage thereon, and that the United States Office should undertake to convey all letters, &c., from the United States to this country, with a similar claim to the sea postage; an arrangement which, while quite as equitable as the present, would be much more convenient.

To accomplish this latter object, it would be necessary to alter the present postal convention with the United States. This convention is, however, in other respects very defective, and I submit that I should have power to give notice to terminate it, and to enter into negotiations for a new convention; acting in both cases, of course, through the Foreign Office.

One important object in the new convention would be to effect a reduction of postage between the two countries from 1 s. the half-ounce letter to 6 d. The United States Office has already expressed its approval of such a reduction, but the matter has been delayed until our present contract with Messrs. Cunard & Co. should be terminated, owing to the very great loss which, while this Contract continues, such a reduction would entail. Relieved of the burden caused by this Contract, the service which, at the present 1 s. rate of postage, produces a loss not far short of 100,000 l. a year, will, under the arrangement proposed, and that even at a 6 d. rate, become self-supporting.

By means of the present service to Boston, mails are sent to Halifax, and from Halifax there is a branch to Newfoundland. For this service from England to Halifax, and its branch, it would be necessary to provide; and I propose soon to issue advertisements for it. As great swiftness is not necessary, I do not think that the expense will be great, especially considering that arrangements can probably be made with the Canadian Government, under which their weekly subsidized packet, which in winter goes to Portland, and in summer to Quebec, may convey the mails to Halifax.

In accordance with the principle now carried into extensive operation, I presume your Lordships will require that the Colonies to be benefited by this service, viz., Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland, shall pay half the cost. If so, it will be important to come to a clear understanding on that subject before accepting any tender, so as to avoid getting into a position like that in which we were placed as respects the West Indian Service.

Another service to be provided for is that between New York and Nassau, the present cost of which (estimated at 3,000 *l.*), is paid half by this country and half by the Government of Nassau. This service I propose in due time to advertise.

The remaining service of those under consideration is one between Halifax, Bermuda, and St. Thomas, but the object of this service being naval and not postal, I submit that this department should be relieved of it, and that it should be transferred to the Admiralty; which department, however, we should be quite ready to credit with the sea postage of any letters which the packets that would be employed might convey.

I have, &c.

(signed) *Stanley of Alderley.*

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

— No. 9. —

The Secretary to the Treasury to the Postmaster General.

My Lord,

Treasury Chambers, 13 June 1866.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to state that my Lords having given their attentive consideration to your Lordship's letter of the 26th April last, relative to the measures most desirable, in the public interest, to adopt for the future regulation of the North American Packet Service on the termination, at the end of next year, of the present Contract with Messrs. Cunard & Co., agree with your Lordship in the opinion, that as regards the Main Service, viz., that between this country and the United States, it is not expedient to enter, either with Messrs. Cunard & Co. or with any other party, into a new Contract like that now existing, and in place of it, my Lords authorise you to make arrangements with the owners of well-appointed steamships leaving this country on stated days, for the conveyance of the outward mails to New York (subject to a penalty in case of omission), on the understanding that all letters, &c., for the United States ready for despatch on any such day shall be sent by such owners' ship, and that a payment for them shall be made equal to the whole sea postage, if the voyage be performed within a certain time, and equal to a smaller sum, according to a fixed scale, in cases of overtime; but it appears to my Lords to be deserving of careful consideration whether the arrangements to be made with the owners of such steamships should not be made binding on both parties for terms of years. And also, with a view to preventing any misunderstanding hereafter on the part of the owners of such ships, whether it should not be distinctly stipulated that the whole of the letters accruing on a given number of days will be sent by the vessel or vessels the subject of such arrangement.

For the reasons assigned by your Lordship—viz., that a very large part of the correspondence with the United States is intended for New York, or for places readily served from that city, and considering that the fastest steamships

ply

ply to New York,—my Lords concur with your Lordship in thinking it no longer desirable to send mails, as at present, alternately to Boston, but always to New York.

My Lords also agree in your suggestion that the British Post Office should undertake the conveyance of all letters, &c., sent from this country to the United States, and receive all the sea postage thereon, and that the United States Office should undertake to convey all letters, &c., from the United States to this country, with a similar claim to sea postage; and with a view to accomplish this object, and to remedy the other defects to which you refer, my Lords authorise your Lordship to terminate the present postal convention with the United States, and to enter into negotiations for a new convention, acting in both cases through the Foreign Office.

My Lords also approve of your proposal to reduce the postage between the two countries from 1 s. the half-ounce letter to 6 *d.*; and they rejoice to think that when relieved of the burden caused by the present Contract with Messrs. Cunard & Co., the British postal revenue will allow of this important alteration being made without undue loss, and that there is indeed a fair prospect that a service which, even at a comparatively high rate of postage, now gives rise to a large deficit, will with a lower rate of postage become self-supporting.

With regard to the Halifax and Newfoundland packet service, my Lords are of opinion that, instead of issuing advertisements, it is desirable to enter into communication with the Governments of the British Provinces in North America, with a view of uniting, under an arrangement which shall be fair to those provinces and to this country, the two services in question with those now maintained by the Canadian Government between Liverpool and Quebec in summer, and between Liverpool and Portland in winter; and to this end my Lords will communicate with Her Majesty's Secretary of State for the Colonies, with a view to his bringing the subject under the consideration of the several Provincial Governments.

With respect to the principle on which any arrangement to be made for the packet service to the British North American Provinces should be based, my Lords are decidedly of opinion that the necessary arrangements for this purpose should be made by the provinces (in communication with each other) themselves, my Lords proposing to undertake, on the part of the British Government on their concurring in such arrangements, to defray one-half of any loss which may be occasioned by the postage derivable from the correspondence sent by the packets in question not being sufficient to defray the cost incurred from their employment. But any such agreement between this Government and that of the North American Colonies should be made subject to the approval of Parliament, in accordance with the Resolution of the House of Commons of 24th July 1860.

With respect to the postage to be charged on letters to be sent by these packets, it appears to my Lords that it should be the same as that charged on letters sent to Canada (by the Canadian packets), and to the other British North American Provinces; *viz.*, 6 *d.* the half-ounce letter, and that with respect to the postage on Canadian correspondence, which may be sent by British packet, *vid* the United States, which my Lords perceive is now 8 *d.* the half-ounce letter, it should be proposed to the United States, in settling the terms of the new convention, to fix this rate also at 6 *d.*

In accordance with your Lordship's recommendation, my Lords are pleased to authorise you, in due time, to advertise for tenders for a new Contract for the service between New York and Nassau: one-half of the cost (estimated at 3,000 *l.* a year) to be paid by this country and one-half by the Colonial Government.

As respects the remaining service, *viz.* that between Halifax, Bermuda, and St. Thomas, my Lords authorise you to communicate with the Lords of the Admiralty with a view of ascertaining what arrangements are absolutely required for the service of that Board, my Lords concurring with you in the opinion that, in a postal point of view, the service is hardly requisite.

I am, &c.

(signed) *Hugh C. E. Childers.*

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

— No. 10. —

The Secretary to the Treasury to Sir F. Rogers, Bart.

Sir,

Treasury Chambers, 13 June 1866.

I AM directed by the Lords Commissioners of Her Majesty's Treasury, to transmit herewith copy of a letter from the Postmaster General, dated the 26th April last, together with a copy of their Lordships' Minute* of the 11th instant, and I am to request that in laying the same before Mr. Secretary Cardwell, you will move him with reference to the proposal therein contained, with regard to combining the future packet service to Halifax and Newfoundland with the existing services to Portland and Quebec, to communicate with the Governments of the British North American provinces, with a view to the proposal in question being under consideration, and an arrangement satisfactory alike to those provinces and the Home Government carried into effect.

* Embodied in the letter to the Postmaster General of the 13th June.

Sir F. Rogers, Bart.
&c. &c. &c.

I am, &c.
(signed) *Hugh C. E. Childers.*

— No. 11. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords,

General Post Office, 15 July 1867.

WITH reference to the letter from the Treasury to the Post Office, dated the 13th June 1866, approving of the arrangements proposed by my predecessor for maintaining a postal communication with the United States on the termination of the contract with Messrs. Cunard, Burns & MacIver, I have the honour to submit for the consideration and approval of your Lordships, a form of Tender and conditions for the contracts which I propose to enter into with the owners of well-appointed steamships leaving this country for New York on stated days.

From the nature of the service the conditions in the case of these contracts will be fewer and much simpler than those in other contracts for the conveyance of mails by sea.

I have carefully considered the suggestions made in the letter above referred to, whether the Contracts should not be binding on both parties for terms of years, and also whether it should not be stipulated in each Contract that the whole of the letters accruing on a given number of days will be sent by the vessel the subject of such contract. I cannot, however, advise that either of these suggestions should be adopted, as I think that they would occasion inconvenience and embarrassments to the department. It is very desirable that the department should be left as free as possible, in order that it may be at liberty to make use of any new line of steam vessels that may be established to run between this country and New York on regular days; and it would, I think, be objectionable to bind the department to send all letters in the office on a given day by any vessel, whatever its character, which the Contractors might provide to sail on such day, as the department might be aware that a vessel appointed to leave a day or two later would in all probability arrive in New York at an earlier period.

The Lords Commissioners of
the Treasury.

I have, &c.
(signed) *Montrose.*

Enclosure in No. 11.

TENDER for Conveying HER MAJESTY'S MAILS from some Port in the United Kingdom to *New York*.*

Sir,

WE hereby offer to convey Her Majesty's Mails, by steam vessels, from † to New York, and on the conditions marked A., every in days each voyage.

If required, under the 6th Condition, to provide a room for sorting the mails, we shall demand £ for each ship in which such provision shall have to be made; and for the food and accommodation of each officer employed in sorting, we shall demand £. per voyage if the officer be treated as a chief cabin passenger, and £. if he be treated as a fore cabin passenger.

We propose as our sureties, in the penalty of £5,000, Mr. of and Mr. of ; and we refer you to as persons of whom inquiry can be made as to the responsibility of such sureties.

We agree to execute a formal contract for the performance of the service, according to the terms of this tender and the annexed conditions, and to begin the service on the first in 1868.

We are, &c.

(Signature)

(Address)

The Secretary of the Post Office.

CONDITIONS, referred to as marked A.

1. THE Contractors to convey, during the continuance of the Contract, on the day or days in each week specified in their letter on the other side hereof, such of Her Majesty's mails from the United Kingdom to New York as may be despatched on some one day in each week.

2. Under the term "Her Majesty's mails" are to be comprehended all bags, boxes, or packets of letters, newspapers, books, or printed papers, and all other articles transmissible by the post, without regard either to the place to which they may be addressed or to that in which they may have originated; also all empty bags, empty boxes, and other stores and articles, used or to be used in carrying on the Post Office service, which shall be sent by or to or from the Post Office.

3. A penalty of 300*l.* to be incurred on each occasion when the Contractors fail in providing a vessel, in accordance with their Contract, ready to put to sea at the appointed time.

4. The payment by the Contractors of any penalties shall in no way prejudice the right of the Postmaster General to treat the failure to provide a proper vessel at the appointed time, or to perform a voyage at or within the appointed period, as a breach of the Contract.

5. The

* All tenders must be addressed to the Secretary of the Post Office, with the words "Tender for the conveyance of mails to New York" in the left-hand corner of the envelope. Other things equal, a preference will be given to a tender made upon this printed form and in exact accordance therewith. Even, however, when this form is used, the parties tendering may, in a separate letter, to be forwarded with the tender, suggest, for consideration, any alteration in the conditions or otherwise. The Postmaster General does not engage, irrespective of other considerations, to accept the lowest tender, nor does he engage to accept any tender.

† In cases where the vessel has to touch at any other port than that from which she starts, this blank must be filled up with the name of the last port of call.

5. The hours of departure to be fixed by the Postmaster General, and to be subject to alteration by him, from time to time, on a notice to the Contractors of three months.

6. The Contractors to provide, to the satisfaction of the Postmaster General, a separate and convenient place of deposit for the mails on board each vessel; also, if required, a room (with the necessary fittings) for the purpose of sorting the mails, and with proper accommodation and mess for the officers who may be employed in that duty. The services of the crew to be given in the conveyance of the mails between the mail room and the sorting room.

7. The Contractors and all commanding and other officers of the vessels which may be employed in the performance of the Contract, and all agents, seamen, and servants of the Contractors, shall, at all times during the continuance of the Contract, punctually attend to the orders of the Postmaster General, as to the mode of embarking and disembarking mails.

8. Should the Postmaster General at any time deem it expedient to place the mails, or any part thereof, in the care of the commander of any vessel, such commander shall take charge of them, and be responsible for their due receipt and delivery. The commander shall also make the usual Post Office declaration, and furnish such journal, returns, and other information, and perform such other services, as the Postmaster General may, from time to time, require.

9. Except such letters as are not required by law to pass through the Post Office, the Contractors shall not receive, or permit to be received in the United Kingdom, for conveyance on board any of the vessels employed under the Contract, any letters other than those contained in Her Majesty's mails.

10. The Contractors not to convey in any of the vessels employed under this Contract any nitro-glycerine or other article which may have been legally declared specially dangerous.

11. Every vessel which may have started, or which should have started, before the termination of the contract, must complete its voyage in like manner as if the Contract remained in force.

12. The Postmaster General to be authorised to delegate any of his powers to such persons as he may deem fit to exercise them.

13. The Contractors to receive the sum of 1 s.* for every ounce of letters which they may convey; 3 d.* for every pound of newspapers, and 5 d.* for every pound of book packets or packets of trade patterns. But these amounts shall be subject to a deduction, in each voyage, of one-eighth part of their amount for every period of 12 hours by which the voyage shall exceed the stipulated time; so that if the voyage exceed the stipulated time by four complete days, no payment will be made.

14. Except where otherwise specified, none of the duties enumerated in the foregoing conditions to give the Contractors any claim to remuneration beyond the payment mentioned in the 13th Condition.

15. Every sum of money forfeited by the Contractors to be considered as stipulated or ascertained or liquidated damages, and to be payable whether any damage shall or shall not have been sustained by reason of the breach for which the penalty may be levied. The amount to be deducted by the Postmaster General out of any moneys then payable, or which may thereafter become payable to the Contractors; or, at his discretion, the payment thereof may be enforced with full costs of suit.

16. The Contract to continue in force until the expiration of a written notice, at any time, and by either party, of not less than six calendar months.

17. All notices which the Postmaster General or any of his officers or agents are authorised to give, either to be delivered to the commander of any vessel of the Contractors, or to any officer or agent of the Contractors in charge of any such vessel, or to be left at the office or last known place of business or residence of the Contractors, or of one of them.

18. The Contractors not to assign, underlet, or dispose of the Contract, or any part thereof, without the consent, in writing, of the Postmaster General.

19. In case of the breach of the 18th Condition, or in case of a great or habitual breach of the Contract of any other kind, the Postmaster General to have power, and that without previous notice, to terminate the Contract; and such termination not to give the Contractors any claim to compensation.

20. In pursuance of the provisions of the Act 22 Geo. 3, c. 45, no Member of the House
authorised

* These sums are the estimated equivalent of the different rates of sea postage; payment by the weight of letters, &c., in bulk being adopted to save useless trouble.

of Commons to be admitted to any share of the Contract, or to any benefit arising therefrom.

21. For the due fulfilment of the Contract, the Contractors to enter into a bond, with two responsible sureties, to be named in their tenders, in the penalty of 5,000 £. Such penalty to be considered and recoverable as liquidated damages.

22. Should any dispute arise respecting the interpretation of any part of the Contract to be framed on the basis of this tender and of these conditions, the same to be settled by arbitration in the usual manner; and a submission to arbitration may be made a rule of Court.

— No. 12. —

Mr. G. A. Hamilton to the Postmaster General.

My Lord Duke, Treasury Chambers, 22 July 1867.

IN reply to your letter of the 15th instant, I am commanded by the Lords Commissioners of Her Majesty's Treasury to acquaint you that my Lords approve of the proposed forms of tender for the conveyance of mails to New York at the expiration of the present Contract with Messrs. Cunard & Co.

His Grace the Postmaster General,
&c. &c. &c.

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

— No. 13. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords, General Post Office, 24 October 1867.

IN transmitting to your Lordships the tenders which I have received for the conveyance of the North American Mails, under the conditions approved by your letter of the 22nd July last, it is necessary, owing to the fact for which I was not prepared, that Messrs. Cunard, Burns, and MacIver, the present contractors, have made no offer to enter into a contract under the conditions proposed, that I should bring the whole matter before you, and describe the position in which the department now stands as regards the American Mails, and the position in which we should stand if the tenders in question were accepted.

There are at present four regular mails per week between this country and the United States.

The outward mails are conveyed :--

On	From what Port.	Name of Company conveying the Mails.	Mails by which Correspondence is forwarded from London.
Tuesday	Southampton	North German Lloyd	Day Mail of Tuesday.
Thursday	Queenstown	Liverpool, New York, and Philadelphia Steamship Company.	Night Mail of Wednesday.
Friday	Londonderry	Montreal Ocean Steamship Company.	Night Mail of Thursday.
Sunday	Queenstown	Messrs. Cunard, Burns, and MacIver.	Night Mail of Saturday.

In addition to these regular outward mails, occasional mails are dispatched about once a month :—

On	From what Port.	Name of Company conveying the Mails.	Mails by which Correspondence is forwarded from London.
Wednesday -	Southampton	Hamburgh American Steamship Company.	Day Mail of Wednesday.
Thursday -	Falmouth -	Havre and New York Steamship Company.	Night Mail of Wednesday.

Of these six regular and occasional lines of communication, one is provided by the British Imperial Government and one by the Canadian Government. The remaining four are provided by the United States Government.

The regular homeward mails are conveyed :—

Day of Sailing from America.	To what British Port.	Name of Company conveying the Mails.
Wednesday -	Queenstown -	Messrs. Cunard, Burns, and MacIver.
Thursday -	Southampton -	North German Lloyd.
Saturday -	Queenstown -	Liverpool, New York, and Philadelphia Steamship Company.
Saturday -	Londonderry -	Montreal Ocean Steamship Company.

Occasional homeward mails arrive, about once a month, by the vessels of the Havre and New York Company, or by the vessels of the Hamburgh American Steamship Company.

For the line of communication which Messrs. Cunard, Burns, and MacIver supply, the British Government pays a fixed sum annually. For the rest it pays the sea postage on the correspondence conveyed, that is, it gives up the sea postage on that correspondence to the United States and Canadian Governments, and leaves them to make terms with the Packet Companies.

Of the regular lines three only are useful for correspondence with New York. This will be evident, as regards the outward mails, from the fact that the line of Cunard, Burns, and MacIver, sailing from Queenstown on Sunday, to Boston and New York alternately, has in the course of 12 months from the 8th September 1866, delivered mails in New York on 35 occasions, out of 52, either before or on the same day that the line of the Montreal Ocean Steamship Company, sailing from Londonderry on Friday, could deliver such mails, and that, out of the 17 remaining occasions, the Cunard line, which, in all cases, sailed two days after the Canadian line, delivered its mails eight times only one day later; four times only two days later, and only five times more than two days later than the Canadian line could deliver them.

Of the 35 mails which the Cunard line, running alternately to New York and to Boston, delivered in New York before the Canadian line could deliver them, 20 were carried direct to New York and 15 to Boston. It is evident from this fact, that if the Cunard line ran to New York only, the Canadian line would be even less useful than it now is for the conveyance of letters to New York.

The Canadian line, though more serviceable for the conveyance of letters to Boston than for the conveyance of letters to New York, does not carry the letters to Boston in an altogether satisfactory manner.

This will be evident from the fact that the Cunard line, though sailing two days later than the Canadian line, delivered 27 out of the last 52 mails, in Boston on or before the day on which the Canadian line delivered its mails; whilst in 18 out of the remaining 25 mails, the difference between the two periods

periods of delivery did not exceed the difference between the two periods of dispatch.

I have not the means of ascertaining whether the Canadian line now affords a good means of communication to the Western and North-western States of America. When it was first decided that United States mails should be sent by Canadian packets, those packets sailed one day earlier than they now sail, so that the interval between their sailing and the sailing of the Cunard packets was greater than it now is. At that time it was thought that they would afford an extra mail to Boston, and to the Western and North-western States. It is obvious that their usefulness, so far as Boston is concerned has been greatly reduced by the alteration in the day of sailing, and I am inclined to think that, in practice, they no longer afford a good mail even to the Western and North-western States.

The occasional lines, out and home, do not seem to do much for the public, but merely take some portion of the sea postage away from other United States lines. Thus, on the 17th April, a regular mail and an occasional mail were dispatched from Queenstown and Falmouth respectively, and divided between them the sea postage which one line would otherwise have earned.

The regular mail reached New York on the 30th April, and the occasional mail on the 1st May, so that the letters by the occasional mail suffered delay by being entrusted to it.

Of the three regular lines between this country and the United States, that which is most used for correspondence between the two countries is the line of Cunard, Burns, and MacIver. This will be evident from the fact that 46 per cent. of the whole international correspondence from this country to the United States, and 50 per cent. of the international correspondence from the United States to this country, are carried by the Cunard line.

Of the outward correspondence, the Canadian packets carry 13 per cent., whilst the regular and occasional United States packets divide the remaining 41 per cent. between them. The Cunard line thus has the lion's share of the outward correspondence, and as the correspondence is regularly dispatched from this country by the first mail made up after it is posted, it follows that the correspondence sent by the Cunard line is specially written for that line, which thus obtains the lion's share of the correspondence by the express preference of the public of this country.

As the Cunard line has even a larger share of the homeward than it has of the outward correspondence, it would appear that the preference of the American is not less marked than that of the British public.

The partiality of the public, and especially the mercantile public, is no doubt due, in a very great measure, to the regularity of the communication which the Cunard packets maintain between the two countries. In the present year, of 35 mails dispatched from Queenstown by the Cunard line on Sunday, 26 were delivered in New York on or before Thursday in the following week; whilst of 42 homeward mails leaving the United States on Wednesday (with which, of course, this country is most immediately concerned, and over which it has the most complete control), 38 arrived in time for delivery in London and the principal towns in the United Kingdom on or before the morning of Monday in the next week but one after the date of dispatch. Of these 38 mails, 17 were delivered in London and the principal towns in the United Kingdom on the morning of Saturday in the week after the date of dispatch, and to the letters contained in such mails, replies could at once be sent by the night mail of the same date.

The mercantile community in New York have thus learned to believe that letters by the Cunard line will, as a rule, reach them not later than Thursday in each week, and the mercantile community in the United Kingdom have learned to expect that letters by the same packets will, as a rule, reach them not later than Monday in each week.

No such regularity of communication has hitherto been afforded by the other lines.

At the close of this year, the contract with Messrs. Cunard, Burns, and MacIver will expire, and it has been decided that, from that time, the British Government shall provide for the conveyance of the outward mails only, leaving the

duty of providing for the dispatch of the homeward mails to the United States Government, and that we shall pay for the conveyance of the outward mails the sea postage on the correspondence contained in them.

Four tenders for the conveyance of these mails, on this basis, have been received.

They are for the conveyance of weekly mails to New York :--

On	From what Port.	Name of Company tendering.	Number of Days required for the Voyage.
Tuesday - - -	Southampton -	North German Lloyd - - -	<i>Days.</i> 11½
<i>The Day Mail from London of Tuesday would fall into these boats.</i>			
Thursday - - -	Queenstown -	Mr. Inman, or the Liverpool, New York, and Philadelphia Steamship Company.	14 From 20 September to 20 April.
<i>The Night Mail from London of Wednesday would fall into these boats.</i>			
Friday - - -	Queenstown -	National Steamship Company -	14
<i>The Night Mail from London of Thursday would fall into these boats.</i>			
Friday - - -	Southampton -	The Hamburg American Steamship Company.	11½
<i>The Day Mail from London of Friday would fall into these boats.</i>			

It will at once be obvious that, of these four tenders, that from the National Steamship Company is inadmissible, since, if that Company and the Hamburg American Steamship Company each kept the time for which they have respectively tendered, the letters which were sent to the last-named Company's boat by the London Day Mail of Friday, would as a rule, reach New York two days before the letters which were sent to the first-named Company's boat by the London Night Mail of Thursday.

It is highly probable that the acceptance of Mr. Inman's tender, conjointly with that of the Hamburg American Steamship Company, would, during a portion of the year at least, expose correspondence to delay nearly as great.

For if Mr. Inman and the Hamburg Company each kept to the time for which they have respectively tendered, then, during the six winter months (and it must be remembered that the arrangement is to begin in mid-winter), the letters which were sent to Mr. Inman's vessels by the London Night Mail of Wednesday would reach New York after the letters which were sent to the Hamburg Company's vessels by the London Day Mail of Friday.

It is true that Mr. Inman affirms that 14 days would be the maximum duration of the winter passage of his steamers, and justly claims credit for having made shorter winter passages; but inasmuch as he and the Hamburg Company would, under the conditions of the tender, be alike punishable for delay by a deduction of one-eighth of the sea postage for every 12 hours of delay (the utmost possible punishment being in either case the loss of the whole sea postage), the fact still remains that, so far as the Post Office is concerned, the Hamburg Company would have a motive to complete the voyage in 11½ days, whilst Mr. Inman, so far as the Post Office is concerned, would have no motive to complete it in less than 14 days. And it may be added, that the acceptance of a tender for a voyage of 14 days, and of another tender for a voyage of 11½ days

days, on the prescribed conditions as to penalty, might place the department in this position—that it might have to reward the first of the parties so tendering by paying them the whole of the sea postage for doing the voyage in 14 days, and might have to punish the second by deducting 5-8ths of the sea postage for a voyage of no greater duration.

On the whole, it seems probable that, if the tenders of the North German Lloyd, Mr. Inman, and the Hamburg Company were accepted, the public would, during the winter months (in which the arrangement is to begin) have only two practically useful mails per week to New York, viz., the mails from Southampton on the Tuesday and Friday in each week. Besides suffering from this reduction of the accommodation which the existing arrangements afford, it is probable that the public would, for some time, be inconvenienced by the change in the dates of dispatch to the United States. At present a very large portion of the mercantile correspondence is sent away on Friday and Saturday in each week. In that which is sent away on Saturday, merchants can review, and probably do review, the commercial transactions of the completed week, and in it, as I have shown, they can frequently reply to the letters received on the Saturday from the United States.

The following table will best show the effect of the change upon the periods for writing to New York.

At present they may have American Mail Nights,		But if the Three Tenders in Question were accepted they could have American Mail Nights,	
On	For despatch from	On	For despatch from
Monday - - -	Southampton - -	Monday - - -	Southampton.
Wednesday - -	Queenstown - -	Wednesday - -	Queenstown.
Friday or Saturday (or both days).	Queenstown - -	Thursday - - -	Southampton.

Of the effect of the change on their opportunities for reply, no opinion can be formed, because we have yet to ascertain how, and by what ships, and in what time, and on what days of the week, the homeward mails will be dispatched to this country.

For the conveyance of those mails the United States Government are to provide, and it is to be supposed that they will continue the practice which they have followed for some time past, of taking up, not every ship of a Company working from New York, but such of the ships of that Company as seem most likely to make a speedy voyage.

If they continue this practice, and if we accept the only available tenders which we have received, we shall have no certainty that any ship which carries a mail to the United States will also bring a mail from the United States. Out of this uncertainty a fresh difficulty will arise. At present, the public derive a very considerable advantage from the sortation of the mails on board the packets of the Cunard line. It is estimated that if this sortation at sea were abolished at once in the case of those packets, letters to go by them must, in many cases, be posted a day earlier, whilst letters coming in by them would, in many cases, be delivered a day later than at present.

In view of the importance of the sortation at sea, the Companies tendering for the conveyance of the outward mails have been requested to state what they would charge for fitting up sorting rooms, and what for the maintenance of the sorting officers, and it would no doubt be possible to arrange for the sortation of the outward mails, on any or all of the vessels which might be accepted for the conveyance of those mails; but in the face of the uncertainty which prevails, and must for some time prevail, with regard to the vessels which are to bring the homeward mails, it would be very unwise to send officers from this country to sort the outward mails, inasmuch as they might, and very possibly

would, have either to wait in America for a vessel fitted up for sorting, or return idle in a vessel not fitted up for sorting.

The United States' Government has hitherto shown a strong desire to employ the vessels of the Havre and New York Company, from whom we have no tender, and it is conceivable that they might occasionally choose to employ the best vessels of the National Company, though we cannot accept the general tender from that company; and if at any time they chose to put homeward mails on board the best vessels of these or other companies, instead of on board the worst vessels of the companies in agreement with this department, they would certainly throw the arrangements which we might have made for sorting on board into very great confusion.

I may add that if we make arrangements for sorting on board three lines of packets instead of one as at present, we may probably find that the increase of expense would be greater than the increase of work would warrant. For, not only might we send sorters out to come home idle, but we might often find that the minimum force which we could put on board a packet for sorting purposes might be without sufficient occupation even during either the outward or the homeward voyage.

It is needless, however, to press this point, as the obstacles which would stand in the way of any attempt at sortation on board, if the proposed changes were effected, appear to be too serious to admit of removal.

The changes which would follow on the acceptance of these tenders would involve,—

1st. A reduction of accommodation from the 1st January next, so far as the outward mails are concerned.

2ndly. A change in the practice of the mercantile community with regard to those mails.

3rdly. Absolute uncertainty for the present as to the homeward mails.

4thly. The loss of the advantages which the department, or the public, derives from the sortation at sea, and—

5thly. The certainty that, as we are to pay to those who convey the outward mails, the sea postage on the articles conveyed, no increase in the quantities so conveyed will bring any profit to the department.

Besides undertaking to provide for the conveyance of all the mails to New York after the close of this year, this department has undertaken to provide for the conveyance of a fortnightly mail to and from Halifax, Nova Scotia, during the first six months of the next year. It is understood that this service, which is required for State as well as for postal purposes, shall, after the first six months of next year, be provided for by the Government of the British North American Confederation, and though it may eventually turn out that the maintenance of this service will permanently devolve on this department, we are not called upon at present for more than a temporary service. The department has found that this service is one for which it will be very difficult to provide. The Montreal Company, and the companies from which tenders on the prescribed basis for the conveyance of mails to New York have been received, have refused to touch at Halifax, on their outward and homeward voyages with their regular packets, and, with one exception, have refused to undertake a Halifax service at all.

The Liverpool, New York, and Philadelphia Company have offered, through Mr. Inman, to maintain a fortnightly service between Queenstown and Halifax for six months, and to perform the voyage in each direction in 12 days for the sum of 1,000*l.* per round voyage. Mr. Inman has hinted in conversation that he might be willing to take 750*l.* per round voyage, and, therefore, for the purpose of argument, it will be better to consider that sum as the required payment. If his offer were accepted, and if the tenders which have been described were accepted, the department, in addition to paying for the conveyance of the mails to New York the whole sea postage of the articles conveyed, would have to pay to the Liverpool, New York, and Philadelphia Company at the rate of 19,500*l.* per annum for the temporary Halifax service, which service

vice would by no means be so good as that which has hitherto been maintained by the firm of Cunard, Burns, and MacIver. The packets of this last-named firm have, on the average, performed the voyage between Queenstown and Halifax within 10 days, whether in summer or winter, but the Liverpool, New York, and Philadelphia Company propose to take 12 days for the same voyage.

It is well understood, too, that this latter company have proposed for the service, solely as a temporary service, and that the difficulty and danger of the route, and the absence of any commercial inducement to keep it up, would render them very unwilling to carry it on for the stipulated payment, if, by any mischance, the permanent conduct of the service should, after all, devolve on this department.

The parties who were invited to tender for the conveyance of mails to New York, were informed by a note in the form of tender that "other things being equal, a preference would be given to a tender made upon the printed form and in exact accordance therewith, but that even when the form was used, the parties tendering might, in a separate letter, to be forwarded with the tender, suggest, for consideration, any alteration in the conditions or otherwise."

In sending in the form of tender, Messrs. Cunard, Burns & MacIver, stated in a separate letter which they forwarded with the form, and which accompanies this letter, that they "were not prepared to make any offer upon that form, but that they were quite ready, if permitted, to lay before the Postmaster General an offer to include a service to Halifax," and they were informed in reply, that I should be glad to receive such an offer from them.

The offer which they then made is in fact an offer to carry on the service as they have carried it on, for a greatly reduced payment. If their offer be accepted, their future service will differ from their present service in these respects:

1st. They will run once a week between Queenstown and New York (touching each alternate week at Halifax, so long as they are required), instead of once a fortnight between Queenstown and New York, and once a fortnight between Queenstown and Boston, *via* Halifax.

2ndly. Their ships will no longer be subject to Admiralty supervision, but will of course be subject to the regulations of the Board of Trade.

3rdly. They will not be bound to employ, when they touch at Halifax, ships of the class of the "China," "Cuba," "Java," and "Scotia," but will employ on that service sometimes those ships and sometimes ships of the class of the "Hecla," "Malta," and "Palmyra," which, though not so large and costly as the ships of the first-named class, are said to be quite as capable of performing the service with the required efficiency.

4thly. They will be paid for this service not 173,000 *l.* per annum, as at present, but at the rate of 120,000 *l.*, so long as they are required to touch at Halifax, and 95,000 *l.* per annum when they are no longer required to touch at Halifax. For this reduced payment, as for the payment which they now receive, they will provide sorting rooms and board the sorting officers on the outward and homeward voyages.

In considering this offer, it will perhaps be convenient to assume that the department will be freed from the obligations of the Halifax service at the end of six months, and that the payment to Messrs. Cunard, Burns & MacIver, if their offer be accepted, would at the end of that time be brought down to 95,000 *l.* per annum.

As the companies which have tendered for the conveyance of the American mails are to receive the sea postage on those mails, and are also to be paid for the erection of sorting offices, and the maintenance of sorting officers on board their vessels, it will be necessary, if we wish to compare the offer of Messrs. Cunard with the other offers, to reduce it by the sum required for the sorting offices and officers. Now the mails which are conveyed by the Cunard packets require, for their proper sortation on board, the services of one clerk and one

sorter. The board and conveyance of one clerk and one sorter, would cost 2,680 *l.* per annum, at the rate which the North German Lloyd propose to charge, 3,950 *l.*, at the rate which the Liverpool, New York, and Philadelphia Company propose to charge, and 4,680 *l.* at the rate which the Hamburg Company propose to charge. In addition to these payments, each Company, except the Liverpool, New York, and Philadelphia Steamship Company, would require a fixed sum for the first fitting up of the sorting rooms, but this point need not be pressed at present, though it is obviously worthy of attention.

It is enough to say for the present, that before the offer of Messrs. Cunard can be compared with the other offers, a mean of 3,500 *l.*, representing the conveyance and keep of the sorting officers, must be deducted from the sum which they ask. This will bring down the sum of 95,000 *l.* to 91,500 *l.* per annum. It may fairly be assumed, I think, that if Messrs. Cunard, Burns, & MacIver had tendered to convey the mails to New York from Queenstown on Sunday for the sea postage (*i.e.* for 1 *s.* per ounce of letters, 3 *d.* per pound of papers, and 5 *d.* per pound of books and patterns), their offer would have been accepted by this department. Nor can there be much doubt that, if they had tendered to the United States Government for the conveyance of the homeward mails from New York on Wednesday in each week on the same terms, that offer also would have been accepted, and that they would have continued to carry as large a share of the outward and homeward mails as they now carry.

It may also be assumed, I think, that a certain increase of correspondence will follow the forthcoming reduction of the postage of letters to and from the United States, from 1 *s.* to 6 *d.* the half-ounce letter. I myself shall be much surprised if the correspondence does not speedily increase to the extent of 50 per cent., but I will estimate the probable increase in the first instance at 33 per cent. only.

Supposing all these assumptions to be correct, the Cunard Company would probably earn at the sea postage rates, the following sums:—

For the conveyance of international letters outwards,	Ozs.	Ozs.
viz. - - - - -	308,957	
Plus one-third for increase of correspondence - -	102,985	
		411,942
For the conveyance of other letters in open mails, viz.	- -	207,257
For French, Belgian and Prussian closed mails, viz.	- -	169,300
		788,499
Which, at 1 <i>s.</i> per oz., would amount to - - - - -		£. 39,424
For the conveyance of 249,963 lbs. of papers outwards, at 3 <i>d.</i>		
per lb. - - - - -		3,124
Add for conveyance of books and patterns under the new		
convention with the United States Post Office at 5 <i>d.</i> per lb.,		
say - - - - -		1,000
		43,548
		£. 788,499

I have already stated that the Cunard packets carry a larger proportion of the homeward than of the outward mails, but if they merely continued to carry the same proportion in both directions, they would receive at the sea postage rates - - - - - £. 87,096

To this would have to be added for 41,500 ozs. of Foreign Office		
and Admiralty despatches which now enter into no account		
at all, but must hereafter be paid for at the rate of 1 <i>s.</i> per oz.		2,075
Add for Admiralty packages which now go free, but must here-		
after be sent as freight, say - - - - -		1,000
		3,075
Making, in all - - - - -	£.	90,171

The sum, therefore, which Messrs. Cunard, Burns & MacIver demand would, at the outset be only 1,500 *l.* per annum in excess of that which they would

would probably earn at the sea postage rates; but long before the close of the term for which they propose to contract, viz., 10 years, it would probably be much below the produce of the sea postage; and in such case, any excess of the sea postage over the fixed payment to them would be profit to this department.

Again, looking at the unsatisfactory working of the Canadian packets, so far as the United States mails are concerned, it would seem that a portion at least of those mails might, with advantage, be withdrawn from those packets and restored to the Cunard packets, from which they have been subtracted. The sea-postage of the mails thus withdrawn from the Canadian packets would be an additional profit to this department.

If, then, the United States Government can be induced to place such homeward mails on board the Cunard packets as they have heretofore sent by them, and pay to this department the sea postage on those mails, and I can see no reason why they should not do so, the acceptance of the offer which Messrs. Cunard, Burns, and MacIver have made, would give us at once a self-supporting service, and probably, at a future time, a profitable service by a line of proved efficiency, together with all the advantages of the system of sorting on board, and without involving any alteration in the practice of the mercantile community on this or the other side of the Atlantic.

The acceptance of this offer would not preclude the department from also accepting the tender of the North German Lloyd for the conveyance of the mails to New York on Tuesday from Southampton, and the tender of the Liverpool, New York, and Philadelphia Company for the conveyance of the mails from Queenstown on Thursday, but it would no longer be necessary to consider the offer of the latter company for a slow service to and from Halifax. The public would then have, as at present, regular communication with New York three times a week. The question of sorting the Tuesdays' and Thursdays' mails on board might be left open until we could see whether the correspondence in those mails would warrant such an arrangement, and whether, if the outward mails of those days were sorted on board, we could be certain of having employment for the sorting officers on the return voyages.

Having seen what would follow from the acceptance of the offer from Messrs. Cunard, it may be well to consider a little more closely what would follow the refusal of that offer. The department will have to fall back upon the three companies from which tenders have been received, and of which two sail under foreign flags, and are subsidised by foreign Governments.

The Cunard Company, though no longer under contract with us, would, it is well known, continue to dispatch their ships as at present, and would assuredly endeavour, and very properly endeavour, to place the packets under contract with us in a disadvantageous light. It has been thought that we might put ship letter mails on board the Cunard ships. If we did so, the Cunard Company would no doubt endeavour to carry those mails so well as to make the public draw an unfavourable comparison between the foreign company which was within, and the British Company which was without, the pale of a contract with the British Government.

It has also been thought that the Montreal Company or the Hamburg Company might be induced to change their days of departure, and so take the place, as it were, of the Cunard Company; but I am at a loss to know what should induce either of those companies to bring their day of sailing nearer to what would still be the day of sailing of the Cunard Company, inasmuch as the nearer they approached to that day, so much the more forcibly would they fix the attention of the public on the difference between their performance and that of the Cunard Company.

The plain fact is, that everybody, the tendering companies included, expected that the Cunard Company would tender for the conveyance of the outward Saturday mail. Even had they so tendered, the uncertainty which would have prevailed with regard to the homeward mails would have involved this department in serious difficulty, but so soon as it was known that they would not tender on the prescribed conditions, it became obvious, I think, that no arrangement that would be satisfactory to the public could be based on those conditions. I presume that they declined to tender on those conditions in the belief that, if they stood aloof, any arrangement that might be based on those

conditions must break down, and that when it had broken down, they would be able to make their own terms with the department. They have so far departed from this position as to make an offer to continue the service, as it is at present conducted, for a greatly reduced payment. They are, in fact, now paid at the rate of 11 s. 4d. per mile, but the sum which they ask would give (when the Halifax service is abandoned) 6 s. per mile.

If the offer of the Cunard Company be rejected, the new arrangement will commence in mid-winter, when the tendering companies will be even at a greater disadvantage than in summer. Before Parliament has sat for six weeks, the defects of the new arrangement will, unless I greatly err, have become apparent and provoked complaint, and I beg very earnestly to advise the acceptance of the offer of Messrs. Cunard, Burns, and MacIver, conjointly with the tenders of the North German Lloyd and the Liverpool, New York, and Philadelphia Steamship Company. If your Lordships should decide that Messrs. Cunard's offer should be accepted, and I think you will be wise to do so, it is possible that the decision may give rise to a discussion in the House of Commons. It may be said that faith was not kept with the parties who tendered under the new conditions, seeing that Messrs. Cunard's offer is made upon an entirely different principle, and that it was sent in two days after the last day fixed for receiving tenders; and it may also, perhaps, be said that granting a subsidy for the American service is contrary to the recommendation of the Committee on Packet Contracts of 1860. To the first and second of these objections, it may, it seems to me, be fairly answered, as I have already observed, that in a note to the form of tender, it was expressly stated that although tenders on that form, and in accordance therewith, would be preferred, any others might be sent in, and that I did not bind myself to accept the lowest or any tender. And, as regards subsidies, it may be urged that the payment of sea postage instead of a fixed sum is simply a subsidy in another shape, and if the amount of the sea postage be greater (as it probably will be in this case) than the fixed payment, then the payment of sea postage would be opposed to the views of the Committee, who merely record their opinion against large subsidies. They were also unfavourable, as a general rule, to contracts terminable at a short notice.

As Postmaster General, I have looked at the question from a postal point of view, but I can conceive that there are other aspects in which it may be viewed by Her Majesty's Government, and it may not, therefore, be out of place to call attention to the number and quality of the ships which Messrs. Cunard possess, as compared with the fleet of the Liverpool, New York, and Philadelphia Steamship Company, which is the only other fleet sailing under the English Flag.

The Lords Commissioners of
the Treasury.

I have, &c.
(signed) *Montrose.*

Enclosure 1, in No. 13.

TENDER for conveying HER MAJESTY'S MAILS from some Port in the United Kingdom to *New York*.

Sir,

WE hereby offer to convey Her Majesty's mails, by steam vessels, from Southampton to New York, and on the Conditions marked A., every Tuesday in 11 12—24 days each voyage.

If required, under the 6th Condition, to provide a room for sorting the mails, we shall demand 75*l.* for each ship in which such provision shall have to be made; and for the food and accommodation of each officer employed in sorting, we shall demand 33*l.* per voyage if the officer be treated as a chief cabin passenger, and 22*l.* if he be treated as a fore cabin passenger.

We propose as our sureties, in the penalty of 5,000*l.*, Mr. Henry Huth, of Messrs. Frederick Huth & Co., and Mr. D. Meinertzhagen, of Messrs. Frederick Huth & Co.; and we refer you to the Bank of England, Messrs. Glyn, Mills, Currie, & Co., or any other London banker, as persons of whom inquiry can be made as to the responsibility of such sureties.

We

We agree to execute a formal Contract for the performance of the service, according to the terms of this Tender and the annexed Conditions, and to begin the service on the 1st January in 1868.

We are, &c.

Crüsemann, Director,

H. Peter, President,

The Managers of the North German Lloyd,
Bremen, Germany.

The Secretary of the Post Office.

[The form of Tender in full will be found in the Postmaster General's Letter of 15th July.]

LIST OF STEAMERS.

Steamship Bremen.	Steamship Deutschland.
„ New York.	„ Union.
„ Hansa.	„ Weser.
„ America.	„ Rhein (building).
„ Hermann.	

Enclosure 2, in No. 13.

62 & 63, Tower Buildings, Liverpool,
30 September 1867.

Sir,

IN forwarding the tender which I have the honour to enclose herewith for the conveyance of mails to New York, I write to state—

1st. That my tender is sent in on the supposition that the mails will be as much as possible equally distributed, because at present the collection is not equal, inasmuch as the steamers under my management at present only obtain the mails between Tuesday and Thursday (two days), while the following steamers obtain the mails from Thursday to Sunday (three days).

2ndly. That I find it impracticable to quote any definite sum for providing a mail sorting room until I know in what part of the vessel it is to be fitted, what superficial or cubical contents are required, what the cost of fitting will be, and whether the room will be paid for on both the outward and homeward voyages; but that we quote our usual passage fares for officers employed on precisely the same conditions as if they were cabin passengers; two in a state room at 22*l.* each, or four in a state room at 16*l.* each. I enclose plans of several steamers, should it be desired to point out where such rooms would be wanted.

3rdly. I submit that as Queenstown is inserted as a “port of call,” in accordance with the requirement of the form of tender, the 3rd and 5th clauses should refer to Liverpool, and not to Queenstown; and that the hour for being “ready for sea” at Queenstown should allow for stress of weather on the passage from Liverpool, because it has happened with the most powerful mail steamers that, although allowing 28 or 30 hours for the passage down, they have not arrived in time at Queenstown owing to storm or fog, and it is essential that the steamers should not leave Liverpool before they have time to clear at the Liverpool Custom House on Wednesdays.

4thly. I beg to remark that the number of days mentioned is given to cover this longest passage made, but that the average passages have hitherto been very much shorter, and to show what they have been, I enclose a statement of those made in 1867, averaging—

Eleven days, 17 hours, 16 minutes to 20 April; and 10 days, 5 hours, 47 minutes since then.

The Secretary of the Post Office,
London.

I have, &c.
(signed) *William Inman*.

TENDER for conveying HER MAJESTY'S MAILS from some Port in the United Kingdom to *New York*.

Sir,

I HEREBY offer to convey Her Majesty's mails, by steam vessels, from Queenstown to New York, and on the conditions marked A., every Thursday, in 14 days each voyage, from the 20th September to 20th of April, and in 11 and a half days the remainder of the year.

If required, under the 6th condition, to provide a room for sorting the mails, we shall demand nothing for each ship in which such provision shall have to be made; and for the food and accommodation of each officer employed in sorting, we shall demand 22 *l.* per voyage if the officer be treated as a chief cabin passenger, and 16 *l.* if he be treated as a fore cabin passenger.

I propose, as my sureties, in the penalty of 5,000 *l.*, Mr. Thomas Langton Birley, of Carr Hill, Kirkham, Lancashire, and Mr. Charles Inman, of Liverpool, and I refer you to the Manchester and Salford Bank for Mr. Birley, and the Bank of Liverpool for Mr. C. Inman, as persons of whom inquiry can be made as to the responsibility of such sureties.

I agree to execute a formal Contract for the performance of the service, according to the terms of this Tender, and the annexed conditions, and to begin the service on the 1st January in 1868.

I am, &c.
(signed) *William Inman*, Liverpool.

The Secretary of the Post Office.

[The form of Tender in full will be found in the Postmaster General's Letter of 15th July.]

Sir,

At London, 12th October 1867.

I HAVE the honour to acknowledge the receipt of your letter of 10th October, and to state that, on the information contained in it, I now put in my completed Tender.

I propose that the voyage shall be considered terminated at the New York Post Office.

I have just received a telegram informing me of an inquiry as to what vessels I propose to perform the service with, and I have to state they are the vessels the passages of which I have sent you in my original Tender (excepting the "Edinburgh"), and in case of loss, I might have to employ temporarily the "Etna," to which a general overhaul and new boilers (costing 20,000 *l.*) were given in May this year; but unless something very unforeseen occurs, the

City of Paris,

City of Antwerp,

City of London,

City of Boston,

City of Baltimore,

City of New York,

City of Washington (substitute),

will alone perform our Thursday service.

I have, &c.
(signed) *William Inman*, of Liverpool.

The Secretary, General Post Office.

PASSAGES, CORK to NEW YORK, by UNITED STATES MAIL STEAMERS.

INMAN LINE.

	Left Cork.	Passage, 1 January to 20 April.	Average.	Passage 20 April to 28 August.	Average.
1867:					
City of Paris - - -	23 January -	12 4 5	} 11 3 42	-	} -
	20 March -	10 3 20		-	
	24 April -	-		10 6 10	
	29 May -	-		9 23 15	
	3 July -	-		9 1 3	
	7 August -	-		9 5 45	
City of Antwerp - - -	20 February -	12 15 40	} 12 2 38	-	} -
	27 March -	11 13 26		-	
	5 June -	-		10 15 40	
	10 July -	-		9 12 41	
	14 August -	-		10 8 0	
City of Baltimore - - -	30 January -	13 18 55	} 11 20 8	-	} -
	6 March -	9 6 13		-	
	10 April -	12 15 15		-	
	15 May -	-		10 16 29	
	19 June -	-		9 6 54	
	24 July -	-		10 6 5	
	28 August -	-		9 23 7	
City of Boston - - -	16 January -	9 4 55	} 10 20 53	-	} -
	27 February -	10 15 40		-	
	3 April -	12 18 5		-	
	8 May -	-		9 19 30	
	12 June -	-		10 7 5	
	17 July -	-		10 9 25	
	21 August -	-		10 21 45	
City of New York - - -	9 January -	10 23 55	} 11 8 37	-	} -
	13 February -	11 17 20		-	
	1 May -	-		10 22 28	
City of London - - -	22 May -	-	} -	10 8 15	} 11 0 13
	26 June -	-		10 9 20	
	31 July -	-		12 7 4	
City of Washington - - -	6 February -	14 12 27	} 12 11 47	-	} -
	13 March -	11 2 50		-	
	17 April -	11 20 5		-	
Edinburgh - - -	2 January -	12 12 10	-	-	-
	16 Voyages -	187 12 21	19 Voyages -	194 14 1	
	Average -	11 17 16	Average -	10 5 47	

Liverpool, September 1867.

PAPERS RELATING TO THE

Liverpool, New York, and Philadelphia Steamship Company,
Liverpool, 8 October 1867,

Sir,

At London.

I HAVE the honour to state, in answer to your letter, No. 619 S., of 2nd October, on the subject of which I have been favoured with an interview this morning, that the Liverpool, New York, and Philadelphia Steamship Company decline to allow their regular Mail steamers sailing every Thursday from Queenstown to call at Halifax on the outward or homeward voyages.

In preference to such a service, I hereby offer, on their behalf, to maintain for the time named an independent fortnightly service, and subsequently until the expiry of three months after notice is given on either side—

From Queenstown to Halifax, and from Halifax to Queenstown in 12 days, for the sum of 1,000 *l.* per round voyage, or 500 *l.* each way, provided the date of departure is about midway between our Thursday's mail days (not being Sunday): Monday from Queenstown would be preferred.

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

I have, &c.
(signed) *William Inman.*

Enclosure 3, in No. 13.

NATIONAL STEAMSHIP COMPANY (LIMITED).

14, The Albany, Old Hall-street,
Liverpool, 30 September 1867.

The Secretary of the Post Office, London.

Sir,

IN sending in the accompanying Tender, the Board of the National Steamship Company wish to express to the Post Office authorities that they are willing to incur the necessary expense to expedite their boats, and also to incur any penalties for non-performance, on the understanding that so long as the Contracts remain in force with the National Steamship Company, the Post office authorities do not send any other mails to New York or Boston on the days which are named in the accompanying Tender.

I am &c.
(signed) *L. W. Macalister,*
General Manager.

TENDER for conveying HER MAJESTY' MAILS from some Port in the United Kingdom to *New York.*

Sir,

National Steamship Company Line,
14, The Albany, Liverpool.

WE hereby offer to convey Her Majesty's Mails, by steam vessels, from Liverpool, *via* Queenstown, to New York, and on the conditions marked A., every Thursday, in 15 days each voyage, from Liverpool or from Queenstown on Friday in 14 days from final start from Queenstown.

If required, under the 6th Condition, to provide a room for sorting the mails, we shall demand 500 *l.* for each ship in which such provision shall have to be made; and for the food and accommodation of each officer employed in sorting, we shall demand 30 *l.* per voyage if the officer be treated as a chief cabin passenger, and 30 *l.* if he be treated as a fore cabin passenger.

We propose, as our sureties, in the penalty of 5,000 *l.*, Mr. William Rowe, of Liverpool, merchant, and Mr. Robert Maxwell, of Liverpool, merchant, and we refer you to the National Bank of Liverpool as persons of whom inquiry can be made as to the responsibility of such sureties.

We agree to execute a formal Contract for the performance of the service, according to the terms of this Tender and the annexed conditions, and to begin the service on the 1st March in 1868.

The Secretary, of the Post Office.

We are, &c.
(signed) *L. W. Macalister,*
General Manager.

[The form of Tender in full will be found in the Postmaster General's Letter of
15th July.]

Enclosure 4, in No. 13.

Sir,

Hamburg, 28 September 1867.

WE have the honour to hand you herewith our Tender for the conveyance of Her Majesty's mails from Southampton to New York, by the steamers of our Company, and to which we beg to be allowed to add the following suggestions.

The time of the duration of the voyage we understand to be reckoned from the time when the mails are delivered to us at Southampton, up to the time of the landing of the same at our pier in Hoboken (New York), and that the local time of both countries is to be the basis upon which the duration of the passage is to be calculated.

In the event of any of our steamers carrying the mails being detained at the quarantine at New York, we would suggest that such time of detention should not be reckoned against us.

If your department should consider it of great importance that we should undertake to convey the mails every Friday throughout the year, we beg to say that existing obligations would not easily allow us to commence at once with weekly departures; however, in case of need, we are prepared to meet your views in this respect also from 1st January next.

With regard to the Condition 4, on the printed form of Tender, that the payment by the contractors of any penalties shall in no way prejudice the right of the Postmaster General to treat the failure to provide a proper vessel at the appointed time, or to perform a voyage at or within the appointed period, as a breach of the contract, we do not feel justified to undertake the conveyance of the mails under this stringent condition, inasmuch as we are of opinion that the payment of the penalty incurred should exclude the right of the Postmaster to treat the failure to provide a proper vessel at the appointed hour as a breach of contract, for "*force majeure*" might be the cause; therefore Condition 4 should be subject, as well as all other conditions, to the mode of deciding any difference of opinion between the contracting parties, as provided by rule 22 of the Contract.

With reference to the condition, sub. 5, we beg to suggest that in case the Postmaster should make an alteration affecting the hour of departure, the hour should not, without our previous consent, be put earlier than Friday at noon.

Judging that the space required for a sorting room on board of our steamers (independent of the mail room wherein to deposit the mails), would be equal to about 14 tons cargo space each way, we think that a sum of 20 *l.* per voyage to be paid us would be a very moderate remuneration for the lost space.

We beg to recommend these suggestions to your favourable consideration.

We remain, &c.

The Directors of the Hamburg Amerik-Packetfahrt Actien Gesellschaft,

Adolph Godeffroy, Chairman.

To the Secretary of the Post Office, London.

P.S.—If on examination of the various Tenders, ours would be acceptable but for our having asked 11½ days for the voyage, we are ready to alter it to 11 days only, although the payment is so small as not to admit of any reduction from the sum to be received. Our agents, Messrs. Smith, Sundius & Co., 17 Gracechurch-street, will be happy to wait upon you, and arrange any minor matters which may want settling, and are authorised by us to agree to perform the service weekly throughout the year if you require it.

(signed) *Adolph Godeffroy*, Chairman.

TENDER for conveying HER MAJESTY'S MAILS from some Port in the United Kingdom to *New York*.

Sir,

Hamburg, 28 September 1867.

WE hereby offer to convey Her Majesty's Mails, by steam vessels from Southampton, *viâ* Cowes, to New York, and on the conditions marked A., every Friday afternoon in 11½ days each voyage, for the time from 1st March until 15th December, and every alternate Friday from 15th December until 1st of March.

If required, under the 6th Condition, to provide a room for sorting the mails, we shall demand 75 *l.* for each ship in which such provision shall have to be made, and 20 *l.* each voyage for the lost space; and for the food and accommodation of each officer employed in sorting we shall demand 30 *l.* in all per voyage out and home, if the officer be treated as a chief cabin passenger, and 20 *l.* in all out and home, if he be treated as a second cabin passenger.

We propose as our sureties, in the penalty of 5,000 *l.*, Mr. Andrew Duncan, partner of the firm of Smith, Sundius & Co., London, and Mr. George Duncan of the same firm; and we refer you to Messrs. John Henry Schroder & Co., London, as persons of whom inquiry can be made as to the responsibility of such sureties.

PAPERS RELATING TO THE

We agree to execute a formal Contract for the performance of the service, according to the terms of this Tender and the annexed conditions, and to begin the service on the 1st of January in 1868, if required and timely notice given, otherwise on 1st March 1868.

We are, &c.

The Hamburg Amerik-Packetfahrt Actien Gesellschaft,
Adolph Godeffroy, Chairman,
Hamburg.

The Secretary of the Post Office.

[The form of Tender in full will be found in the Postmaster General's Letter of 15th July.]

Enclosure 5, in No. 13.

Sir,

London, 1 October 1867.

IN reference to the advertised Contract for the conveyance of Her Majesty's mails from the United Kingdom to New York, although we are not prepared to offer upon the enclosed form of Tender, we are quite ready, if permitted, to lay before his Grace the Postmaster General an offer for the conveyance of those mails, and to include a service to Halifax, Nova Scotia.

We are, &c.

(signed) Cunard, Burns, & MacIver,
per John Burns.

To the Secretary of the Post Office.

[The form of Tender in full will be found in the Postmaster General's Letter of 15th July.]

Enclosure 6, in No. 13.

Gentlemen,

General Post Office,
1 October 1867.

I AM to acknowledge the receipt of your letter of this day's date, and to acquaint you, in reply, that the Postmaster General will be glad to receive from you an offer for the conveyance of the New York Mails, including a fortnightly service between this country and Halifax, Nova Scotia.

I am, &c.

(signed) F. Hill.

•Messrs. Cunard, Burns & Mac Iver.

Enclosure 7, in No. 13.

Sir,

London, 4 October 1867.

IN reference to the advertised Contract for the conveyance of Her Majesty's mails from the United Kingdom to New York, we beg to make the following offer, embracing, in addition, the conveyance of mails from New York, conjointly with an offer for the conveyance of Her Majesty's mails to and from Halifax, Nova Scotia.

We are willing to continue the service in precisely the same manner in which it has been and is being conducted by us at the present time, from the 1st of January 1868, for a period of 10 years, terminable on one year's notice on either side thereafter, upon the following conditions, viz.:

1. To perform a fortnightly service from Liverpool to and from New York direct, sailing on every alternate Saturday, and calling at Queenstown as at present, with vessels enumerated under Class A, but to have in our power the option of substituting for the performance of this service any of the vessels enumerated under Class B, or vessels of similar efficiency; and—

2. To perform a fortnightly service from Liverpool to and from New York, calling at Halifax, sailing on every alternate Saturday, and calling at Queenstown as at present, with vessels enumerated under Class B, or vessels of similar efficiency (or, with vessels enumerated under Class A, at our option).

3. The vessels performing these services to be subject only to the Board of Trade survey, and not to Admiralty requirements and conditions.

4. These offers to include sorting offices and maintenance of sorting officers out and home, as at present, in both classes of vessels, and in other respects the services to be scrupulously carried on with the same efficiency and regularity in which they are now conducted; and—

5. The payment for the performance of these services to be at the rate of 120,000 l. sterling per annum, but in the event of our calling at Halifax being dispensed with, the payment to be at the rate of 95,000 l. sterling per annum.

We are, &c.

(signed) Cunard, Burns & MacIver,
per John Burns.

To the Secretary of the
Post Office.

CLASS (A.)

Vessels.		Tonnage.	Vessels.		Tonnage.
Scotia	- - - - -	3,871	Cuba	- - - - -	2,668
Russia	- - - - -	2,959	China	- - - - -	2,529
Java	- - - - -	2,696	Australasian	- - - - -	2,761

CLASS (B.)

Vessels.		Tonnage.	Vessels.		Tonnage.
Samaria (building)	- - - - -	2,500	Atlas	- - - - -	1,794
Siberia	- - - - -	2,498	Olympus	- - - - -	1,794
Tripoli	- - - - -	2,061	Hecla	- - - - -	1,785
Tarifa	- - - - -	2,058	Murathon	- - - - -	1,784
Aleppo	- - - - -	2,057	Kedar	- - - - -	1,783
Palmyra	- - - - -	2,044	Morocco	- - - - -	1,783
Malta	- - - - -	2,132	Sidon	- - - - -	1,782

NOTES.

1. The foregoing offers have been based upon the results of the most careful and close scrutiny, assuming that they may yield only a moderate remuneration to the contractors, taking into account that the services are to be performed in a manner creditable to themselves, and meeting the requirements of the public service.

2. Our guarantee for speed and regularity must be based upon the character of our ships, and the recognised efficiency with which we have conducted the mail service between Great Britain and America for a period of no less than 28 years, during which time we have never failed to sail our vessels at the appointed time, unless detained by order of the Government, and during which long period we have never, under Providence, lost a passenger or a letter, and we feel convinced that if any other principle was adopted, it would be a direct premium for, and lead to, loss of life and property.

3. We have hitherto been reluctant to bring our views under the notice of Government, but we have always considered that there are two important advantages which can only accrue from the maintenance of a British contract postal service, the first being, the necessity of keeping up a communication with the naval force on the North American station, and the propriety that such a service should (when political emergency required) be available for the use of the Naval Commander-in-chief upon that station. Now, without a Contract, no steamer could go regularly to Halifax, and without a regular steamer the communication could not be maintained; and this argument, we submit, is equally strong in a colonial point of view. Then again, as regards the communication with the United States of America, circumstances have arisen in our own experience, and may again arise, when it has been, and may be, of the greatest consequence for the Foreign Office to be in direct communication, by British contract packet, with the British Minister at Washington; but if there is no line of packets sailing under a specific contract, there cannot be the regularity which is necessary, and it might not be desirable to send Government despatches by a French, German, American, or other foreign steam packet, or even in British vessels, which, although carrying a mail, would not be recognised as peculiarly under contract with the British Government, and as such respected, as our Fleet, sailing under the orders of the British Government, undoubtedly has been, in times when the friendly relations between this country and America have been in jeopardy.

4. We may be permitted to draw the attention of his Grace the Postmaster General to the fact, that whilst notice has been given to terminate our Contract with the British Government, the French and German Governments are doing everything in their power to encourage and maintain Transatlantic postal services, and in the case of the former, the Government of the Emperor has contracted for a postal service to New York for a period of upwards of 20 years, at the rate of nearly double the amount which is at present paid by the British Government to us, besides advancing 10,000,000 of francs, to be returned in 20 years without interest.

5. In making these remarks, it is not our wish to trespass beyond the postal question, with which only his Grace the Postmaster General has to deal; but had we the opportunity we think that we could adduce grave reasons, in a national point of view, why the British contract system, as a system, should not be abolished, for surely and certainly other nations

will hasten to occupy and reap the benefit of the position upon the Atlantic, which, if once relinquished by this country, will never be regained.

6. Our opinions, as those of parties interested, may be liable to be viewed as being biased by personal considerations, but having had the honour under Her Majesty's Government of hitherto maintaining, in a very prominent and marked manner, the supremacy of the British contract system upon the Atlantic, for upwards of a quarter of a century, we may be permitted to submit these observations, confident that they will be viewed with trust, as being the results of long experience, and as being borne out by concurrent facts.

*Cunard, Burns, & MacIver,
per John Burns.*

— No. 14. —

COPY OF TREASURY MINUTE dated 26th October 1867.

THE Financial Secretary states to the Board that he has had an interview with the Postmaster General on the subject of the tender made by Messrs. Cunard, and that the Duke of Montrose, at his request, has undertaken to ascertain whether the Post Office authorities of the United States will engage to send by that line the mails which they have ready on the days upon which the Cunard vessels sail from New York, paying the sea postage on such mails to the British Post Office.

My Lords approve; let the papers wait until the Postmaster General makes known the result of his inquiry.

— No. 15. —

The Secretary to the Post Office to the Secretary to the Treasury.

Sir,

General Post Office, 13 November 1867.

I AM directed by the Postmaster General to inform you that, in accordance with your wish, he despatched an officer to Washington by the mail packet of the 26th October, with a letter, of which a copy is enclosed, to the Postmaster General of the United States.

The officer had written instructions in the event of the reply of the United States Post Office to the 3rd paragraph of that letter being in the affirmative, to telegraph the word "settled" to this Department, and in the event of the reply being in the negative, to telegraph fully the grounds of refusal.

During his absence the enclosed copy of an advertisement from the Postmaster General of the United States, calling for tenders for the conveyance of mails to this country, has reached this Department through a private channel. It will be observed that this advertisement confirms the views expressed in the letter from his Grace the Postmaster General of the 24th ultimo, inasmuch as it shows that the United States Post Office does not contemplate employing all the vessels of the Companies tendering for the service, and does not intend to make any arrangements for sorting the mails on board. This will not appear surprising when it is considered that the system of sorting on board confers little if any advantage upon the people of the United States. The point of arrival and departure in America is the most important city in that country, and the Post Office of that city can dispose of mails with such rapidity as to make the sortation of mails on board of little or no value; but the point of arrival and departure in the United Kingdom is a place, postally speaking, of very little importance, and incapable of dealing with the large American mails.

Through the system of sorting on board, a large number of places in the United Kingdom despatch their American letters a day later and receive them a day earlier than they would if that system were abandoned.

The advertisement from the American Post Office confirms the fear which the

the Duke of Montrose expressed in the letter of the 24th ultimo, that the system of sorting on board would be thrown into great confusion, if indeed it were not quite broken up, unless the arrangement proposed by him in that letter were adopted.

His Grace is happy, therefore, in being able to report that the reply which has now been received from our officer in America, and of which I enclose a copy, is satisfactory. He does not indeed give the final decision of the United States Post Office, nor could we have expected to obtain it before the day fixed for the reception of the tenders in America, but he states that in his opinion the question may be considered as "settled," this last word being the word which he was instructed to use if the reply to our letter was in the affirmative.

He is a cautious and intelligent officer, and well aware of the circumstances which made it necessary that he should be especially careful and guarded in his reply, and I have no doubt from my knowledge of him, that he has rather understated his conviction, and that practically, he has assured himself that on the 23rd instant, the consent of the United States Post Office will be given.

He has been instructed to transmit that consent by telegraph on the 23rd, and to obtain precedence for his message over all other messages. A letter explanatory of his message, may possibly arrive by the 21st instant, and will certainly arrive by the 23rd instant.

I am, however, directed by the Postmaster General to state that he has no hesitation in expressing his conviction that the mission to America has succeeded, and in recommending the adoption of the arrangements proposed in his letter of the 24th ultimo.

The Secretary, Treasury.

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

Enclosure 1, in No. 15.

General Post Office, London,
26 October 1867.

Sir,

REFERRING to Article 2 of the Postal Convention of the 18th of June last, which provides that the British and United States Post Offices shall each make its own arrangements for the dispatch of mails to the other, and shall, at its own cost, remunerate the owners of the ships by which such mails are conveyed. I am directed by the Postmaster General to inform you that, having called for tenders for this service, he has received from the North German Lloyd, of Bremen, and from Mr. William Inman, of Liverpool, satisfactory offers to convey the mails for the sea postage, the acceptance of which offers will afford to the public regular despatches from the United Kingdom on the Tuesday and Thursday of each week. The mails of Saturday have, as you are aware, been conveyed for a number of years, with great efficiency, by the vessels of Messrs. Cunard, Burns, & MacIver, from whom also an offer has been received to continue to convey a mail to New York, every Saturday, from Liverpool, and every Sunday from Queenstown, by vessels fitted up with sorting rooms, calling on each alternate voyage at Halifax, Nova Scotia.

But this offer is only made on the express condition that the service to be undertaken shall comprise the conveyance of a homeward as well as of an outward mail, and that Messrs. Cunard shall receive from this department a fixed remuneration for the whole service.

As the public of this country has long been accustomed to write by this line of packets, and the day of sailing has been found so convenient, the Postmaster General is considering the expediency of accepting the offer of Messrs. Cunard, and thereby affording, in conjunction with the North German Lloyd and the Inman lines, three good services to New York in each week; and, as he cannot doubt that the United States Post Office will be equally desirous of forwarding mails to this country by vessels of such proved efficiency, I am to request that you will be good enough to acquaint me, for His Grace's information, whether, in the event of Messrs. Cunard's tender being accepted, you will be willing to pay over to this department the amount of remuneration for each homeward voyage which you would otherwise pay to Messrs. Cunard, as the owners of the steam vessels conveying the mails.

The Postmaster General is aware that the United States Post Office has been anxious that the day on which the Cunard steam vessels leave New York for Queenstown should be changed from Wednesday to Tuesday, and he has ascertained that Messrs. Cunard, Burns, & MacIver would not object to that alteration.

As it is highly important to come to a decision on this question as early as possible, the Postmaster General has despatched this letter to Washington by the hand of Mr. Leonard

Bidwell, one of the clerks of the Secretary's office of this department, to whom his Grace requests that you will communicate your reply, in order that he may inform this department of its purport by means of the electric telegraph.

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

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

Enclosure 2, in No. 15.

PROPOSALS for the Conveyance of the United States Mails to the United Kingdom.

Post Office Department, Washington,
23 October 1867.

1. IN accordance with the provision of the New Postal Convention between the United States and the United Kingdom of Great Britain and Ireland, coming into operation on the 1st of January 1868, that "Each office shall make its own arrangements for the dispatch of mails to the other office by well-appointed ships sailing on stated days, and shall at its own cost remunerate the owners of such ships for the conveyance of the mails:"

2. Notice is hereby given that proposals will be received at the Post Office Department, in the City of Washington, until 3 p.m. of Saturday, the 23rd of November 1867, for the conveyance of the mails of the United States for a period of one year, commencing on the 1st of January 1868, by well-appointed ships departing on stated days, and at regular intervals of time, from a designated port in the United States to a port or ports in the United Kingdom.

3. Each proposal must name the port of departure from the United States; the port or ports of destination in the United Kingdom; the names, tonnage, and class of each steamship tendered for the mail service; the time to be occupied in performing each voyage from the port of embarkation to the port or ports of debarkation; the days and dates of proposed departures from the United States; and the compensation asked for the sea transportation of the mails at designated amounts per ounce for letters, and per pound for newspapers, book packets and patterns, or samples of merchandise, respectively.

4. Bidders tendering steamships which have been employed in the trans-Atlantic mail service during the present year, should transmit with their proposals, authentic statements of the actual time occupied by such steamships in performing each outward passage from the United States to the United Kingdom during the year 1867.

5. The proposed schedule days and hours of sailing from the United States must be subject to approval by the Postmaster General, who reserves the right to adjust and fix the schedules of departure of all the steamships which he may accept, in such manner as will secure the greatest attainable regularity and efficiency in the mail service.

6. As the Postmaster General is restricted by law from allowing any greater compensation for the transportation of the mails to foreign ports than the sea and United States inland postage to an American, and the sea postage only to a foreign vessel, proposals naming a higher rate of compensation cannot be considered by the Department.

7. Each proposal must be properly guaranteed with satisfactory testimonials as to the ability of the party making it to perform the mail service according to its terms.

8. If deemed advisable by the Postmaster General the owners of the accepted steamships to execute formal contracts with good and sufficient sureties for the designated service, containing all the usual provisions and stipulations of ocean mail steamship contracts, including the imposition of fines, or deductions for delays or irregularities, and of suitable penalties for failures to perform any of the regular voyages embraced in the proposals.

9. Proposals should be addressed under seal to the Postmaster General, with the words, "Mail Proposals," "Foreign Mails," written on the face of the address.

Postmaster General.

Enclosure 3, in No. 15.

COPY of a TELEGRAM received by Atlantic Cable at the General Post Office, at 7.45 p.m. on 12th November 1867, from Mr. *Leonard Bidwell*, an officer of the Post Office sent to Washington on the 26th October.

"Bidwell, to Post Office Secretary, London.

"Matter cannot be finally closed till 23rd, when their Tenders come in; but may, I think, be considered as settled."

— No. 16. —

Mr. *Inman* to the Lords Commissioners of the Treasury.

Liverpool, New York, and Philadelphia
Steam Ship Company, Nos. 62 and 63, Tower Buildings,
Liverpool, 14 November 1867.

My Lords,

I HAVE the honour to address your Lordships on the following subject:—

On the 1st October, in accordance with advertisement, I sent in a tender to the General Post Office for the conveyance of mails to America, and I have reason to believe that the Cunard Company did not intend to tender.

Not having received any answer to my tender, and yet finding that mail sorting-rooms are being fitted up in Cunard's cargo steamers, I am led to infer that some change may be in contemplation, or that they have some encouragement not granted to me.

As their contracts have hitherto been carried out by your Lordships, I have respectfully to express a hope that, in accordance with the letter I received in 1858 (copy enclosed), no change may be sanctioned without my having at least an opportunity of being heard.

I have, &c.

(signed) *William Inman.*

To the Lords
Commissioners of Her Majesty's Treasury,
London.

Enclosure in No. 16.

Sir: *Charles Trevelyan*, K.C.B., to Mr. *Inman*.

Sir,

Treasury Chambers, 9 November 1858.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to inform you, in reply to the letter addressed by you to this Board, on behalf of the Liverpool, New York and Philadelphia Steam Ship Company, that when a new postal service is about to be established by Government, it is the practice of their Lordships to invite tenders by public advertisements, thereby affording to all parties the opportunity of competing for such services, provided they conform to the required conditions.

I am, &c.

(signed) *C. E. Trevelyan.*

William Inman, Esq., Liverpool.

— No. 17. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 15 November 1867.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to inform you that they have had under their consideration your Grace's letter of the 24th ultimo, reporting upon the tenders sent into your department for the conveyance of the North American mails; and I am to authorise you to accept those of the North German Lloyd Company, and of the Liverpool, New York, and Philadelphia Steam Ship Company, for the conveyance of the mails in question, on Tuesdays and Thursdays in each week respectively.

With regard to the tenders of the National Steam Ship Company, and of the Hamburg American Steam Company to convey the mails on Fridays, and to the offer made by Messrs. Cunard, Burns & M'Iver, I am to state that my Lords will direct a communication to be sent to you when they have arrived at a decision in the matter.

I am, &c.

(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 18. —

The Secretary to the Treasury to Mr. *Inman*.

Sir,

Treasury Chambers, 15 November 1867.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of your letter of 14th instant on the subject of the tenders which have been made for the conveyance of the North American Mails, and I am to inform you that my Lords have authorised the acceptance of that which has been sent in by you for the conveyance of them weekly from Queenstown on Thursday.

I am to add, that an offer from Messrs. Cunard for a contract under which mails would leave London on Saturdays is, with other offers, still under consideration.

I am, &c.

(signed) *George Ward Hunt*.

W. Inman, Esq.,
Liverpool, New York, and Philadelphia
Steamship Company,
62, Tower Buildings, Liverpool.

— No. 19. —

The Secretary to the Post Office to the Secretary to the Treasury.

Sir,

General Post Office, 16 November 1867.

WITH reference to your letter of the 15th instant, authorising the Postmaster General to accept the tender of Mr. William Inman for the conveyance of a mail every Thursday from Queenstown to New York, and the tender of the North German Lloyd for the conveyance of a mail every Tuesday from Southampton to New York, I am directed by the Postmaster General to submit, for the approval of the Lords Commissioners of the Treasury, draft contracts* for each of these services.

I am, &c.

(signed) *J. Tilley*.

G. Ward Hunt, Esq., M.P.,
Treasury.

— No. 20. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 18 November 1867.

WITH further reference to your Grace's letter, dated the 24th ultimo, I am directed by the Lords Commissioners of Her Majesty's Treasury to state, that having already authorised your Grace to accept the tenders of the North German Lloyd, and of the Liverpool, New York, and Philadelphia Company, for the conveyance of mails from this country to New York, on Tuesday and Thursday respectively, my Lords will now proceed to consider the points upon which no decision has yet been given by them, namely:—

1st. How the proposed temporary service to Halifax can best be provided ;
and,

2ndly. As to the conveyance of the American mails at the latter part of the week.

With regard to the first point, it appears that there are two offers before your Grace ; one from Mr. Inman on behalf of the Liverpool, New York, and Philadelphia Company, to maintain a fortnightly service between Queenstown and Halifax for six months, and to perform the voyage in each direction in 12 days, for a sum of 1,000 *l.* per round voyage, or 26,000 *l.* per annum, which sum Mr. Inman has hinted in conversation might be reduced to 750 *l.* per round voyage, or at the rate of 19,500 *l.* per annum The other from Messrs. Cunard & Co.,

to

* These contracts will be laid upon the Table of the House in a separate form.

to combine with a contract service between Queenstown and New York a fortnightly call at Halifax, at an additional cost of 25,000 *l.* per annum.

It appears to my Lords that should the Liverpool, New York, and Philadelphia Company be willing to undertake a contract for six months at the sum named in conversation by Mr. Inman, it would be advantageous for the public service to agree with that Company upon those terms; the sum to be paid being at the rate of 5,500 *l.* per annum less than that named by Messrs. Cunard, and the offer not being dependent upon the acceptance by your Grace of any other contract, as is the case with the proposal of the latter Company. While in the event of my Lords determining to accept Messrs. Cunard's offer to convey mails weekly between Queenstown and New York, the alternate weekly service under such arrangement would be relieved from the delay consequent upon an obligation to call at Halifax.

The service being only a temporary one, my Lords do not think the anticipated difference of time for the performance of the voyage as between the two offers is a material consideration, and they are therefore pleased to authorise your Grace to offer to Mr. Inman a contract for six months for a fortnightly service between Queenstown and Halifax, for the sum of 750 *l.* per round voyage, the service to be performed in each direction in 12 days.

With respect to the second point, my Lords observe that, in recommending them to accept the offer of Messrs. Cunard conjointly with the tenders of the North German Lloyd, and the Liverpool, New York, and Philadelphia Company, your Grace has not stated your reasons for not advising that the offer of the Hamburg American Steam Ship Company should also be accepted; and as their ships sail on Friday, a day not named by any other of the tendering Companies (except the National Steam Ship Company, whose offer my Lords agree with your Grace is, for the reason given by you, inadmissible), it would appear at first sight that the acceptance of the offer of that Company would give additional accommodation to the public. My Lords, however, presume that your Grace has some good reason for abstaining from recommending the acceptance of such offer, and they request that they may be favoured with your Grace's views upon the matter.

I have, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 21. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords,

General Post Office, 19 November 1867.

IN compliance with the request made in your Lordships' letter of the 18th instant, that I would state my reasons for not advising that the tender of the Hamburg American Steam Ship Company, for the conveyance of a mail from Southampton to New York every Friday, should be accepted, I have the honour to observe that this tender was not recommended for acceptance because it was not thought that a mail on Friday from Southampton, intervening between a mail on Thursday from Queenstown and a mail on Sunday from Queenstown, would be of service to the public. In the first place, comparatively few letters could be sent in such a mail, as the packet of Thursday would clear out all the letters from all parts of the kingdom up to Wednesday night, and would leave but one day's accumulation from only a portion of the kingdom for the packet of Friday.

In the second place, it is probable that letters posted on Thursday, to be sent by the vessels of the Hamburg Company on Friday from Southampton would be delivered in New York, as a rule, on the Tuesday or Wednesday of the next week but one to that of their departure; and, in such case, they would frequently be overtaken by letters posted on Saturday (two days later), for the packets of Sunday from Queenstown. The knowledge that they could be so overtaken, and that even when not overtaken, they would often arrive only one day earlier than letters posted two days later, would probably prevent the mercantile public from using the Friday packet at all. Under these circumstances, the

the Hamburg Company would have but little inducement to perform the voyage well; for their earnings from sea postage would be very small, and the penalties for delay, being based on the sea postage, would be proportionately trifling. All things considered, therefore, it seemed to me that if it were decided to accept the tender of Mr. Inman and the offer of Messrs. Cunard, Burns & MacIver, the public would derive no such benefit from the services of the Hamburg Company as would warrant the withdrawal of even the small sum which they would earn from the earnings of the Cunard packets.

I have, &c.
(signed) *Montrose.*

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

— No. 22. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke, Treasury Chambers, 20 November 1867.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint your Grace that my Lords have had under their consideration Mr. Tilley's letter of the 16th instant, transmitting a draft contract with Mr. William Inman, for the conveyance of a mail every Thursday from Queenstown to New York, and also a draft contract with the North German Lloyd, for the conveyance of a mail every Tuesday from Southampton to New York.

I am desired to state that my Lords approve of both the draft contracts in question.

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 23. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords, General Post Office, 20 November 1867.

IN accordance with the directions contained in your Lordships' letter of the 18th instant, the Liverpool, New York, and Philadelphia Steam Ship Company were written to, and offered a Contract for the conveyance of Her Majesty's mails for six months, between Queenstown and Halifax, Nova Scotia, at the rate of 750*l.* the round voyage; the service to be performed in each direction in 12 days; and I have the honour to report that I have this day received the reply of the Company, agreeing to undertake the performance of the service, on the proposed terms.

I have, &c.,
(signed) *Montrose.*

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

— No. 24. —

Mr. Inman to the Secretary to the Treasury.

Sir,

London, 22 November 1867.

REFERRING to my interview this morning, it would be a great injustice, and I am satisfied offensive in America, if Cunards get 95,000 *l.* a year for the New York mails, while we only receive about 30,000 *l.* I tendered to advertisement in full faith that the Post Office had fixed the pay, and I think even now others will do it, if Cunards will not. Our steamers are as good as Cunards', who

who followed our example in screws, and in calling at Cork free, after asking 500 *l.* a trip, and we have performed, and always been ready to perform, as much service in war time as Cunards.

Any advantage given them over us can only injure the public service, because how can we, as mail carriers, have a fair trial, unless both are treated alike? The age of my company (17 years), with as good a fleet of mail steamers as Cunards' (yet with no grant against their 176,000 *l.* a year), proves that on equal terms we should long since have been before them, or the service better than it is. I did not seek the Halifax mails, but, when asked to call, proposed an independent service, believing we were accommodating the public service to enable the Post Office to do without Cunards; and I repeat now my request of this morning, that if Cunards are to receive 95,000 *l.* a year for what I believe will not bring us 35,000 *l.*, we may be absolved from our offer of the Halifax service. Ocean postage first brought us in 800 *l.*, increasing to 1,200 *l.* a voyage, but with two departures turned into three, and postage reduced one-half, does not show 500 *l.* a week, and with this against 2,000 *l.*, or thereabouts, steamers being alike, how can we continue to run on such unequal terms?

If, then, Cunards, not tendering according to advertisement, receive their own terms, may I hope that I may give six months' notice and obtain equally high terms. I respectfully press for equality with hitherto most highly favoured competitors, or in other words that they may be reduced, and my Company advanced to what has been hitherto ocean mail postage: as I understand it is a matter for the Cabinet, may I hope this may be submitted before a final decision.

G. W. Hunt, Esq.,
Secretary to the Treasury.

I am, &c.,
(signed) *William Inman.*

— No. 25. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 23 November 1867.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to forward to you, for your information, a copy of a letter which has been addressed to me by Mr. Inman, on the subject of the conveyance of the American mails.

*Copy of letter of
22d Nov. enclosed.*

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 26. —

The Secretary to the Treasury to Mr. Inman.

Sir,

Treasury Chambers, 23 November 1867.

I HAVE received and laid before the Lords Commissioners of Her Majesty's Treasury your letter of yesterday's date, on the subject of the conveyance of the American mails, and I am to inform you that it will be brought before Her Majesty's Government when they next take the question to which it relates into their consideration.

W. Inman, Esq.,
Cox's Hotel, Jermyn-street, S.W.

I am, &c.
(signed) *George Ward Hunt.*

— No. 27. —

The Secretary to the Treasury to Mr. *Inman*.

Sir,

Treasury Chambers, 25 November 1867.

WITH reference to your letter of the 22nd instant, on the conveyance of mails between this country and Halifax, I am desired by the Lords Commissioners of Her Majesty's Treasury to request that you will inform my Lords upon what grounds you ask that your company may be relieved of their engagement to undertake the Halifax service, in the event of a contract being entered into by Her Majesty's Government with Messrs. Cunard for an entirely different service, viz., one between this country and New York.

W. Inman, Esq.,
Cox's Hotel, Jermyn-street, S. W.

I am, &c.
(signed) *George Ward Hunt*.

— No. 28. —

Mr. *Inman* to the Secretary to the Treasury.

Liverpool, New York, and Philadelphia
Steam Ship Company.

Sir,

Liverpool, 26 November 1867.

I HAVE the honour to acknowledge the receipt of your letters of the 23rd instant (18,234), and of the 25th instant (18,234^{2/11}). In reply to the latter, I have to state, for the information of the Lords Commissioners of Her Majesty's Treasury, that prior to the offer made by me on the 5th of October, to convey the mails to Halifax, I had personally explained to Mr. Tilley and to Mr. Hill, at the General Post Office, that I had reason to believe the Cunard Company would not tender for the service; that we could only take it from Cork to Halifax, either *en route* from Antwerp, or from Liverpool to New York; that the port charges and extra insurance alone would amount to 500 *l.*, without any other expenses of the *détour* and detention. But I stated that we were so anxious to establish an equality in the general Atlantic trade with the Cunard Company, and to that end to assist in carrying out any service they refused, that we would, to accommodate the Post Office, and, as a temporary arrangement, undertake to perform it.

I made this offer in the full belief that Cunard would not be allowed more favourable terms than others.

If, however, the Cunard Company are to receive 95,000 *l.* a year, or 1,820 *l.* a voyage, for sailing the same day to New York direct, the result will simply be, that each alternate Saturday will witness the Cunard mail steamer sailing from Liverpool direct to New York, side by side with ours for the same port, *vid* Halifax, and receiving only 750 *l.* against Cunard's 1,820 *l.*

Cunard, therefore, being thus enabled to underquote our rate of freight, the natural consequence would inevitably be, that our steamer would go empty.

Such a grant, therefore, to the Cunard Company would upset the whole basis upon which our offer was founded.

The Secretary to the Treasury,
London.

I have, &c.
(signed) *William Inman*.

— No. 29. —

The Secretary to the Post Office to the Secretary to the Treasury.

Sir,

General Post Office, 27 November 1867.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 23rd instant, transmitting, for the information of his Grace, a copy of a letter from Mr. William Inman, of Liverpool, on the subject of his tender for the North American Mail Service.

In this letter Mr. Inman estimates the payment which he will receive for the carriage of mails by his vessels, calculated at the reduced rate of sea postage, which is to come into operation in January next, at 30,000 *l.* a year, and as he has been in the habit of conveying United States Mails for the sea postage, he is in a position to form a correct estimate. But the circumstance is not in his favour, as it shows that, either from the days of sailing or from some other cause, the merchants and others of this country and America have not found it convenient to write by the packets of the Inman line. On the contrary, it is a conclusive evidence of the necessity of maintaining the Cunard line, by which heavy mails have always been sent by the express preference of the public.

Mr. Inman desires to be paid for the service he has undertaken to perform upon terms similar to those which it has been proposed to pay to Messrs. Cunard, Burns, & MacIver, and the Postmaster General would see no objection to such a course, those terms being based upon the principle that the packets shall be self-supporting; that is to say, that the payment shall be so regulated as, in all probability, not to exceed the amount of the sea postage chargeable on the correspondence carried.

When Mr. Inman has performed his new Contract for six or twelve months, the Postmaster General will be able to consider what that payment should be.

In regard to the mail service between this country and Halifax, Nova Scotia, for which Mr. Inman has also made an offer, and which offer has been accepted, if the Lords Commissioners of the Treasury should see fit to release him from his undertaking, the Postmaster General can state that Messrs. Cunard are ready to enter into a contract, terminable at six months' notice on either side, for a separate service fortnightly, for the sum of 25,000 *l.* a year, and with the same efficiency as at present.

G. Ward Hunt, Esq., M.P.
&c. &c. &c.
Treasury.

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

— No. 30. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 30 November 1867.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to forward to you a copy of a letter addressed, under date of the 26th instant, to this Board by Mr. Inman on the subject of the Halifax Mail Service, and I am to inform you that their Lordships are ready to release that gentleman from his engagement to contract for a temporary mail service to Halifax.

I am to ask that your Grace will ascertain from Mr. Inman, as soon as possible, his wishes in the matter, in order that, if it be necessary, other arrangements may be made.

I am, &c.
(signed) George Ward Hunt.

His Grace the Postmaster General,
&c. &c. &c.

— No. 31. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords, General Post Office, 4 December 1867.

WITH reference to your letter of the 30th ultimo, I have the honour to inform you that I have communicated with Mr. Inman on the subject of his offer to perform a temporary mail service between Queenstown and Halifax, and that he has decided upon undertaking that service on the terms proposed.

I have accordingly caused a draft Contract to be prepared, and I submit this draft for the approval of your Lordships.

I have, &c.
(signed) *Montrose.*

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

The Contract will be found in a separate form.

— No. 32. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke, Treasury Chambers, 5 December 1867.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to signify to you their approval of the draft Contract, which you have submitted to them, with Mr. Inman for the conveyance of mails to Halifax, and I am to authorise your Grace to execute it without further delay.

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 33. —

The Postmaster General to the Lords Commissioners of the Treasury.

My Lords, General Post Office, 26 November 1867.

I HAVE now received the following telegram from the officer whom I despatched to the United States:

“They accept offers of Hamburg line for Tuesday, Bremen line for Thursday, and Inman for Saturday, at 15 cents an ounce for letters, six cents a pound for all other matter; payment to be made in currency. They will give Cunard Wednesday on same terms, but under arrangement with him, not with us, leaving us to deduct from our fixed payment to Cunard the sum paid to him by them.—Reply.”

In my letter of the 24th of October, I stated that if the United States Post Office would continue to put mails on board the Cunard packets, although those packets were under Contract with us and not with the United States, and would pay to us the sea postage on those mails, we should have an estimated revenue from the mails of 90,000*l.* per annum to set against the payment to the Cunard Company of 95,000*l.* per annum, for a service between this country and New York. I also showed that of this sum of 95,000*l.*, a sum of 3,500*l.* must be taken to represent the cost of sorting on board, so that the cost to be contrasted with the revenue was 91,500*l.*

The reply which I have received to the inquiry which I have addressed to the United States Post Office is in part satisfactory. They will put mails on board the Cunard packets leaving New York on the Wednesday in each week, their present day of sailing, and though they will make payment for the service to

to the Cunard Company and not to us, yet as we should always know the amount of such payment, and could deduct it from our fixed payment to the Cunard Company, no inconvenience would result from the arrangement.

The reply tends also to confirm me in the belief that no service which would be satisfactory to the public of this country could be established if the arrangements which it was at first proposed to adopt were carried out in their integrity. The reply shows that the United States Post Office intend to dispatch a mail to this country on Tuesdays from New York. This mail will be in most cases useless, and in some absolutely hurtful. The letters contained in it will, as a general rule, reach Southampton on Sundays, and will fall into the first delivery in London on Mondays, and into an afternoon delivery on the same day in the great provincial towns of England. In Scotland and in Ireland, they will be delivered proportionately later. Thus they will, in most cases, be overtaken by, and in very many cases be outstripped by, the letters dispatched one day later from New York to Queenstown by the Cunard packet. I mention this circumstance in confirmation of the view which I have already expressed, and to show that the project for the establishment of a daily mail between this country and New York, however tempting it may appear on paper, must often result in disappointment to the public.

So far, the reply of the United States Post Office is satisfactory; but I regret to find that they propose to pay for the conveyance of the homeward mail less than the sea postage, and that we shall not receive from them on account of the Cunard mails so much by 15,000*l.* per annum as I had expected to obtain.

Under these circumstances, we shall have to contrast with the sum of 91,500*l.*, the proposed cost of the Cunard packets, an estimated revenue of 75,000*l.* only, instead of 90,000*l.* I am, of course, not prepared to recommend that we should pay to the Cunard Company a sum so greatly exceeding that which we can at first derive from the correspondence; but I am still strongly of opinion that the services of that Company are highly advantageous to the public, even if they be regarded only from the point of view of the Post Office; and I must think that an effort should be made to retain those services, and to ascertain whether the Cunard Company, on fair consideration of all the circumstances of the case, will not modify their terms so as to meet the requirements of the department.

It will be remembered, that in my letter of the 24th of October, I took a fixed sum of 90,000*l.* as the probable revenue derivable from the Cunard packets in the first year of the new arrangement, and stated that any increase on that amount in consequence of increased correspondence would be a source of profit to the department. I find that, in the years 1864, 1865, and 1866, the correspondence between this country and the United States increased regularly at the rate of 10 per cent. per annum, and it is reasonable to suppose that with reduced postage this rate of increase will not be diminished. Under these circumstances, it seems to me that if the Cunard Company would be content to accept a lower payment in the first instance than 95,000*l.*, so as to give the department what it has endeavoured to obtain, a self-supporting service from the beginning, the department might, in its turn, forego some portion of the growing revenue of future years.

Such an arrangement as this would of course not be so satisfactory as that which I had at first proposed; but it would, in my opinion, be preferable to any which would involve the loss of the services of the Cunard Company. If they would consent to receive 75,000*l.* in lieu of 95,000*l.* for the first year, I think we might safely agree to increase the subsidy at the rate of five per cent per annum (our estimated increase of correspondence being at the rate of 10 per cent. per annum) during the term of their contract. In such case the service would be self-supporting at the outset, as we should have to pay for the packets 75,000*l.*, less estimated cost of sorting on board 3,500*l.*, leaving 71,500*l.*, to meet which we should have an estimated revenue of 75,000*l.*

The payment for the packets would not reach the sum at first asked, until the seventh year of the contract, by which time the correspondence would probably have risen from 60 to 70 per cent., and though from that time the cost of the packets would rise above what was first asked, it would always, unless I greatly err, be considerably within the revenue, and at the close of the contract would not exceed 122,000*l.*

The starting payment of 75,000 *l.* per annum for a direct weekly service between this country and New York, would contrast most favourably with the payment of 173,000 *l.* for the existing services, and the maximum payment of 122,000 *l.*, which would not be reached until 11 years from this time, might even then, I think, be regarded as moderate.

I should be glad to receive authority to negotiate with Messrs. Cunard, Burns, & MacIver on these terms.

I have, &c.
(signed) *Montrose.*

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

— No. 34. —

The Postmaster General to the Lords Commissioners of the Treasury

My Lords,

General Post Office, 28 November 1867.

WITH reference to Mr. Tilley's letter of yesterday's date, respecting a communication which had been addressed direct to Mr. Ward Hunt by Mr. William Inman, of Liverpool, on the subject of his tender for the North American mail packet service, I have now the honour to transmit to you the accompanying copy of a letter and its enclosure, which Mr. Inman has addressed to this office on the same subject.

I request that your Lordships will be pleased to state what reply you would wish me to make to this letter.

The observations contained in Mr. Tilley's letter above referred to, apply equally to this further communication from Mr. Inman, and it seems to me unnecessary to trouble your Lordships with any additional remarks.

I have, &c.
(signed) *Montrose.*

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

Enclosure in No. 34.

Liverpool, New York, and Philadelphia Steamship Company,
62 and 63 Tower Buildings, Liverpool,
26 November 1867.

Sir,

I HAVE the honour to address you on the subject of the North American mail service for which I tendered, on the 1st October, in accordance with the forms of tender prescribed by his Grace the Postmaster General.

I understand that an offer for a portion of the service referred to had been sent in by the Cunard Company, not according to the form of tender prescribed, but offering to convey the mails weekly out and home, for a period of 10 years, at 95,000 *l.* a year; and that this offer is receiving favourable consideration.

While, however, I am quite ready to abide by my tender, it is clear such an inequality of payment, and such undue preference in favour of the Cunard Company, would enable them to compete unfairly with us in the general Atlantic trade.

Having tendered in the precise mode and form prescribed by Her Majesty's Government in their advertisement, I think myself justified, with great respect, in requesting that I may be placed on as favourable a footing as the Cunard Company, who have failed to tender in the mode and time which were so prescribed; and I base my request in addition upon the obvious ground that fairness requires all competitors to be treated equally, for the following reasons:—

First.—That my Company's steamers are now in every respect as good as those of the Cunard Company, while a contract for a term of years securing to my Company a fixed payment will enable it to add still finer and more powerful steamers to its fleet.

Second.—That any reduction in Transatlantic postage for the benefit of the public should not be cast exclusively upon any particular steamship owner conveying the letters; but, if not borne by the public department, which adopts the reduction on public grounds, it should at all events be borne by such steamship owners equally.

For these reasons I respectfully ask, that instead of the agreement of which the draft has

has been sent to me, a Contract as favourable as that to be granted to the Cunard Company may be entered into with me; in order that the merits of each Company may be fairly compared and considered, and that both may be placed on an equal footing in this matter, where an equal service is to be performed by, and an equal benefit to the public is to be derived from, the due performance by each contractor of his Contract.

It may not be out of place for me to mention that this Company has existed as an English Atlantic Ocean Steamship Company since 1850; and, that you may judge of the character of the Company, and its financial ability to perform any engagements it may enter into, I beg to enclose a list of the partners composing it.

The Secretary,
General Post Office, London.

I am, &c.
(signed) *William Inman.*

Liverpool, New York, and Philadelphia Steamship Company,
Nos. 62 & 63 Tower Buildings, Liverpool.

PROPRIETORS.

William Inman	- - -	Liverpool	- - -	Justice of the Peace for the County of Chester.	12-64ths.
Charles Inman	- - -	Ditto	- - -	A Managing Director, Bank of Liverpool.	2-64ths.
Thomas Inman, M.D.	- - -	Ditto	- - -	- - - - -	2-64ths.
T. Langton Birley	- - -	Justices of the Peace for the County Palatine, Lancaster Kirkham, Preston, and Manchester.	- - -	Flax Mills, Cotton Mills, and General Merchants -	} 3-64ths 7-64ths 3-64ths } 18-64ths.
Charles Birley	- - -				
A. Leyland Birley	- - -				
Robert S. Lepper	- - -	Belfast	- - -	Flax Mills - - -	10-64ths.
John C. Lepper	- - -				
Charles W. Lepper	- - -				
William Langton	- - -	Liverpool	- - -	Justice of the Peace for the County of Lancaster.	3-64ths.
Thomas S. Owden	- - -	London	- - -	Gentleman - - -	5-64ths.
Tod and M'Gregor	- - -	Glasgow	- - -	Steam Ship Builders - - -	5-64ths.
James Kay	- - -	Turton Tower, Lancashire.	- - -	Gentleman - - -	4-64ths.
William Valentine	- - -	Belfast	- - -	Managing Director, Northern Banking Company.	1-64th.
William Stobart	- - -	County Durham	- - -	Coal Owner, Justice of the Peace for the County of Durham.	1-64th.
William Inman	- - -	- - -	- - -	In trust for E. T. Wakefield, Barrister, London.	1-64th.
					64-64ths.

— No. 35. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 28 November 1867.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you that my Lords have given full consideration to your Grace's letters of the 19th and 20th instant, relating to the conveyance of mails between this country and the United States of America, by the Hamburg American Steamship Company and Messrs. Cunard, Burns & MacIver.

I am desired to state that the refusal of the Post Office authorities at Washington to make arrangements for the payment to the Imperial Post Office

of the sea postage earned by the vessels of Messrs. Cunard & Co., on their homeward voyage, during the proposed term, appears to their Lordships to lessen the inducement to them to sanction a contract with that Company, and that their reluctance to do so would not be overcome if there were reason to believe that the modifications now suggested by your Grace were likely to be accepted by the Company.

I am further desired to state that the great responsibility that rests with their Lordships, as to making a proper provision for the conveyance of mails from this country to the United States on Saturdays, at the termination of the present contract (so that the mercantile community may not be deprived of efficient postal accommodation on the day on which so large a portion of the outward correspondence has for many years been sent), has induced them to put themselves in personal communication, through me as their financial secretary, with Mr. John Burns, one of the partners of Messrs. Cunard & Co., and that Mr. Burns has, in the most handsome manner, expressed to me his willingness, if possible, to meet the views of the Government under the circumstances in which they are placed.

Relying on this assurance, my Lords are now pleased to authorise your Grace to offer to Messrs. Cunard & Co. the sum of 80,000 *l.* for a weekly service to New York, sailing from Queenstown, as at present, for a period of 12 months, to commence at the expiration of their present contract; Messrs. Cunard & Co. to account to the Imperial Post Office for the sea postage which they may earn on the homeward voyage, and to provide sorting rooms, and board the sorting officer, as proposed in their original offer.

Upon hearing from your Grace, my Lords will give a final answer respecting the tender of the Hamburgh American Company.

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General,
&c. &c. &c.

— No. 36. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke, Treasury Chambers, 29 November 1867.

WITH reference to your Grace's letter of the 28th instant, transmitting copies of a letter, and of its enclosure from Mr. William Inman on the subject of his tender for the North American Mail Packet Service, I am directed by the Lords Commissioners of Her Majesty's Treasury to request that you will inform Mr. Inman that, had their Lordships thought proper to make a contract for a term with Messrs. Cunard for the conveyance of mails to New York, they would have been prepared to have granted him, at the expiration of six months, a contract for a like term for a payment calculated on a similar principle.

Such, however, not being the case, my Lords request that your Grace will take steps for the execution of the articles of agreement between yourself and Mr. Inman forthwith, as well as those to be entered into with the North German Lloyd Company.

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General,
&c. &c. &c.

— No. 37. —

The Secretary to the Post Office to the Secretary to the Treasury.

Sir, General Post Office, 30 November 1867.

I AM directed by the Postmaster General to inform you that, in accordance with the request made in your letter of the 28th instant, his Grace has made an offer to Messrs. Cunard, Burns & MacIver of the sum of 80,000 *l.* for a weekly

weekly mail service to and from New York, for a period of 12 months, on the understanding that the whole amount received by them for sea postage of homeward mails shall be paid over to this Department, and I am to transmit, for the information of the Lords Commissioners of the Treasury, a copy of the reply received from Messrs. Cunard, accepting this offer.

I am, at the same time, to enclose, for the approval of the Lords Commissioners, a draft contract which has been prepared for this service.

George Ward Hunt, Esq., M.P.,
&c. &c. &c.
Treasury.

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

Enclosure in No. 37.

Sir,

London, 30 November 1867.

WE beg to acknowledge receipt of your letter to us of this date, and hereby to intimate that we accept the offer therein made to us, for the performance by us of a weekly service from Liverpool to and from New York direct (calling at Queenstown on the outward and homeward voyages) during one year after the termination of our present mail contract, for a payment of Eighty thousand pounds sterling (80,000 *l.*), we undertaking to pay over to Her Majesty's Postmaster General the entire amount of any sea postage which we may receive on account of the conveyance of the homeward mails.

We have, &c.
(signed) *Cunard, Burns & MacIver,*
per *John Burns.*

The Secretary of the Post Office.

— No. 38. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 3 December 1867.

THE Lords Commissioners of Her Majesty's Treasury have considered the Draft Contract, enclosed in your letter of the 30th ultimo, with Messrs. Cunard, Burns & MacIver, for the conveyance of mails to New York.

They direct me to signify to your Grace their approval, and I am to authorise you to execute the said Contract without further delay.

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

I am, &c.
(signed) *George Ward Hunt.*

— No. 39. —

The Secretary to the Treasury to the Postmaster General.

My Lord Duke,

Treasury Chambers, 3 December 1867.

THE Lords Commissioners of Her Majesty's Treasury have considered the reasons upon which you found your recommendation, that they should not accept the tender of the Hamburgh American Steamship Company, and they acquiesce in your Grace's opinion.

*See Letter from
Postmaster General
of 19 November,
No. 21.*

Their Lordships understand further that if the public desire to make use of the vessels of the Company, they can do so by specially addressing their letters for such vessels.

I am therefore to authorise your Grace to intimate to the said Company that Her Majesty's Government are not prepared to accept their offer for the conveyance of mails to New York.

I am, &c.
(signed) *George Ward Hunt.*

His Grace the Postmaster General.

— No. 40. —

Mr. *John Burns* to the Lords Commissioners of the Treasury.

My Lords,

London, 3 December 1867.

IN making the arrangements now concluded with Her Majesty's Government, for the conveyance of the North American mails, I beg to state that I have been actuated by a desire to meet the wishes of the Government, and have accordingly agreed, on the part of my firm, to conduct the service between Liverpool and New York, upon exceptional terms, adapted to meet the exigencies of the public service, and to relieve the Government from a difficulty which had arisen, owing to the American Post Office not having acceded to the proposition of Her Majesty's Government for an arrangement with them for the carriage of the homeward mails, and which necessarily prevented Her Majesty's Government from completing an agreement for a more permanent service; and I take this opportunity of stating that, whilst I have cheerfully acquiesced in the views of the Government, I do not wish these arrangements, which have been made to meet a special case, to form a precedent for any future action which it may be incumbent upon my firm to take in regard to postal contracts.

I have, &c.

(signed) *John Burns.*

The Lords Commissioners of Her Majesty's Treasury.

— No. 41. —

The Secretary to the Treasury to Mr. *John Burns*.

Sir,

Treasury Chambers, 3 December 1867.

IN reply to your letter of this day's date, I am commanded by the Lords Commissioners of Her Majesty's Treasury to inform you that my Lords readily admit that your firm have met the Government with regard to the conveyance of the North American mails in a spirit whereby they have been enabled, in a position of considerable difficulty, to conclude a Contract that will, in their judgment, be advantageous to the public, and they are willing to put on record their opinion that, in any future negotiation, your firm ought not to be prejudiced by the terms upon which the present Contract has been based.

I am, &c.

(signed) *George Ward Hunt.*

John Burns, Esq.,

on behalf of

Messrs. Cunard, Burns & MacIver.