

ATLANTIC ROYAL MAIL STEAM PACKET COMPANY.

COPIES OF CORRESPONDENCE

BETWEEN

THE TREASURY, THE POST OFFICE, AND THE
ATLANTIC ROYAL MAIL STEAM
PACKET COMPANY,

From the 4th May 1860 to the 13th June 1861.

(Presented by Her Majesty's Command.)

Ordered to be printed 17th June 1861.

CORRESPONDENCE, &c.

No. 1.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 4th May 1860.

REFERRING to my communication of the 21st February, I have the honour to request you will favour me by stating when it is expected that the Exchange Office at Galway will be established; also whether the Postmaster General has decided upon which day of the week the steamers will be required to start from Galway under the new postal contract with this Company.

It is very desirable that the decision of the Postmaster General on these points should be communicated to the Directors as early as practicable, so as to enable them to make the necessary arrangements in America for the return voyages of their ships.

The first new ship for this service is already launched, and will be ready for sea in a fortnight.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

No. 2.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited
10, Cannon Street, E.C., London, 12th May 1860.

THE steam ship "Connaught," belonging to this Company, intended for the new mail contract between Galway and America, is now lying at South Shields ready for inspection.

The Directors will therefore feel obliged if you will cause this ship to be inspected so as to enable the Company to complete the mail and assorting rooms or carry out any other arrangements which the Post Office Department may consider necessary.

The trial trip of this ship will take place some time during the present month, of which due notice will be given.

I am instructed to request the favour of your early attention to this communication, so as to enable the Company to be prepared for the mail service in the month of June in accordance with their contract.

The Secretary to the General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

No. 3.

Mr. WEIR to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 12th May 1860.

THE screw steamer "Prince Albert," of London, 1,463 tons register, Captain Nicholas Prowse, being the ship appointed to sail with Her Majesty's mails of 25th instant, from Galway to St. John's, Newfoundland, and her certificate of exemption having expired, I have the honour to request you will cause a new certificate to be issued, exempting that ship from the operation of the Passenger Act, from and after the 25th instant, under the bond given by this Company dated the 22nd June 1859.

The Secretary, General Post Office, I have, &c.
St. Martin's-le-Grand. (Signed) A. M. WEIR,
General Manager.

(4)

No. 4.

(32,392.)

Mr. F. HILL to Mr. BOATE.

Sir,
I HAVE to acknowledge the receipt of your letter of the 12th instant and to inform you that an officer of this Department has been directed to proceed to Shields for the purpose of inspecting the mail rooms on board the steam ship "Connaught."

When the ship shall be in a more advanced state she will have to be surveyed by an officer of the Board of Trade, according to the conditions of the contract dated 21st April 1859.

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

I am, &c.
(Signed) F. HILL.

No. 5.

(32,331.)

Mr. F. HILL to Mr. WEIR.

Sir,
IN compliance with the request made in your letter of the 12th instant, I beg to enclose a certificate signed by the Postmaster General, exempting the steam ship "Prince Albert" from the operations of the Passengers Act, 1855.

A. M. Weir, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(Signed) F. HILL.

No. 6.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
REFERRING to my communication of the 12th inst., I have the honour to acquaint you, for the information of the Postmaster General, that the Directors are unable to fix the day for the trial trip of the steam ship "Connaught" until they are informed whether it is the intention of the Post Office Department to cause the machinery and hull of this ship to be inspected before they are closed up.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 7.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
I AM instructed to acquaint you that the steam ship "Prince Albert" will leave Galway with the Newfoundland mails on Saturday next the 26th instant, and that the monthly sailing day in the ensuing month will be Saturday, the 23d June; but, as the Directors have not yet received a reply from the Post Office Department as to the day on which it is proposed to despatch the American mails from London under the new contract, they are not in a position to advertise their ship for the ensuing month. I have the honour therefore to request you will favour me with the decision of the Postmaster General on this point at your earliest convenience.

The Secretary, General Post Office.

I am, &c.
(Signed) A. BOATE, Secretary.

No. 8.

(5)

No. 8.

The POSTMASTER GENERAL to the TREASURY.

My Lords, General Post Office, 22d May 1860.
I BEG to transmit to your Lordships a copy of a letter from the Postmaster General of Canada, at present in London, inquiring whether it is intended to carry into effect next month the provisions of the contract with the Atlantic Royal Mail Company for the conveyance of mails once a fortnight by steam vessels to leave Galway alternately for New York and Boston, and I have to request that your Lordships will be pleased to inform me what answer you would wish to be given to this inquiry.

The Lords Commissioners of the Treasury. I have, &c.
(Signed) ARGYLL.

Enclosure in No. 8.

Mr. SMITH, Postmaster General of Canada, to Mr. F. HILL.

Sir, London, 14th May 1860.
My attention has just been called to a paragraph in the last Report of the Post Office Department in page 21, in which it is stated that "a contract has been concluded for giving an additional mail, once a fortnight, to the United States and Canada, by means of packets to ply alternately between Galway and Boston, and Galway and New York. The service is to begin not later than next June."

May I ask, therefore, if it is still the intention to carry out this proposition?

F. Hill, Esq. I have, &c.
(Signed) SIDNEY SMITH,
Postmaster General of Canada.

No. 9.

(32,392.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 25th May 1860.
REFERRING to your letter of the 23d instant, relative to the survey of the steam ship "Connaught," I have to inform you that it will be necessary to inspect the hull and machinery of that vessel before they are closed up; and I am to request, therefore, that the Atlantic Royal Mail Steam Navigation Company will state when the "Connaught" will be ready to be inspected.

A. Boate, Esq. I am, &c.
(Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company.

No. 10.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir, Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 26th May 1860.
I HAVE the honour to acknowledge the receipt of your communication of the 23d instant (No. 32,392), inquiring when the "Connaught" will be ready to be inspected, and I beg to refer you to my letter of 12th instant, par. 1, in which it is stated that the "Connaught" was on that day "lying at South Shields ready for inspection."

I have also to acquaint you, with a view to your causing such Government officers as you may deem necessary to be present, that I have this day received notice from the builders that the trial trip of the "Connaught" will take place from the Tyne on Monday the 4th June next.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

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No. 11.

No. 11.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir, Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 28th May 1860.

I HAVE the honour to acquaint you, for the information of the Postmaster General, that the following steam ships belonging to this Company are now ready to have the mail and assorting rooms fitted up, viz.,

“Leinster” - At Messrs. Palmer, Brothers, and Co., Newcastle-upon-Tyne.
“Munster” }
“Ulster” } At Messrs. Samuelson and Co., Hull.

The Directors will feel obliged if you will have the goodness to cause the necessary instructions to be issued, as early as practicable, respecting the fitments required by the Post Office Department on board these ships, so that the builders may proceed with the work without delay.

The Secretary, General Post Office,
London. I have, &c.
(Signed) A. BOATE, Secretary.

No. 12.

(35,914.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 29th May 1860.

IN reply to your letter of yesterday's date, I beg to inform you that Mr. Roberts, an officer of this department, has been instructed to proceed on Friday morning next, the 1st June, to Hull and Newcastle, for the purpose of giving the necessary directions respecting the fitting of the mail and sorting rooms on board the Atlantic Royal Mail Steam Navigation Company's steam ships “Leinster,” “Munster,” and “Ulster.”

A. Boate, Esq., Atlantic Royal Mail Steam Navigation Company. I am, &c.
(Signed) F. HILL.

No. 13.

Mr. ARBUTHNOT to the POSTMASTER GENERAL.

My Lord Duke, Treasury Chambers, 30th May 1860.

ADVERTING to your Grace's letter of the 22d instant, I am desired by the Lords Commissioners of Her Majesty's Treasury to request your Grace to inform them what arrangements have been made for the conveyance of the mails to Canada and the other North American provinces with the Governments of those Colonies, and with the Canadian Steam Company, and how these arrangements will be affected by the commencement of the Galway mail service; and also whether your Grace's department has any information as to the time when the Atlantic Royal Mail Steam Navigation Company will be prepared to commence their service, which, by the terms of the contract, is not to be later than the month of June next.

The Postmaster General. I have, &c.
(Signed) G. ARBUTHNOT.

No. 14.

(566 L.)

Mr. TILLEY to Mr. BOATE.

Sir, General Post Office, 31st May 1860.

WITH reference to your letter of the 26th inst., I am directed by the Postmaster General to acquaint you that the Board of Trade will instruct their officers to make the requisite survey of the steamer “Connaught,” proposed to be employed in the mail service between Galway and the United States.

The

The Postmaster General understands from your letter that the "Connaught" will be in all respects completed and equipped, in accordance with the contract, on the day fixed for the trial trip.

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

I am, &c.
(Signed) J. TILLEY.

No. 15.

(571 L.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 1st June 1860.

IN reply to your letter of the 4th ultimo, I have to inform you that the Postmaster General has decided that Tuesday shall be the day on which the packets of the Atlantic Royal Mail Steam Navigation Company shall leave Galway, Boston, and New York respectively, under the Company's contract dated the 21st April 1859, and that the first packet shall leave Galway for New York on Tuesday the 26th instant, the second leaving Galway for Boston on Tuesday the 10th July, and so on, on every second Tuesday.

On the homeward voyage, the Postmaster General fixes Tuesday the 17th July as the day for the first departure from New York for Galway, the second departure taking place from Boston on Tuesday the 31st July, and so on.

The Duke of Argyll requests that the Company will make its arrangements accordingly.

An exchange of mails will take place between the Post Office at Galway and the United States Post Office on the commencement of this new packet service.

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

I am, &c.
(Signed) F. HILL.

No. 16.

The POSTMASTER GENERAL to the TREASURY.

My Lords, General Post Office, 5th June 1860.

IN accordance with the request made in your letter of the 30th ultimo, I beg to inform you that the following are the arrangements now in force for the conveyance of the mails to Canada and the other North American provinces:—

First, as regards Canada:

The Canadian mail packet leaves Liverpool for Quebec in summer and for Portland in winter every Wednesday, and will in future call at Derry every Thursday for supplementary mails.

The Cunard packet leaves Liverpool for Boston and New York alternately every Saturday, and calls at Queenstown every Sunday for supplementary mails.

All letters for Canada which are not specially marked by the writers to be otherwise sent are forwarded by the first packet of either of these two lines despatched after they are posted.

Secondly, as respects the lower North American provinces:

Letters for Nova Scotia, New Brunswick, and Prince Edward Island are sent, as a rule, only by each alternate Cunard packet, viz., that calling at Halifax on its way to Boston.

But any letter specially marked to be sent by way of the United States or by the Canadian packet would be so forwarded.

The course pursued with regard to letters for Canada is in accordance with an understanding come to with the Canadian Post Office, but I am not aware that any arrangements on this subject have ever been made with the Governments or Post Offices of the lower provinces.

This Department has had no communication whatever with the Canadian Mail Packet Company.

When the new service from Galway comes into operation, I presume that it will be only right to send in the mails despatched from Galway all the letters for Canada which are in the Post Office at the time, and this will, no doubt, have the effect of reducing the number of letters sent by the Canadian mail packets.

But I apprehend that the arrangements for sending letters to the lower provinces will be very slightly affected by the establishment of the new line from Galway, because it will only be when the packets are unable to call at St. John's, Newfoundland, that they will touch at Halifax; and letters landed at St. John's may suffer great delay before they can be forwarded to their destination. Very few letters therefore for the several provinces are likely to be sent *viâ* Galway.

As respects the concluding inquiry in your letter, I beg to observe that I presume, from letters which have been addressed to this Department by the Atlantic Royal Mail Steam Navigation Company, that they will be ready to commence the new service by the end of this month. They have been very urgent in their requests that I would fix the days on which to despatch the American mails under the new contract, and I am about to name Tuesday, the 26th instant, as the day for the first packet to leave Galway, the succeeding packets leaving on every alternate Tuesday.

Tuesday the 26th June being the last Tuesday in the month, is the latest day upon which the Company, under the provision of their contract, can commence the service; and if they are not fully prepared to start the first packet on that day, they will become liable to the stipulated penalty of 500*l.* for every twelve hours of delay.

The Lords Commissioners of the Treasury.

I have, &c.
(Signed) ARGYLL.

No. 17.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 7th June 1860.

Sir,

I HAVE the honour to acquaint you, for the information of the Postmaster General, that Captain Robinson and Mr. Greer, of the Board of Trade, attended at Newcastle on the 6th instant, for the purpose of witnessing the trial trip of the Company's steam ship the "Connaught;" but owing to the tempestuous state of the weather on the north-east coast, it was deemed expedient to postpone the trial for a few days, until the weather is sufficiently moderate, when the Directors hope it will be convenient for the officers of the Board of Trade to attend.

Due notice will be given of the day when the trial is to take place.

I have, &c.
The Secretary, General Post Office. (Signed) A. BOATE, Secretary.

No. 18.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 8th June 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit for your Grace's information, with reference to the correspondence which has taken place upon the subject, the enclosed copy of a letter from the Directors of the Atlantic Royal Mail Steam Navigation Company, stating that they will be prepared to commence the North American mail service on the 26th inst., and of their Lordships' Minute thereon of this day's date; and I am to state that the Committee on Mail Contracts having expressed an opinion in favour of the inspection of mail steamers being made as a general rule by Admiralty officers, it appears to my Lords desirable to have the vessels with which it is proposed to carry out the Galway contract so inspected, and I am to request that your Grace will cause the necessary steps for this purpose to be taken without delay. My Lords also wish to be informed of the steps taken in regard to the inspection of the "Connaught."

I am further to request that, as this contract is one of considerable importance, and the first which will be commenced since the transfer of contracts of this description from the Admiralty to the Post Office, your Grace will be good enough to communicate with this Board as to any applications which may be received from the contractors, or any steps which may require to be taken under the contract until it has come into complete and regular operation.

I am

I am to add that my Lords will be prepared to make any communication to the Board of Admiralty which your Grace may consider necessary or desirable.

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

I have, &c.
(Signed) S. LAING.

Enclosure No. 1 in No. 18.

Mr. BOATE to Mr. LAING, M.P.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th June 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of the 2d instant, addressed to the Directors of this Company, intimating that the Lords Commissioners of Her Majesty's Treasury are about to submit to the House of Commons an estimate for the amount required for the ensuing year for the payment which will become due under the contract between Her Majesty's Government and this Company; and I am instructed to acquaint you, for the information of their Lordships, that the trial trip of the steam ship "Connaught" will take place from the Tyne to-morrow, at which the Government inspectors are to be present: and that the Company will be prepared to commence the North American service on the date fixed by Her Majesty's Postmaster General, viz., on the 26th instant.

S. Laing, Esq., M.P.,
H. M. Treasury.

I have, &c.
(Signed) A. BOATE, Secretary.

Enclosure No. 2 in No. 18.

COPY of TREASURY MINUTE, dated 7th June 1860.

WRITE to the Directors of the Atlantic Royal Mail Steam Navigation Company that it is provided by their contract that the stipulated fortnightly service "shall commence not later than the month of June 1860," "by means of a sufficient number of good, substantial, and efficient steam vessels, each "and every of such vessels to be of not less than 2,000 tons, builders' measurement, and always supplied "with first-rate appropriate steam engines, of not less than 450 horse power;" "to be, in all respects, "as to engines, equipments, engineers, officers, and crew, subject in the first instance, and from time "to time and at all times afterwards, to the approval of the said Commissioners," &c. of the Admiralty, whose inspectors "shall have power to have all such vessels and engines tried in whatever manner they "may at any time or times think fit, and to take whatever steps they may deem expedient to satisfy "themselves of the fitness of each vessel in every respect for the said service before the vessel "commences the same."

State that what my Lords require to know before submitting an estimate to Parliament for this service is, whether the contractors are in a position to commence and continue regularly the service in the manner prescribed, and within the term specified by the contract, and that for this purpose it is essential to know what vessels, in addition to the "Connaught" are destined for the service, and at what time they will be ready for inspection.

No. 19.

(32,392.)

Mr. F. HILL to Mr. LAING, M.P.

Sir,

General Post Office, 8th June 1860.

WITH reference to the personal communication I had with you yesterday at the Treasury, I am directed by the Postmaster General to request that you will lay before the Lords Commissioners of the Treasury the accompanying letter* from the Secretary of the Atlantic Royal Mail Steam Navigation Company, stating that, for the reasons given, it has been found necessary to defer, for a few days, the trial of the Company's first steamer the "Connaught."

His Grace begs to be informed whether it is the wish of their Lordships that, when the day for the trial has been finally decided upon, he shall request the Board of Admiralty to cause the survey to be made by officers of that Department, instead of by the surveyors of the Board of Trade.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) F. HILL.

* See Letter No. 17.

No. 20.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 8th June 1860.

Sir,

THE day appointed in the present month for the despatch of the Newfoundland mails being the 23d instant, I have the honour to request you will be so good as to submit, for the consideration of the Postmaster General, whether the transmission of these mails may not be delayed until the 26th instant, the day fixed by the Post Office Department for the sailing of the Company's ship with the New York mails.

I have, &c.

The Secretary, General Post Office.

(Signed) A. BOATE, Secretary.

No. 21.

Mr. F. HILL to Mr. LAING, M.P.

Sir,

General Post Office, 9th June 1860.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 8th instant, enclosing the copy of one from the Directors of the Atlantic Royal Mail Steam Navigation Company, in which it is stated that the Company will be prepared to commence the North American mail service on the 26th instant, and enclosing also a copy of a Treasury Minute, dated the 7th instant, on the subject of that mail service.

The instructions contained in the letter just received, answer the question put in the letter which was addressed to you from this Department yesterday, and the Postmaster General has accordingly requested the Admiralty to cause an inspection of the "Connaught" to be made by their officers.

It seems desirable that the Lords Commissioners of the Treasury should inform not only the Admiralty, but also the Board of Trade of the decision to which they have come respecting the survey of the vessels.

With reference to the desire expressed by the Lords Commissioners that the Postmaster General will communicate to them any application which may be received from the contractors up to the time when the contract shall come into complete and regular operation, I am directed to acquaint you, for the information of their Lordships, that Mr. Weir, the general manager of the Company, called here yesterday, and stated that the Company were anxious to obtain permission not to despatch a steamer to Newfoundland, under their first or colonial contract, on the 23d instant (the day on which it should in the ordinary course depart), but to carry the Newfoundland mail to St. John by their first steamer to New York, on the 26th instant.

Mr. Weir was informed that there did not appear to be much objection to the proposed course, but that if it were sanctioned the Company would, it was to be presumed, forego payment for the trip. He observed, that if that portion of the subsidy which was provided from Imperial funds was withheld the Company must submit, but that he hoped that the Colonial Government would be left to exercise its discretion as to the payment of the remainder, in which case he had no doubt that payment would be made.

In the course of the conversation it appeared that Mr. Weir was of opinion that the Company was not bound to convey mails to or from Newfoundland under the second contract, and when he was told that the wording of the contract clearly provided for mails being delivered and received at every port to which the Company's vessels proceeded, or at which they called or touched, he stated that such was not the interpretation put upon the contract either by the Company or the Treasury.

Not having any intimation from the Treasury that any other than the ordinary construction is to be put upon the clauses in the contract referring to this point, the Postmaster General concludes that Mr. Weir is under some misapprehension, and unless his Grace hears from the Lords Commissioners to the contrary, the notice which has been drawn up (copy enclosed), wherein it is stated that mails from Newfoundland will be forwarded by these vessels, will be issued about the 17th instant.

I have, &c.

S. Laing, Esq., M.P., Treasury.

(Signed) F. HILL.

Enclosure in No. 21.

MAILS for CANADA, NEWFOUNDLAND, and the UNITED STATES from GALWAY.

HER Majesty's Government having entered into a contract with the Atlantic Royal Mail Steam Navigation Company for the conveyance of mails once a fortnight between Galway and the United States,

States, mails will be made up in London on the evening of Monday the 25th instant, and on the evening of every alternate Monday, and forwarded to Galway, to be despatched on the following day to their destination.

The packets will proceed alternately to New York and to Boston, and will call (both on the outward and homeward voyages) at St. John's, Newfoundland.

All letters, &c. for the United States, Canada, or Newfoundland, which are posted in time, will be forwarded in these mails.

As letters for other British Colonies in America would, if sent by these packets, be landed in Newfoundland, from which the communication with Halifax, &c. is only fortnightly in summer and monthly in winter, no letters for those other Colonies will be forwarded from Galway unless specially directed to that effect.

The first homeward packet of this line will leave New York on Tuesday the 17th July, and will be due at Galway on the 27th July.

The next will leave Boston on Tuesday the 31st July, and will be due at Galway on the 10th August.

No. 22.

Mr. F. HILL to Mr. LAING, M.P.

SIR,

General Post Office, 12th June 1860.

WITH reference to my letter of the 9th instant, I am directed by the Postmaster General to acquaint you, for the information of the Lords Commissioners of the Treasury, that he has since referred, for the opinion of the Solicitor of this Department, the contract made on the 21st April 1859 with the Atlantic Royal Steam Navigation Company, and more particularly the clause which is marked in red ink in the accompanying copy, with respect to the obligation on the part of the Company, under that contract, to convey mails to and from St. John's Newfoundland; and enclosed is a copy of Mr. Peacock's opinion, advising that the Company can be required to convey mails from Galway to St. John's, Newfoundland, as well as from St. John's to New York or Boston, on the outward voyage, and to convey mails from New York or Boston to St. John's, and mails from St. John's to Galway on the return voyage.

The Postmaster General will be glad to receive, as early as possible, instructions on this point from the Lords Commissioners of the Treasury, that the notice proposed to be issued on the subject of the mails to be transmitted by the new line of packets from Galway, and a copy of which notice was submitted in my letter of the 9th instant above referred to, may be definitively settled.

His Grace will leave it to their Lordships to communicate or not with the Admiralty, as they may think proper.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) F. HILL.

Enclosure in No. 22.

Copy of REPORT of the SOLICITOR to the POST OFFICE.

12th June 1860.

By the contract the Company agree that the vessels employed in the conveyance of Her Majesty's mails shall, both on the outward and homeward voyages, call at St. John's, Newfoundland, or in the event of any of the vessels being prevented reaching St. John's, then the vessels shall call at Halifax, Nova Scotia; and the Company shall convey in the said vessels to and from and cause to be delivered and received at each of the posts or places at which the said vessels are to proceed, call or touch, in performance of the contract, all such of Her Majesty's mails, passengers, and telegraphic messages as shall have to be delivered or received at such place respectively.

I am of opinion, therefore, that the Company can be required to convey mails from Galway to St. John's, as well as from St. John's to New York or Boston, on the outward voyage, and to convey mails from New York or Boston to St. John's, and mails from St. John's to Galway on the return voyage.

I would advise, however, that the question raised by the Company should be communicated to the Admiralty, as the tender for the service, or the correspondence relating to it, may show clearly what the intention was on the subject.

(Signed) M. B. P.

No. 23.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 12th June 1860.

WITH reference to an inquiry made personally at this office yesterday by Mr. Weir and Mr. Vallance, on behalf of the Atlantic Royal Mail Steam Navigation Company, I am

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directed

directed by the Postmaster General to acquaint you that, if it is proposed by the Company that any other vessel than the "Connaught" shall take the mails of the 26th instant, it is absolutely necessary that the name of such vessel and the port at which she is lying should be forthwith communicated to this Department, in order that a proper survey may be made, and that the Postmaster General may be satisfied that she is in all respects fit to be employed in this service, and that, with reference to the conditions of the contract he can accept her.

This Department has been led to believe that the mails of the 26th were to be carried by the "Connaught," and any proposal to employ another vessel ought to have been made before this.

In the event of the "Connaught" being offered for the conveyance, it is necessary that the completion of her survey should be proceeded with at once, that the Postmaster General may decide whether he will accept her or not.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 24.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 12th June 1860.

Sir,

IN reply to your communication of this day's date, I have the honour to acquaint you that the steam ship "Parana," of 2,730 tons, and 800 horse power, now lying at Southampton, will be ready to take the New York mails from Galway on the 26th instant.

With reference to your observations respecting the "Connaught," I have already informed you that the Company hope to submit her for a trial trip in a few days, and it will be perfectly possible to start that ship for America on the 26th instant, if the Post Office authorities so order it.

But the Directors do not consider that it would be satisfactory to send to sea this perfectly new ship if the opportunity can be permitted of having more trials.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 25.

Mr. F. HILL to Mr. LAING, M.P.

Sir,

General Post Office, 12th June 1860.

THE stipulation in the contract with the Atlantic Royal Mail Steam Navigation Company that the vessels shall call at St. John's, Newfoundland, unless prevented making that port, to the satisfaction of the officer in charge of mails, by stress of weather or other unavoidable cause, appears to the Postmaster General to render it important to place Admiralty agents on board those packets, and to employ in this service only the most active and trustworthy.

His Grace proposes therefore, to request Captain Patey, the packet superintendent at Southampton, to select for the Galway line four of the best agents now serving under his orders; and considering that their duties will be more than ordinarily arduous and responsible, he requests authority to pay to each, while so employed, an additional allowance at the rate of fifty pounds a year, besides the expenses of their removal from Southampton to Galway.

Captain Patey is of opinion that, if this be done, it will be unnecessary to appoint a superintendent of packets at Galway, and thus a considerable expense will be saved.

The course which, subject to the approval of the Treasury, it is proposed to pursue is, that the Admiralty agents on the Galway line shall continue to be under the orders of Captain Patey, and that he shall visit Galway from time to time to inspect the ships and to see that all the arrangements are working satisfactorily.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) F. HILL.

No. 26.

No. 26.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 13th June 1860.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to acknowledge receipt of Mr. Hill's letters, dated the 9th and 12th instant respectively.

In reply to Mr. Hill's question respecting the conveyance of mails to Newfoundland under the contract with the Atlantic Royal Mail Steam Navigation Company, which is about to come into operation, I am to inform you that their Lordships are not prepared to issue further instructions with regard to that contract until they have received more precise information as to the ability of the Company to fulfil the obligations which they have entered into.

Under these circumstances, their Lordships cannot assent to Mr. Weir's proposal for sending the Newfoundland mails by the first steamer under the new contract; and I am to request that your Grace will inform the Company that they must despatch a steamer to Newfoundland in ordinary course, under their first or colonial contract, on the 23d instant.

The Postmaster General.

I have, &c.
(Signed) S. LAING.

No. 27.

(38,916.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 13th June 1860.

IN reply to the request made in your letter of the 9th instant, that the Atlantic Royal Mail Steam Navigation Company may be permitted to despatch no packet from Galway on the 23d instant with the mails for Newfoundland, but that those mails may be carried by the first steamer appointed to be despatched, under the new contract, on the 26th instant, I am directed by the Postmaster General to inform you that Her Majesty's Government cannot agree to the proposal.

A steamer must be despatched from Galway on the 23d instant in the ordinary course.

I am to request that you will forthwith furnish me with the name of the packet to be provided for the purpose.

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

I am, &c.
(Signed) F. HILL.

No. 28.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 13th June 1860.

Sir,

I HAVE the honour to acknowledge your letter of this day's date, and, agreeably with the requirement of Her Majesty's Government, the Directors will be prepared to despatch the "Golden Fleece" from Galway on the 23d instant, in the ordinary course, with Her Majesty's mails on board, under the Newfoundland contract.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 29.

(629 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 14th June 1860.

WITH reference to your letter of the 12th instant, informing me that the steam ship "Parana," now lying at Southampton, will be ready to take the New York mails from Galway on the 26th instant, I am directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that the rate of speed which was required by the West India mail contract previous to March last, that is, during the time the "Parana" was employed in that service, was less than

that which the vessels of the Atlantic Royal Mail Steam Navigation Company must attain to perform their service in the stipulated time, and that nevertheless she failed on several occasions to deliver the mails within the contract time.

The Postmaster General cannot, therefore, accept the "Parana" for the conveyance of the mails of the 26th instant, and he requests that the Company will, without further delay, take such steps as are necessary for commencing, at the appointed time, the new Galway service with a vessel able to perform it, and agreeing with the stipulations of the contract.

The name of whatever vessel (whether the "Connaught" or any other) which the Company may determine to offer for the approval of the Postmaster General, must *at once* be reported, the time for the necessary survey, &c. being already too short.

I am, &c.
(Signed) F. HILL.
A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

No. 30.

Mr. F. HILL to Mr. LAING, M.P.

Sir, General Post Office, 14th June 1860.

WITH reference to my previous letters respecting the contract for the new mail service from Galway, which should commence this month, and to your letter of the 8th instant requesting the Postmaster General to communicate to the Lords Commissioners of the Treasury any applications which might be received from the contractors before the contract had come into complete and regular operation, I am directed by his Grace to transmit, for the information of the Lords Commissioners, the accompanying copies of correspondence* with the Atlantic Royal Mail Steam Navigation Company on the subject of the desire of the Company to employ a steamer called the "Parana" for the conveyance of the mail of the 26th instant to New York.

I have, &c.
(Signed) F. HILL.
Samuel Laing, Esq., M.P., Treasury.

No. 31.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir, Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 14th June 1860.

I AM in receipt of your letter of this day's date, informing the Directors that the Postmaster General cannot accept the "Parana" for the conveyance of the mails from Galway to America on the 26th instant.

I am desired by the Directors of the Company respectfully to call the attention of the Postmaster General to the circumstances of this case, trusting that a reconsideration of the matter will convince him that the "Parana" is a vessel coming strictly and entirely within the terms of the contract which this Company has entered into with Her Majesty's Government, and that the placing of this vessel at the disposal of the Postmaster General will be a full and complete performance of the obligation imposed upon the Company.

I beg permission to remind the Postmaster General that by the contract entered into by this Company a class of vessels is required of extraordinary steam power and large tonnage, and a very short period was named for the commencement of the contract, having regard to the Company's intention to build new steam vessels of magnitude sufficient to carry out the contract satisfactorily.

The Directors did not, however, limit themselves to the steam power and tonnage mentioned in the contract, but proceeded to construct vessels of nearly double the horse power, and of upwards of 1,000 tons greater tonnage than actually required under the terms of the contract.

It was the intention of the Company to place one of the new ships, the "Connaught," on the line for the 26th instant, but having regard to an arrangement made for sending her to Kingstown Harbour before proceeding to her station at Galway, and for other reasons, the Company were anxious to place the "Parana" upon the line for the 26th.

* See Letters Nos. 23, 24, and 29.

The refusal of the Postmaster General to accept the "Parana" will therefore cause inconvenience to the arrangements in contemplation and probably injury to the interests of the Company. Still, as the Directors have determined, without regard to cost, convenience, or other considerations, fully and faithfully to discharge the obligations imposed upon them by the contract, and to carry out the service in a manner satisfactory to the Postmaster General, they will place the "Connaught" on the station for the 26th instant, if, after a perusal of the following observations, and a reconsideration of the matter the Postmaster General should still object to the "Parana" being despatched on that day.

1. The contract is a penal contract as regards the Company.
2. That the first clause of the contract defines the class of vessels required for the performance of the contract, namely, vessels of 2,000 tons, builders measurement, and 450 horse power; but there is no requirement as to the speed of the vessels.
3. The "Parana," is 3,075 tons, builders measurement, and 800 horse power.
4. The Directors therefore submit that all that is required is that they should submit for the approval of the Government a vessel of the power and tonnage defined by the contract and properly equipped.
5. The "Parana" has heretofore been employed in the Government service as a mail steam ship. She has lately been in dock, and has undergone a thorough overhauling and repair, and has received the usual certificates as to her equipment and efficiency.
6. Whatever may have been her performances on some special occasions in the West India mail service, in which she was employed, the Directors submit that her average speed at the deep load line indicates sufficient to justify the belief that she will fully and efficiently perform the service required of this Company within the time specified, as the light draught of water occasioned by a diminished amount of freight, and the much smaller quantity of coals she will have to carry, renders the circumstances not at all parallel.
7. The Royal Mail Company have forwarded to us the logs of two voyages of the "Parana" last year, from which we find that, although said to be heavily laden and with about 1,300 tons of coal on board, her speed was above that required to enable the Company to fulfil this contract. But when we consider the lighter cargo she will have, and that she will carry only about 800 tons of coals, it is beyond all doubt that she will be enabled to perform the service most satisfactorily.

8. Whatever may be the rate of speed, as the contract is a penal contract, the question does not arise until the end of the voyage, when the Company will have to pay the penalty for failure to deliver the mails within the time mentioned in the table, should such a contingency happen.

Under these circumstances, I am instructed on behalf of the Directors again respectfully to submit that the "Parana" should be accepted for the conveyance of the mails on the 26th instant.

The Directors have ordered the "Connaught" round to Southampton for inspection and trial, and she will be there on Wednesday morning, the 20th instant. But the Directors would add, that if the "Connaught" be not sent to Kingstown, the omission would undoubtedly cause great dissatisfaction and discontent in Ireland, and she cannot be sent there if she has to take the mails on the 26th instant.

I have, &c.
(Signed) A. BOATE, Secretary.

The Secretary, General Post Office.

No. 32.

Mr. F. HILL to Mr. LAING, M.P.

Sir,

General Post Office, 15th June 1860.

WITH reference to your letter of the 8th instant, stating that in consequence of the Committee of the House of Commons on Contract Packets having expressed an opinion in favour of the inspection of mail steamers being made, as a general rule, by Admiralty officers, it appeared to the Lords Commissioners of Her Majesty's Treasury desirable that the vessels of the Atlantic Royal Mail Steam Navigation Company, with which it is proposed to carry into effect the Galway contract, should be so inspected; I am directed by the Postmaster General to transmit to you, to be laid before the Lords Commissioners, a copy of a letter received this day from the Admiralty (in reply to the letter written to that Board, requesting that the survey of the first of the Company's steamers, the "Connaught," might be made by their officers), in which this Department is informed that the Lords of the Admiralty consider that it would be unsatisfactory for the survey of a ship commenced by the officers of one Department to be completed by those of another,

and that, as the officers of the Board of Trade have commenced the survey of the "Connaught," their Lordships think it would be desirable that the same officers should complete it.

The Postmaster General will be glad to be informed whether the Lords Commissioners of the Treasury approve of this course, and whether he shall communicate with the Board of Trade accordingly.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) F. HILL.

Enclosure in No. 32.

Mr. ROMAINÉ, C.B. to the SECRETARY to the POST OFFICE.

Sir, Admiralty, 14th June 1860.
WITH reference to your letter of the 12th instant, and its enclosure relative to the survey of the steam vessel "Connaught," proposed to be employed in the conveyance of mails, under the contract with the Atlantic Royal Mail Steam Navigation Company, I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Postmaster General, that they consider it would be unsatisfactory for the survey of a ship commenced by the officers of one Department to be completed by those of another, thereby causing the responsibility to be divided, and as the officers of the Board of Trade have commenced the survey of the "Connaught," their Lordships think it would be desirable that the same officers should complete it.

The Secretary, General Post Office.

I am, &c.
(Signed) W. G. ROMAINÉ.

No. 33.

Mr. STEPHENSON to the POSTMASTER GENERAL.

My Lord Duke, Treasury Chambers, 16th June 1860.
I AM desired by the Lords Commissioners of Her Majesty's Treasury to state that, under the circumstances detailed in your Grace's Report of the 15th instant, it appears to my Lords that there is no alternative but to complete the survey of the Atlantic Royal Mail Steam Packet Company's ship "Connaught" under the officers of the Board of Trade, and their Lordships are, therefore, pleased to authorize the necessary communication being addressed to that Department accordingly.

The Postmaster General.

I have, &c.
(Signed) W. H. STEPHENSON.

No. 34.

(629 L.)

Mr. F. HILL to Mr. BOATE,

Sir, General Post Office, 16th June 1860.
WITH reference to your letter of the 14th instant, I am directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that his Grace sees no reason to alter the decision conveyed to you in my letter of the same date, respecting the proposed despatch by the "Parana" of the mails for New York of the 26th instant.

The lateness of the application made in this matter is of itself sufficient to prevent inquiry being made into all the statements advanced in your letter; but I am to observe that the Postmaster General cannot agree in the opinion expressed, that the "Parana" is a vessel coming strictly and entirely within the terms of the contract which the Company has entered into with Her Majesty's Government, and that the placing of that vessel at the disposal of the Postmaster General will be a full and complete performance of the obligation imposed upon the Company.

I am to remind you that every vessel proposed to be employed under the contract must, under the first clause of the contract, be in all respects subject to the approval of the Postmaster General (now taking the place of the Board of Admiralty in respect to mail contracts); and as the circumstances mentioned in your letter do not satisfy his Grace that the "Parana," which, as already stated to you, frequently failed during the last year to deliver her mails within the time allowed by the West India contract, would perform the new service between Galway, Newfoundland, and New York in the stipulated period, he cannot consent to the employment of that vessel.

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The Postmaster General dissents from the view which the Directors appear to entertain, that their obligations would be met by the mere payment of the penalties which might be incurred for over-time in the voyage. Even if the "Parana" were three days beyond her time, the penalty would only amount to 600*l.*, whereas the proportionate part of the subsidy for a single voyage is 1,500*l.*, leaving a balance in favour of the Company of 900*l.*, and that for a service which would be nearly, if not wholly, useless, since the chief mails, at least, which the "Parana" would carry, would, under the circumstances mentioned, arrive later, probably, than if sent by the following packet, namely, that despatched on the next day (Wednesday) from Southampton.

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

I am, &c.
(Signed) F. HILL.

No. 35.

Mr. WEIR to the SECRETARY to the POST OFFICE.

Sir,

18th June 1860.

THE screw steamer "Golden Fleece," of London, 2,768 tons register, Captain Campbell, being the ship appointed to sail with Her Majesty's mails of 23d instant from Galway for St. John's, Newfoundland and New York, I have the honour to request you will cause a certificate to be issued exempting that ship from the operation of the Passenger Act, from and after the 23d instant, under the bond given by this Company, dated 22d June 1859.

The Secretary, General Post Office.

I have, &c.
(Signed) A. M. WEIR.

No. 36.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street. E.C., London, 18th June 1860.

I HAVE to acknowledge the receipt of your letter of the 16th instant, and have only to express regret that His Grace the Postmaster General has not yet decided to accept the "Parana" as one of the vessels under this Company's contract.

As, however, reference is made to the lateness of the application with respect to this vessel, I am directed to state that the "Connaught" will be placed on the station for the 26th, and I have only to urge upon the Postmaster General a reconsideration of my letter of the 14th instant, in order that the "Parana" may be placed upon the line for the 10th July.

The Directors would again refer to the facts that the "Parana" is 800 horse power and upwards of 3,000 tons measurement, and her average rate of speed fully justifies the confident assurance that she will deliver the mails at New York within the time specified.

I may, however, call your attention to this fact, that as the second despatch of mails on the 10th July will be to Boston, and as upon that voyage the distance is less, and the time-table allows more time than for the voyage to New York, the Directors submit with confidence that no possible objection can be made to the "Parana" being at once accepted for the mail departure of the 10th July from Galway to Boston.

The "Parana" has already been sent round to Galway, where she will be open to inspection and survey by the officers of Her Majesty's Government at any time.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 37.

(618 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 20th June 1860.

I AM directed by the Postmaster General to acquaint you, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that, notwithstanding the transfer of the control of the contract mail packets from the Admiralty to the Post Office, it has been decided that all orders for passages by the contract packets for Government

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ment officers and for the conveyance of naval and military stores shall continue to be issued to the Atlantic Royal Mail Steam Navigation Company through the Department of the Controller of Transport Services.

The Postmaster General requests that these orders may be complied with, as if they had emanated from this Department.

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

I am, &c.
(Signed) F. HILL.

(657 L.)

No. 38.

Mr. F. HILL to Mr. WEIR.

Sir,
General Post Office, 21st June 1860.
IN compliance with the request made in your letter of the 18th instant, I am directed by the Postmaster General to transmit to you a certificate exempting the steam ship "Golden Fleece" (which is about to carry the mails from Galway to Newfoundland) from the operations of the Passengers Act.

A. M. Weir, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(Signed) F. HILL.

No. 39.

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 21st June 1860.
WITH reference to my letter of the 1st instant, informing you that the Postmaster General had decided that the first packet to be despatched under the contract concluded with the Atlantic Royal Mail Steam Navigation Company on the 21st April 1859 should leave Galway for New York on Tuesday the 26th instant, and that the succeeding packets should leave Galway on every alternate Tuesday, I am directed by the Postmaster General to request that you will state to the Directors that his Grace has fixed 3 p.m. as the hour at which the packets shall take their departure from Galway.

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

I am, &c.
(Signed) F. HILL.

(660 L.)

No. 40.

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 21st June 1860.
I HAVE received and laid before the Postmaster General your further letter of the 18th instant, respecting the employment of the steamer "Parana" in the conveyance of mails from Galway, under the contract entered into by the Atlantic Royal Mail Steam Navigation Company on the 21st April 1859.

In offering this vessel for the second mail, viz., that which is to be carried to Boston on July the 10th, you state, that, as the distance from Galway to Boston is less than the distance to New York, while the time allowed is greater, the Directors submit with confidence that no possible objection can be made to the "Parana" being employed on this service.

In reference to this remark I am directed by the Postmaster General to request that you will call the attention of the Directors to a point which they seem to have overlooked. Although the contract allows more time for the complete voyage when the packet goes to Boston, the obligation to deliver telegraphic messages at St. John's, Newfoundland, or at Halifax, within six days from the time of the vessel leaving Galway, still remains; and as his Grace is not satisfied that the speed of the "Parana" is sufficient to enable this to be accomplished, he declines to accept that vessel for the service in question.

The Postmaster General requests that this Department may not be troubled with any further application respecting the "Parana."

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

I am, &c.
(Signed) F. HILL.

No. 41.

(19)

No. 41.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 22d June 1860.

I AM directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that, as his Grace is satisfied that, by the conditions of the contract entered into by the Company on the 21st April 1859, they have undertaken to land and receive mails at St. John's, Newfoundland, both on the outward and homeward voyage, he has given directions that mails for Newfoundland may be forwarded from Galway on the 26th instant.

All telegraphic messages sent to this office for transmission by the packets will be forwarded in such mails.

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

I am, &c.
(Signed) F. HILL.

No. 42.

(612 La.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 22d June 1860.

I AM directed by the Postmaster General to acquaint you that the steam ship "Connaught," having been surveyed by the officers of the Board of Trade, and reported fit for service under the Atlantic Royal Mail Steam Navigation Company's contract for the conveyance of mails, his Grace has been pleased to approve of the employment of that vessel in the mail service.

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

I am, &c.
(Signed) F. HILL.

No. 43.

Mr. WEIR to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., 22d June 1860.

Sir,

THE steam ship "Connaught," of London, 1,522 tons register, Capt. Leitch, being the ship appointed to sail with Her Majesty's mails of 25th instant from Galway for New York, I have the honour to request you will cause a certificate to be issued exempting that ship from the operation of the Passenger Act from and after the 25th instant, under the bond given by this Company, dated 22d June 1859.

The Secretary, General Post Office.

I have, &c.
(Signed) A. M. WEIR,
General Manager.

No. 44.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 22d June 1860.

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to forward to you, for your information and guidance, the enclosed copy of a letter addressed this day to the Atlantic Royal Mail Steam Navigation Company.

His Grace the Postmaster General.

I have, &c.
(Signed) S. LAING.

Enclosure No. 1 in No. 44.

Mr. BOATE to the SECRETARY to the TREASURY.

Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C., London.

Sir,

I HAVE the honour to forward to you, for the information of the Lords Commissioners of Her Majesty's Treasury, the names, tonnage, and power of the steam ships with which the Directors propose to commence and to carry out the postal contract entered into with Her Majesty's Government.

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I would remind my Lords that the tonnage and horse power of the ships required for the service is indicated in the contract, namely,

Tonnage (builders measurement)	-	Tons.	2,000
Horse power -	-	-	450

The ships contracted for by the Directors to be built in order to carry out such contract are of the following tonnage and horse power; namely,

"Connaught" (builders measurement)	-	Tons.	3,012	Horse power.	800
"Leinster"	}	Same tonnage and horse power.			
"Ulster"					
"Munster"					

The ships now ready for sea and inspection, and owned by and under the control of the Company, are as follows:—

"Connaught" (builders measurement)	-	Tons.	3,012	Horse power.	800
"Parana"	-	-	3,075	-	800
"Pacific"	-	-	1,450	-	450
"Prince Albert"	-	-	1,750	-	450

All the above steamers are paddle steamers, except the "Prince Albert," and all have the horse power required by the contract.

The "Pacific" on her trial trip at Southampton performed upwards of 13 knots, which is considerably above the speed required for the performance of the service in question.

The "Prince Albert" has also shown her capability of performing the service, as evidenced by the fact that she has made the passage between Galway and St. John's in less than six days.

The Directors propose to commence the service under the new contract as follows:—

"Connaught" to sail from Galway to New York	26th June.
"Parana" " Galway to Boston	10th July.
"Leinster" " Galway to New York	24th July.

The fortnightly service can be carried out with these three steamers, but the Directors have deemed it prudent to keep the "Pacific" and "Prince Albert" in reserve.

The former has just had new boilers put in her, and will be submitted for Government inspection next week.

The Directors have received notice from Messrs. Samuelson, of Hull, who are building two steamers for the Company, that one of such steamers, intended to be called the "Ulster," will be launched on the 3d July, and the Directors hope to place this ship on the line in the place of the "Parana."

The "Munster," the other ship now being built by Messrs. Samuelson, is in a very forward state, and will be launched soon after the "Ulster."

The Directors, therefore, hope that the Lords Commissioners of Her Majesty's Treasury will be of opinion that they have a sufficient number of good and substantial vessels to commence and to continue the service entered into with Her Majesty's Government.

The Directors beg to state to their Lordships that the "Parana" has been chartered from the West India Royal Mail Company, and that they tendered such vessel to the Postmaster General for the conveyance of the mails from Galway on the 10th July. The Postmaster General has thought proper to refuse to accept the "Parana," and I beg herewith to enclose a copy of his letter.*

I am desired by the Directors to state, for the information of my Lords, that the "Parana" is 1,000 tons larger than is required by the contract, and nearly double the horse power.

The Directors have learnt from the Royal West India Mail Company that the "Parana" has been in dock four months, and has been thoroughly overhauled and put in superior condition; the Directors therefore, with confidence submitted this ship to the Postmaster General, and have sent her to Galway to be ready to take the mails on the 10th of July.

The West India Royal Mail Company have furnished the Directors with some of the logs of the "Parana," which prove conclusively that this vessel will be able to faithfully perform the contract.

The Postmaster General has not probably taken into consideration that the "Parana," in the West India mail service was obliged to take in 14 days coal and a heavy cargo, whereas in this Company's service only 10 days coal is required, and the cargo will be very light.

Under these circumstances the Directors would respectfully ask that the "Parana" may be surveyed by the officers of Her Majesty's Board of Trade.

In conclusion, the Directors would venture to add, that circumstances over which they had no control have delayed the completion of the four ships contracted to be built expressly for the service, and they respectfully submit that they are entitled to ask at the hands of Her Majesty's Government some consideration of the circumstances, and to permit the "Parana" to be inspected on Wednesday next at Galway, and accepted as a temporary ship, and should the Government think that she cannot be accepted, then whether the contract cannot be conveniently postponed for a month, as has been done with the Holyhead contract.

The Secretary to the Treasury.

I have, &c.
Signed) A. BOATE, Secretary.

* See Letter No. 40.

Enclosure No. 2. in No. 44.

Mr. LAING, M.P., to Mr. BOATE.

Sir,

Treasury Chambers, 22d June 1860.

I HAVE received and laid before the Lords Commissioners of Her Majesty's Treasury your letter giving the names, tonnage, and horse power of the steam ships with which the Directors of the Atlantic Royal Mail Company propose to commence their postal contract, offering some explanation with respect to the "Parana," and requesting that that vessel may be surveyed by the officers of the Board of Trade.

In reply, I am to state to you that, as the Directors are doubtless aware, the Select Committee of the House of Commons are now deliberating on a further report on the subject of the Galway contract, and that notice has been given in the House of a motion to negative any estimate for carrying out that contract.

Under these circumstances it is impossible for their Lordships to foretell what may be the decision of Parliament, or, until the final Report of the Committee is made, to give any pledge as to the course which the Government may think it their duty to adopt.

In the meantime, however, as the contract has been executed, and the first Report of the Select Committee did not recommend Parliament to exercise their constitutional right (which was expressly reserved in the contract) of refusing to vote money for its fulfilment, their Lordships have not thought it their duty to act on any other assumption than that the contract would be carried out in the usual course.

On this assumption they were prepared on the one hand to insist on the strict fulfilment by the contractors of the engagements into which they had entered, but on the other hand to do so in a fair spirit, and to interpose no vexatious or unnecessary impediments in carrying out those engagements. Acting in the same spirit, they are now prepared under the circumstances above stated, and without prejudice to the ultimate course to be adopted on either side, to offer to the Company the alternative either of a short postponement of the provision requiring the commencement of the service in the month of June, until the decision of Parliament has been obtained, or of a strict compliance with its conditions, subject to that decision, and reserving to the Company its claim to be paid for any voyages actually performed in the meantime should the decision of Parliament be unfavourable.

In the event of the Company electing to adopt the latter course, the questions involved in your letter requesting the inspection of the vessels proposed for the service will arise, to which their Lordships now proceed to advert.

It appears to them that in the absence of the explanations now furnished, the Post Office were justified in assuming that the "Parana" having been found deficient in speed for a service in which a less rate of speed was required, could not be adapted for the Galway line, and that it would therefore be a waste of time to tender her for inspection.

But these explanations tend to show that the deficient speed on the West India line may have arisen from the greater quantity of coals necessary for that voyage, and that the ship has undergone such a thorough refit as may have altered her character. Under these circumstances their Lordships are prepared to request the Postmaster General to accede to your request to have her inspected, as well as the other vessels named by you as proposed to carry on the service, and it will depend on the report of the inspectors whether all or any of these vessels are considered sufficient to constitute a fair compliance with the true spirit and meaning of the contract, in which case no objection will be offered to their employment for a reasonable term, until the new vessels of the Company are completed.

I have, &c.
(Signed) S. LAING.

A. Boate, Esq.
Secretary to the Atlantic Royal Mail Steam
Navigation Company, 10, Cannon Street,

No. 45.

(42,005.)

Mr. F. HILL to Mr. BOATE.

Sir,

London, 23d June 1860.

THE Lords Commissioners of the Admiralty have forwarded to this Department a copy of your letter, dated the 18th instant, in which you inquire whether, in addition to the survey which has already been made of the steam ship "Connaught" by the officers of the Board of Trade, any surveys, reports, or certificates are required by the Board of Admiralty; and I am directed by the Postmaster General to acquaint you, in reply to this inquiry, that the usual inspection of the equipments of the "Connaught," and of all other vessels of the Atlantic Royal Mail Steam Navigation Company employed in the mail service, will be made at Galway by the officer conducting the packet service at Southampton, who will proceed to Galway for the purpose before the departure of each packet.

I am, &c.
(Signed) F. HILL.

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

Enclosure in No. 45.

Mr. BOATE to the SECRETARY to the ADMIRALTY.

Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C., 18th June 1860.

Sir,

REFERRING to the contract entered into by this Company with the Lords Commissioners of the Admiralty for the mail service between Galway, Boston, and New York, dated the 21st April 1859, I have the honour to state, that in obedience to the requirements of the Postmaster General such service is appointed to commence on Tuesday the 26th instant.

In conformity with this the Company have decided on placing the "Connaught," one of their new ships, on the station for departure with the mails from Galway on that day.

The "Connaught" is now at Southampton, and arrangements have been made for her survey and inspection by the officers of the Honourable the Board of Trade, under the authority of the Postmaster General.

I have now to request the favour of your informing me whether, in addition to such survey and inspection, any surveys, reports, or certificates are required by the Lords Commissioners of the Admiralty, beyond those above referred to.

I have to add, that the medical officer appointed is Mr. M. Hogan, a gentleman who has been for some time in the employ of the Company, and whose certificates and qualifications are unexceptionable.

The Secretary to the Admiralty.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 46.

(42,011.)

Mr. F. HILL to Mr. WEIR.

Sir,

General Post Office, 25th June 1860.

IN compliance with the request made in your letter of the 22d instant, I am directed by the Postmaster General to transmit to you a certificate exempting the steam ship "Connaught" (which is about to carry mails between Galway and America) from the operations of the Passenger Act.

A. M. Weir, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(Signed) F. HILL.

No. 47.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 25th June 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to state, in reply to your Grace's report of the 14th instant,* that, after the opinion given by the Post Office Solicitor, as to the liability of the Atlantic Royal Mail Steam Navigation Company to deliver mails at Newfoundland, it appears to my Lords that no alternative is left to your Grace's Department but to act upon that opinion, leaving it to the Company to object if they see fit, and to bring such evidence in support of their objection as will justify the conclusion that the obvious legal construction of a clause in a deed, settled at the time in conjunction with the Company's own solicitor, was altogether a mistake.

The Postmaster General.

I have, &c.
(Signed) S. LAING.

No. 48.

Mr. STEPHENSON to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 25th June 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of your Grace, the enclosed copy of a letter from the Atlantic Royal Mail Steam Navigation Company, requesting that the officers of the Board of Trade may be instructed to inspect the Company's vessel "Parana," and I am to request that the necessary instructions may be issued accordingly.

The Postmaster General.

I have, &c.
(Signed) W. H. STEPHENSON.

* See Letter No. 22.

Enclosure in No. 48.

Mr. BOATE to Mr. LAING, M.P.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 23d June 1860.

Sir,
I HAVE the honour to acknowledge the receipt of your communication of the 22d instant, which shall be submitted to the Board of Directors early in the ensuing week ; in the meantime I beg leave to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that the general manager of the Company has proceeded to Galway to despatch the steam ship "Connaught" with the mails for New York on the 26th instant, in pursuance of instructions from the Post Office Department.

It would therefore be most convenient to the Company, if my Lords will be pleased to direct that the officers of the Board of Trade may be instructed to inspect the "Parana" now lying in Galway harbour, on Tuesday or Wednesday next, while the general manager is on the spot.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) A. BOATE.

No. 49.

(693 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 29th June 1860.

WITH reference to the letter* (without date) which you addressed to the Secretary of the Treasury, forwarding, for the information of the Lords Commissioners, the names, tonnage, and power of the steam ships with which the Directors of the Atlantic Royal Mail Steam Navigation Company propose to commence and to carry out the postal contract entered into with Her Majesty's Government, and stating that one of those ships, the "Pacific," would be submitted for Government inspection "next week," I am directed by the Postmaster General to request that the Directors will at once inform his Grace when and at what port the "Pacific," as well as the other ship mentioned in your letter, will be ready for survey.

In a letter, dated the 27th instant, the Board of Admiralty, by whose officers the surveys are at present made on behalf of the Postmaster General, called attention to the inconvenience that, on account of the great demand for the services of those officers, would be experienced by the Admiralty in the event of officers being required at a short notice to be sent to survey a vessel, and stated that not less than a week's notice should be given previous to any vessel being offered for survey.

I am to request, therefore, that you will bear this in mind in proposing a time for the survey of the vessels referred to.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 50.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 30th June 1860.

WITH reference to Mr. Laing's letter of the 8th instant, in which your Lordships adverted to the opinion expressed by the Committee of the House of Commons on Contract Packets in favour of the inspection of mail steamers being made, as a general rule, by Admiralty officers, and not by officers of the Board of Trade, and directed that the "Connaught," the first steamer of the Galway line, should be so inspected, I have the honour to inform your Lordships that, acting upon what was considered to be your intention, I have since that date requested the Board of Admiralty to cause all the contract packets which have required surveying to be reported upon by their officers.

But as I have not received any positive authority for the adoption of that course, I shall be glad to be informed that it meets with your Lordship's approval, and that you wish it to be followed in future.

The Lords Commissioners of the Treasury.

I have, &c.
(Signed) ARGYLL.

* See Enclosure No. 1 in Letter No. 44.
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No. 51.

Mr. BOATE to Sir ROWLAND HILL, K C.B.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 2d July 1860.

Sir,
I BEG to inform you that the "Pacific" will be ready for trial trip at Southampton on Saturday next.

I have, &c.
(Signed) A. BOATE, Secretary.
Sir Rowland Hill, K.C.B., Secretary,
General Post Office, St. Martin's-le-Grand.

No. 52.

Mr. F. HILL to Mr. BOATE.

SIR, General Post Office, 4th July 1860.
I AM directed by the Postmaster General to request that you will inform his Grace whether it is the intention of the Atlantic Royal Mail Steam Navigation Company to despatch the mails of the 10th instant from Galway by the steamer "Connaught," and whether the damage sustained by that vessel will be thoroughly repaired by that time.

I am, &c.
(Signed) F. HILL.
A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

No. 53.

(44,110.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 4th July 1860.
WITH reference to your letter of the 2d instant, I beg to acquaint you that the Lords Commissioners of the Admiralty have been requested to cause the steamer "Pacific" to be surveyed on Saturday next for employment under the contract between the Atlantic Royal Mail Steam Navigation Company and Her Majesty's Government.

I have at the same time to draw your attention to my letter of the 29th ultimo, in which I informed you that the Admiralty required not less than a week's notice to be given previous to the survey of any vessel.

I am, &c.
(Signed) F. HILL.
A. Boate, Esq.

No. 54.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th July 1860.

Sir,
I HAVE the honour to acknowledge the receipt of your communication of the 4th instant, and beg to acquaint you, for the information of his Grace the Postmaster General, that the necessary repairs consequent upon the late accident to the cylinder bottom of the steam ship "Connaught" are nearly completed, and she will be in thorough order and ready to receive the mails at Galway for Boston on the 10th inst.

I have, &c.
(Signed) A. BOATE, Secretary.
The Secretary, General Post Office,
St. Martin's-le-Grand.

No. 55.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord Duke, Treasury Chambers, 5th July 1860.
I AM desired by the Lords Commissioners of Her Majesty's Treasury to convey to you their authority, as recommended in your Grace's report of the 12th ultimo, for directing Captain Patey, Packet Superintendent at Southampton, to select from among

the Admiralty agents now serving under his orders a sufficient number not exceeding four active and trustworthy officers for placing on board of the vessels of the Atlantic Royal Mail Steam Navigation Company conveying the mails between Galway and Newfoundland, and for the payment to the officers so selected, in consideration of the more than ordinarily arduous nature of their duties, of an additional allowance of Fifty pounds a year each, besides the expenses of their removal from Southampton to Galway.

The Postmaster General.

I have, &c.
(Signed) GEO. A. HAMILTON.

No. 56.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke, Treasury Chambers, 9th July 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to state, for the information of your Grace, with reference to the correspondence which has recently taken place, that Mr. S. Smith, the Postmaster General of Canada, has forwarded to their Lordships a copy of a deed of agreement executed by the Atlantic Royal Mail Steam Navigation Company, by which, among other things, it is provided that Mr. Smith shall, on or before the 13th July, despatch a steam vessel from Galway for the conveyance of Her Majesty's mails, and he has accordingly notified to this Board that the "North Briton" will be despatched accordingly on Friday, the 13th instant.

Under these circumstances, my Lords are of opinion that the Company should be informed that, without prejudice to any question that may arise under this agreement, the next mail will be sent by the "North Briton," and not by the "Connaught."

The Postmaster General.

I have, &c.
(Signed) S. LAING.

No. 57.

(45,519.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 9th July 1860.

I AM directed by the Postmaster General to acquaint you that a letter has just been received from the Treasury informing his Grace that Mr. Smith, the Postmaster General of Canada, has forwarded to their Lordships a copy of a deed of agreement executed by the Atlantic Royal Mail Steam Navigation Company, by which, amongst other things, it is provided that Mr. Smith shall, on or before the 13th July instant, despatch a steam vessel from Galway for the conveyance of Her Majesty's mails; and he has notified that the "North Briton" will be despatched accordingly on Friday, the 13th instant.

Under these circumstances, the Postmaster General desires me to state that, without prejudice to any question that may arise under the agreement referred to, the next mail will be sent by the "North Briton," and not by the "Connaught."

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 58.

Mr. F. HILL to Mr. LAING, M.P.

Sir, General Post Office, 10th July 1860.

IN the absence of the Postmaster General, I have to acquaint you, for the information of the Lords Commissioners of the Treasury, that, in accordance with the instructions contained in your letter of yesterday, a communication was addressed (immediately after the receipt of that letter) to the Atlantic Royal Mail Steam Navigation Company, stating that the next mails from Galway for America would be taken by the "North Briton," instead of by the "Connaught."

In reply to that communication, a letter from the Secretary of the Company (of which I enclose a copy) reached this office at a late hour yesterday evening.

It will be seen that the Secretary, writing, it is presumed, on behalf of the Directors, enters a protest against this proceeding, which, he states, will injure the Company in the estimation of the public.

S. Laing, Esq., M.P., Treasury.

I have, &c.
(Signed) F. HILL.

Enclosure in No. 58.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 9th July 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter dated this day, and which was only delivered here at 20 minutes to 5 o'clock, informing me that the next mails for America, and which were fixed to be sent by the "Connaught" to-morrow (Tuesday), will be sent by another ship on Friday next, the 13th instant. This announcement comes upon me with extreme surprise.

By your letter of the 1st June, addressed to this Company, the 10th July (to-morrow) was fixed for the departure of the steamer from Galway with Her Majesty's mails to America. By your letter of the 22d ultimo you notify to the Company that his Grace the Postmaster General accepted the "Connaught" as a mail steamer, and she is officially advertised in the Post Office list as the steamer "to leave Galway to-morrow with the mails."

The Company accordingly made all necessary arrangements for the "Connaught" conveying the mails of the 10th, and she is fully equipped and ready to do so.

The Company will be deeply aggrieved at alterations being made by the Post Office in these arrangements without any communication whatever with the Company.

The withdrawal of the mails at a few hours notice and the placing them on board another ship will injure the Company in the estimation of the public, and may and will prejudicially affect the interests of the Company.

Under these circumstances I can only submit this letter as a respectful but earnest protest against this step, and to notify to his Grace the Postmaster General that the "Connaught" will be ready to-morrow at Galway to receive Her Majesty's mails on board, in pursuance of the arrangement made with the Post Office Department and in fulfilment of the contract entered into with the Company.

I would remark that the agreement to which you refer is, as you would see, a conditional one only, and it must be obvious that any agreement by any other party will not relieve the Company of its obligations to the Government, or *vice versa*.

I have, &c.

(Signed) A. BOATE, Secretary.

The Secretary, General Post Office.

No. 59.

The POSTMASTER GENERAL to the LORDS COMMISSIONERS of the TREASURY.

My Lords,

General Post Office, 11th July 1860.

ON the 11th April last a letter was addressed from this Department to the Treasury, enclosing an application from the Atlantic Royal Mail Steam Navigation Company for permission to send the mails of that month from Galway to St. John's, Newfoundland, by a steamer called the "Brazil," sailing under the Portuguese flag, and your Lordships stated, in reply, that you would not object to that proposal, provided the vessel was in all respects suited for the purpose.

The Board of Trade was accordingly requested to cause the "Brazil" to be surveyed, and the surveyors having reported that she could pass the usual survey for summer service, and that her average speed from log was nine knots per hour, the Earl of Elgin permitted her to be employed in the conveyance of the mail.

His Lordship at the same time directed that copies of the correspondence that had taken place on the subject should be forwarded to the Colonial Office, with a request that they might be transmitted to the Officer administering the Government of Newfoundland.

I have now the honour to lay before your Lordships the copy of a letter just received from the Colonial Office covering the copy of a despatch from the Governor of Newfoundland, by which it appears that the "Brazil" was ten days and a half in making the passage from Galway to St. John's, and that she was eight days in reaching St. John's on the return voyage from New York.

The Governor then refers to the question whether the monthly service between Galway and St. John's is to be continued after the new service between Galway and the United States, *via* Newfoundland, comes into operation; and he states that he was under the impression that it would then cease.

On this point, therefore, I request to be furnished with your Lordships' further instructions. At present a mail continues to be forwarded from Galway to St. John's every fourth Saturday, in accordance with the authority conveyed in Mr. Stephenson's letter of the 29th December last.

The Lords Commissioners of the Treasury.

I have, &c.

(Signed) ARGYLL.

Enclosure

Enclosure in No. 59.

Mr. ELLIOT to Mr. F. HILL.

Sir,

Downing Street, 6th July 1860.

WITH reference to your letter of the 23d April respecting the employment by the Atlantic Mail Steam Navigation Company of a steamer called the "Brazil," sailing under the Portuguese flag, for the conveyance of the mails to Newfoundland, I am directed by the Duke of Newcastle to transmit for the information of the Postmaster General the enclosed copy of a despatch from the Governor of Newfoundland on the subject.

F. Hill, Esq.

I am, &c.
(Signed) T. F. ELLIOT.

Sub-enclosure in Enclosure in No. 59.

SIR A. BANNERMAN to the DUKE OF NEWCASTLE.

My Lord Duke,

Government House, Newfoundland, 6th June 1860.

I HAVE the honour to acknowledge the receipt of your Grace's letter of the 5th May (No. 28) relative to the employment by the Atlantic Royal Mail Steam Navigation Company (for carrying the mails from Galway to Newfoundland) of the steamer "Brazil," and also enclosures from the Postmaster General, &c. on the subject.

2. I beg to acquaint your Grace that the "Brazil" made her passage from Galway to St. John's in $10\frac{1}{2}$ days. She proceeded to New York and returned to St. John's, making her passage from the former place in eight days, the distance being 1,060 miles. She had a very heavy cargo of Indian corn and flour from New York, drawing 24 feet water. The Bishop of Newfoundland, who was passenger, and also the Roman Catholic Bishop, informed me that the ship was a very slow one, but they had luckily no head winds. She had, they said, 200 or 300 steerage passengers, who they stated to have been most miserably accommodated.

3. I observe in the correspondence with the Post Office the following paragraph "in the conveyance of this month's mail from Galway to Saint John's, Newfoundland, under the contract between that Company and the Government of Newfoundland."

4. I take the liberty of stating to your Grace that the contract which was entered into with the Galway Company, and sanctioned by Her Majesty's Government, terminated on the 31st of December last, a new contract having been entered into by the Company with the British Government, which contract was to commence on the 1st of this month, the service to be performed by vessels of a very superior class. This contract, I understood in one of your Grace's despatches, was to be submitted to the consideration of a Committee of the House of Commons, the British Government having agreed to pay a large subsidy to the Company, who were to perform the service fortnightly, calling at St. John's on the outward and homeward passages.

5. I understood also that on the representation of the solicitors of the Company, Messrs. Vallance, Her Majesty's Government had agreed, in order to prevent the stoppage of communication, to allow the monthly service to be continued by the Company until their new ships were ready.

6. I shall feel obliged by your Grace informing me whether I am correct in what I have stated, and when the new contract with the Galway Company is to commence, as I apprehend the subsidy which has hitherto been paid, in terms of the *last* contract by the Imperial and Newfoundland Governments, will cease when the *new* contract commences.

7. The House of Assembly of Newfoundland resolved to continue the subsidy, provided it was sanctioned by the Imperial Government, who bore a proportion of the payment to the Galway Company in terms of the provisions of the contract which expired at the termination of last year.

His Grace the Duke of Newcastle.

I have, &c.
(Signed) A. BANNERMAN, Governor.

No. 60.

Mr. SMITH to the SECRETARY to the POST OFFICE.

Sir,

12th July 1860.

THE screw steamer "Prince Albert," of London, 1,463 tons register, Captain Nicholas Prowse, being the ship appointed to sail with Her Majesty's mails of 20th instant from Galway for St. John's, Newfoundland, and her certificate of exemption having expired; I have the honour to request you will cause a new certificate to be issued exempting that ship from the operation of the Passenger Act from and after the 20th instant, under the bond given by this Company dated the 22d June 1859.

The Secretary, General Post Office.

I have, &c.
(Signed) S. SMITH.

No. 61.

(787 L.) Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 13th July 1860.

WITH reference to your letter of the 2d instant, stating that the steamer "Pacific" would be ready for a trial trip at Southampton on the following Saturday, I am directed by the Postmaster General to acquaint you that, at his Grace's request, the Lords Commissioners of the Admiralty have caused a survey of the "Pacific" to be made by their officers, and that that vessel is found to be in many respects inefficient for the performance of the service for which she has been tendered by the Atlantic Royal Mail Steam Navigation Company, and the Postmaster General cannot, therefore, accept the "Pacific" as a mail packet.

In offering any other vessel for survey, you are requested to remind the Directors that the Admiralty require a week's notice to be given to that Board before the survey is appointed to take place.

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

I am, &c.
(Signed) F. HILL.

No. 62.

(791 L.) Mr. F. HILL to Mr. WEIR.

Sir,

General Post Office, 14th July 1860.

IN compliance with the request made in your letter of the 12th instant, I am directed by the Postmaster General to transmit to you a certificate exempting the steam ship "Prince Albert" (which is about to carry the mails from Galway to Newfoundland) from the operations of the Passenger Act.

A. M. Weir, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(Signed) F. HILL.

No. 63.

(730 L.) Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 16th July 1860.

SOME inconvenience having on one or two recent occasions been caused by vessels proposed to be employed in the conveyance of Her Majesty's mails under contracts being tendered for survey within a very short period of the time at which it was desired to despatch them from this country, I am directed by the Postmaster General to request that you will inform the Directors of the Atlantic Royal Mail Steam Navigation Company that it is absolutely necessary that in future *not less than a week's notice* should be given to this Department when any packet belonging to the Company is required to be surveyed.

It is important also, with a view of saving unnecessary expense, that on the day fixed for the survey the vessel should be in all respects ready for the purpose.

A. Boate, Esq.

I am, &c.
(Signed) J. TILLEY.

No. 64.

Mr. BOATE to Mr. F. HILL.

Sir,

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 17th July 1860.

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

The

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

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

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

I have, &c.

F. Hill, Esq., General Post Office. (Signed) A. BOATE, Secretary.

No. 65.

(787 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 18th July 1860.

I AM directed by the Postmaster General to remind you, with reference to my letter of the 13th instant, that the Atlantic Royal Mail Steam Navigation Company have not yet furnished this Department with the name of the vessel which they propose for the conveyance of the mails for America to be despatched from Galway under their contract on the 24th instant.

I have on more than one occasion informed you that the Lords Commissioners of the Admiralty require at least a week's notice to be given before the survey of any vessel is appointed to take place, and, by delaying to furnish the name of a vessel to be despatched with the next mails, there is some reason to fear that, even if the name of the vessel be submitted to-day, (only six days before the date of her departure), there will not be sufficient time for the necessary survey to be made.

His Grace desires me to request, therefore, that you will at once furnish him with the name of the vessel proposed to be despatched on the 24th instant, stating where she is lying, and the earliest period at which she will be ready, in all respects, to be surveyed.

I am, &c.

A. Boate, Esq., (Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company.

No. 66.

(47,632.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 18th July 1860.

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

I am, however, to state that permission for the Company to send no packet on the 21st instant is only given on the distinct understanding that the despatch of a packet from Galway to the United States, *via* Newfoundland, takes place on 24th instant, in due course, and that if that packet be not despatched, the Company shall, within seven days from the 24th instant, send to Newfoundland the packet which should properly leave Galway on the 21st instant.

I am, &c.

A. Boate, Esq., (Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company.

No. 67.

Mr. BOATE to the POSTMASTER GENERAL.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 19th July 1860.

THE Secretary to the Atlantic Company has the honour to transmit for the perusal of his Grace the Postmaster General, the accompanying letter which the deputation from the Company intended to have placed in his Grace's hands this morning.

Enclosure in No. 67.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 19th July 1860.

Sir,

I AM desired by the Directors of the Atlantic Royal Mail Steam Navigation Company to offer you the steam ship "Prince Albert" for the conveyance of the mails on the 24th instant, between Galway and New York. This ship is of the tonnage and horse power required by the contract.

I am also desired to observe that this vessel is not put forward as a permanent ship for the service, but it is proposed to send her on this voyage, in consequence of the Company's new ships not being ready.

The "Prince Albert" has been accepted by the Colonial Government of Newfoundland, and is now sailing under contract for the conveyance of the mails. Her last voyage from St. John's to Galway was performed in five days and 20 hours, and she has on several occasions made the run within six days. It was this ship that in 1858 and 1859 delivered the Queen's speech at Washington in six days via St. John's, and the President's message in London within the same time. She is at the present moment in excellent order, having recently been in dock, and within the last six months the Directors have expended upon her nearly 30,000*l*.

The Directors, therefore, confidently offer this ship to his Grace the Postmaster General. She now lies at Galway, fully equipped, and quite ready for the inspection of the officer conducting the Packet Service.

The Directors beg to observe that they would have been prepared to give a longer notice to his Grace, had they not confidently calculated that the paddle wheel steam ship "Pacific" would have been accepted for the mails of the 24th. This ship is of the required horse power and of great speed; and the only objection the Directors apprehend which could be made to her is, that she is of less tonnage than is required by the contract: but they had hoped as she was only offered as a temporary ship for the summer service, that she would have been received.

The Directors beg to observe that they have spared no expense to have this ship equipped and fitted, and made suitable for the service.

On the 1st of April last they received a letter from the Admiralty, informing them that the superintendence of packet ships had been transferred from the Admiralty to the Post Office Department; and on 31st May they received a letter from the Secretary of the Post Office, advising them that the steam ship "Connaught" would be surveyed by the Board of Trade.

The Directors also forwarded a letter to the Admiralty on the 18th June, in which they desired to learn whether there would be any other surveys, reports, or certificates required by that Department; and on the 23d June they received a reply through the Post Office, stating that no other survey would be required, except the inspection to be made at Galway by "the officer conducting the Packet Service."

In accordance, therefore, with these instructions they caused the "Pacific" to be surveyed by the officers of the Board of Trade while in Grimsby dry dock, where she was receiving new boilers, and being otherwise put in efficient condition. The Board of Trade, after examining this ship, granted a certificate of the same character and class as that granted to the "Connaught," the first ship that they surveyed belonging to this Company for the Mail Packet Service.

The "Pacific" was then sent to Southampton for trial trip, and on the 2d instant the Directors informed the Secretary of the Post Office that the "Pacific" would be ready for trial on Saturday the 7th: on the 4th they received a letter from the Post Office, in which they were informed that the "Pacific" would be surveyed at Southampton on Saturday.

The General Manager proceeded to Southampton to attend the trial trip, as advised on the 2d, and on his arrival there he was informed that the Admiralty officers would not recognize the survey already made by the Board of Trade, but that the "Pacific" would have to be redocked and stripped for inspection.

The trial trip, however, took place and was highly satisfactory. The ship was sent to Galway, where she now lies, ready to be inspected by "the officer conducting the Packet Service."

From the preceding correspondence the Directors were lead to believe that the Board of Trade survey and the inspection at Galway would be the only surveys that would be required by the Government.

Had the Directors been informed that the letter addressed to them by the Admiralty on the 1st of April was cancelled, and that the superintendence and management had been transferred back from the Board of Trade to the Admiralty, they would have notified the Admiralty when the vessel was in dry dock, and would have been glad to make any alterations or improvements that the Admiralty might have suggested.

Under the circumstances the Directors hope that his Grace will appoint the "Prince Albert" or "Pacific" to take the mails on the 24th instant.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 68.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 20th July 1860.

Sir,

REFERRING to the interview which the deputation from this Company had with his Grace the Postmaster General, we have now to request permission from his Grace to place

place the "Prince Albert" steam ship upon the line, for the performance of the postal service between Galway and America, as the ship leaving Galway on Tuesday next, the 24th instant.

The Directors have detailed to his Grace the special grounds which have necessitated this application, the principal being the delay which has arisen in the completion of the Company's ships by the builders. Under the special circumstances therein mentioned, and being confident from the past satisfactory voyages of the "Prince Albert" that, except upon the technical point of her being a screw steamer and not a paddle steamer, as provided in the contract, she is in every other respect within the terms of the contract and fully capable of performing the service required.

Although this vessel has not been surveyed by the Admiralty, she has a Board of Trade certificate, and in all respects is furnished with such official approval as the former vessels have been submitted to.

The Company are willing under the circumstances to allow a deduction, if his Grace should require it, of a fine of 500*l.*, being the penalty mentioned in the contract for the first twelve hours delay.

The Directors submit this vessel under the terms of the contract upon the understanding that the acceptance of the vessel is not to prejudice the right of the Government to claim the penalties provided by the contract for non-delivery of the mails within the time specified.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

No. 69.

(48,922.) Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 20th July 1860.

THE Postmaster General having had before him your letter of this day's date, requesting, on behalf of the Atlantic Royal Mail Steam Navigation Company, that they may be permitted to employ the steamer "Prince Albert" for the conveyance from Galway of the American mails of the 24th instant, notwithstanding that vessel has not undergone any survey beyond that ordinarily made by the Board of Trade, and further stating that if this request be complied with the Company will consent to an abatement of 500*l.* from the amount of the subsidy for that particular voyage, by way of fine, I am directed to inform you that, under the circumstances represented, his Grace will, as a special case and without prejudice to the future obligations of the Company in respect to a strict compliance with all the stipulations of the contract, consent to the request made, and will give orders that the mails may be forwarded by the "Prince Albert."

It is to be clearly understood that the fine of 500*l.* will be enforced, and that in addition the Atlantic Royal Mail Steam Navigation Company are to be liable to all the penalties provided under the contract for excess of time or other irregularities.

A. Boate, Esq. I am, &c.
(Signed) F. HILL.

No. 70.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord Duke, Treasury Chambers, 24th July 1860.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit, for your Grace's information, with reference to your letter of the 30th ultimo, the enclosed copy of a letter from the Admiralty, dated the 13th instant, and I am to state that my Lords approve of the arrangement therein recommended by which the services of the Admiralty surveyors will continue to be afforded in inspecting the contract mail packets as recommended by the Select Committee of the House of Commons.

The Postmaster General. I have, &c.
(Signed) G. A. HAMILTON.

Enclosure in No. 70.

MR. PENNELL to the SECRETARY to the TREASURY.

Sir, Admiralty, 13th July 1860.
WITH reference to your letter of the 10th instant stating that the Lords Commissioners of Her Majesty's Treasury consider that it would be better that the contract mail packets should be surveyed by officers attached to this Department, I am commanded by my Lords Commissioners of the Admiralty to acquaint you that the Controller of the Navy has already received instructions to cause the contract packets to be surveyed on application being made to that effect by the Postmaster General.

To the Secretary of Her Majesty's Treasury. I am, &c.
(Signed) C. H. PENNELL, pro Secretary.

No. 71.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 25th July 1860.

Sir,
By desire of the Board of Directors I have the honour to request you will be so good as to bring under the favourable consideration of his Grace the Postmaster General the statement contained in my communication of the 19th instant, respecting the steam ship "Pacific."

The Directors are quite ignorant of the grounds upon which the "Pacific" has been rejected as a temporary ship, as stated in your communication of the 13th instant, her trial trip having been most satisfactory, and her power being equal to the terms of the contract.

This vessel is in all respects a well-known fast ship, and a large sum of money has been recently expended in fitting her with new boilers, in improving her machinery, and in equipping her in every respect for the postal service.

Under these circumstances the Directors respectfully submit that his Grace may be pleased to reconsider the question of the temporary employment of this ship, and they are quite ready to make any further improvements or alterations which may be deemed necessary by the Admiralty surveyor so as to render her acceptable to the Government.

The Secretary, General Post Office. I have &c.
(Signed) A. BOATE, Secretary.

No. 72.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 25th July 1860.

Sir,
I HAVE the honour to acquaint you, for the information of the Postmaster General, that a report has been received at this office from the Commander of the "Parana" of the arrival of that ship at New York, on the 9th instant; an extract of the letter is herewith transmitted.

His Grace will be pleased to observe that strong head gales were experienced by the ship during almost the entire passage, and when heavy westerly gales prevail, the fastest mail ships have been upwards of sixteen days in making the passage to Halifax, Boston, and New York.

The "Parana" has undoubtedly shown that she is capable of performing the service within the time specified, and had she been bound to Boston instead of New York, the passage would, at the same rate of speed, have been performed in 24 hours less than the time stipulated in the contract.

The Directors therefore have every confidence in offering this ship for acceptance by his Grace the Postmaster General to convey the mails to Boston on the 7th of August.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

Enclosure in No. 72.

EXTRACT from LETTER of Captain WILLIAM HEENAN, Commander of the Paddle Steamer "Parana," dated New York, 9th July 1860.

"Sir,
"I BEG to inform you that the 'Parana' arrived here this morning at 10 a.m., making the passage from Galway to this port in 11 days 15 hours. I enclose you abstract of log, in which you will perceive

“ perceive that in a winter passage we could not have experienced more unfavourable weather ; almost
“ a continued gale of wind *right ahead* the whole way from Galway to St. John’s.
“ If we had experienced even a few days of moderate summer weather (as might have been expected
“ at this season), I am confident the ‘Parana’ would have done the work 18 or 24 hours *under* the
“ stipulated time.”

A. M. Weir, Esq., General Manager,
Atlantic Royal Mail Steam Navigation Company.

(Signed) W. M. HEENAN.

No. 73.

(44,110.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, London, 26th July 1860.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 25th instant, requesting his Grace to reconsider the question of allowing the steamer “Pacific” to be temporarily employed in the conveyance of mails between Galway and the United States under the contract with the Atlantic Royal Mail Steam Navigation Company, and I am to inform you, in reply, that the report of the Admiralty surveyors on this vessel showed that, besides being greatly below the tonnage required by the contract, the “Pacific” is in many important respects in a very defective state and totally unfit for the mail service.

Under these circumstances, his Grace must again decline to accept this vessel for the conveyance of the mails.

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

I am, &c.
(Signed) F. HILL.

No. 74.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 26th July 1860.

I HAVE the honour to transmit, for the information of your Lordships, the copy of a letter * from the Secretary of the Atlantic Royal Mail Steam Navigation Company, together with a copy of the reply * made to that letter, respecting the inability of the Company to despatch a steamer to Newfoundland on the 21st instant under their separate contract with the Colonial Government.

Your Lordships will perceive that the Company have agreed to the condition upon which I gave my assent to their proposal to despatch no packet on this occasion, but to send the mails by their packet for New York of the 24th instant, such condition being that they should forfeit the amount of the subsidy for that particular voyage.

I have requested the Duke of Newcastle to inform the Governor of Newfoundland of this arrangement.

The Lords Commissioners of the Treasury.

I have, &c.
(Signed) ARGYLL.

(49,440.)

No. 75.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 26th July 1860.

HAVING laid before the Postmaster General your letter of yesterday’s date, I am directed by his Grace to state, in reply, that the steam ship “Parana” is due at Galway on her return from New York *to-morrow*, and if she arrives in due course or with very little delay, there will be ample time for her to be surveyed by the Admiralty surveyors, and for their report to be received before the period fixed for the next departure from Galway.

If the “Parana” be found in all respects fit for the service, the Postmaster General will sanction her employment for one more voyage.

But I am to state that in the event of the “Parana” not arriving in time to undergo the proper official survey required by the contract, and of no other efficient vessel being

* See Letters Nos. 64 and 66.

provided, surveyed, and accepted before the day for the next despatch, the Postmaster General will require that particular voyage to be omitted, in which case the subsidy for it will of course be forfeited.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 76.

Mr. LAING, M.P., to the POSTMASTER GENERAL.

My Lord Duke,

Treasury Chambers, 27th July 1860.

I HAVE laid before the Lords Commissioners of Her Majesty's Treasury your Grace's report of the 11th instant, and its enclosure, and I am desired by my Lords to state in reply, that in consequence of the provisional state of the Galway contract, they have delayed answering your Grace's previous letter of the 11th April last, respecting the Newfoundland mail service, which must continue necessarily on a provisional footing, until it be finally ascertained whether the Galway service is to become regularly established.

The estimate for this service being still delayed, owing to the state of public business, my Lords can only say that it appears to them that in the meantime mails for Newfoundland may be sent by steamers which may be sailing with mails from Galway to call at St. John's; but it must be distinctly understood that this is only done provisionally and without prejudice to future arrangements, as it appears to their Lordships that if the Galway line be established, the question of sending mails by it, or by an independent monthly line, to Newfoundland, must depend on the willingness of the Colony to continue their subsidy.

Having obtained, as the result of pressing applications, an inferior monthly service at a subsidy, to be paid by the Colony, of 8,500*l.* a year, it seems to their Lordships certain that Newfoundland would gladly continue this subsidy for a very superior postal service, but if there should be any unwillingness to do so, the conveyance of Newfoundland mails by this route must be discontinued, as it would be altogether unreasonable that Newfoundland should entirely escape, at the expense of the mother country, the payment which she had voluntarily undertaken for no other reason than because a superior is substituted for an inferior means of communication.

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

I have, &c.
(Signed) S. LAING.

No. 77.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
London, 30th July 1860.

Sir,

I HAVE the honour to acquaint you, for the information of his Grace the Postmaster General, that the "Parana," having arrived at Galway on Saturday last, the agent to the Company reports that she is ready to proceed to sea again at a moment's notice.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 78.

(848 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 30th July 1860.

WITH reference to your letter of this day's date, stating that the "Parana" is reported by the Atlantic Royal Mail Steam Navigation Company's agent at Galway to be ready to proceed to sea again at a moment's notice, I request you will inform me whether the Postmaster General is to understand that the "Parana" is ready to be surveyed at any time the Admiralty may appoint.

A. Boate, Esq., 10, Cannon Street, E.C.

I am, &c.
(Signed) F. HILL.

No. 79.

No. 79.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 30th July 1860.

IN reply to your communication of this day's date, I have the honour to acquaint you that the "Parana" is quite ready to be surveyed, and instructions have been given to the officer commanding and others to afford every facility to the officers of Her Majesty's Government to be employed on that duty.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 80.

Mr. WEIR to the SECRETARY to the Post OFFICE.

Sir,
2d August 1860.

THE steamer "Parana," of London, 2,730 tons register, Captain Heenan, being the ship appointed to sail with Her Majesty's mails of 7th instant from Galway to Boston, I have the honour to request that you will cause a certificate to be issued exempting that ship from the operation of the Passenger Act, from and after the 7th instant, under the bond given by this Company, dated 22d June 1859.

The Secretary, General Post Office.

I have, &c.
(Signed) A. M. WEIR.

No. 81.

(868 L.)

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 4th August 1860.

ADVERTING to my letter of the 21st June, I am directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that his Grace, having had before him the reports of the agents of this Department at Boston and New York respectively, has fixed twelve o'clock (noon) as the usual hour of sailing from each of those ports of the Company's contract packets; but subject to the discretion of the Admiralty agent to name an earlier or a later hour when the tide will not permit of the packet sailing at noon.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 82.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 4th August 1860.

I HAVE the honour to request you will be so good as to furnish the Company with the letter of exemption for the steam ship "Parana," which it is requisite should be forwarded to Galway this day.

If the certificate cannot be given to day, it will be too late to send it on Monday, as the emigration officer has to survey the ship on that day; this, however, may be remedied if you will favour the Company by sending a telegram to Galway on Monday morning

The Secretary General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary

No. 83.

(51,477.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 6th August 1860.

I AM directed by the Postmaster General to inform you that, having received the report of the Admiralty officer appointed to survey the steam ship "Parana" as to her

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fitness to be employed under the contract with the Atlantic Royal Mail Steam Navigation Company for the conveyance of the mails between Galway and Boston, his Grace is pleased to approve of the employment of the "Parana" for this voyage.

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

I am, &c.
(Signed) J. TILLEY.

No. 84.

(51,477.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 6th August 1860.

IN reply to your letter of the 2d instant, I beg to enclose a certificate signed by the Postmaster General, exempting the steam ship "Parana," which is about to be employed in conveying the mails of the 7th instant from Galway to the United States, from the operation of the Passengers Act.

A message has been forwarded by telegraph to the postmaster of Galway, informing him that such certificate has been granted, and desiring him to acquaint the emigration officer of the fact.

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

I am, &c.
(Signed) J. TILLEY.

No. 85.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 7th August 1860.

Sir,

I HAVE the honour to report, for the information of his Grace the Postmaster General, that the steam ship "Connaught" having met with an accident to her machinery on the outward voyage to Boston, the Directors have been informed that the necessary repairs cannot be effected so as to enable her to sail before the 7th instant (this day), instead of the 31st ultimo, as originally appointed.

In reporting this accident, and consequent delay to the service, I am instructed to submit that his Grace may be pleased to consider the propriety of effecting a change in the dates of the departure of the ships of the Galway line, so that the departures from Galway and from New York and Boston may be on the same dates, under which arrangement the Company would always have a second ship in each port on the day of sailing, provided the voyage should not exceed fourteen days, and in the event of any accident occurring to one ship on the outward or homeward voyage, another vessel would be on the spot ready to take her place.

Should his Grace the Postmaster General be pleased to entertain this suggestion, the Directors beg leave to submit that the change may be effected by altering the day of departure of the "Connaught" from the 21st to the 28th instant, and they respectfully recommend the adoption of the arrangement, as being calculated to secure greater regularity in the service, and to obviate delays which may occur, by casualties or accidents to the ships at sea.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 86.

(52,602.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 8th August 1860.

REFERRING to your letter of yesterday's date, I have to request that, before I submit that letter to the Postmaster General, you will furnish me with a *time-table* for the next three months, showing the days upon which the Directors of the Atlantic Royal Mail Steam Navigation Company propose that their packets should leave Galway, the port (Boston or New York) to which each packet should proceed, the stay to be made by the packet

packet at the port, and the days upon which the packets should leave the port on the return voyage to Galway.

It is very desirable that the Directors should consider the question very fully, because in the event of the Postmaster General consenting to their proposal to change the days of sailing already announced, his Grace will, certainly, be very reluctant to entertain any application at a future time for a further alteration.

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

I am, &c.
(Signed) F. HILL.

No. 87.

Mr. BOATE to Mr. F. HILL.

Atlantic Royal Mail Steam Navigation Company, Limited,
London, 9th August 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of the 8th instant, and am instructed by the Directors to state that they have maturely considered the question of altering the days of sailing as suggested and recommended to his Grace the Postmaster General in my letter of the 7th instant.

The time-table requested is herewith transmitted.

F. Hill, Esq.

I have, &c.
(Signed) A. BOATE.

Enclosure in No. 87.

ATLANTIC ROYAL MAIL STEAM NAVIGATION COMPANY'S STEAMERS.
Proposed Sailings from Galway to Boston and New York for Three Months.

Dates of sailing from Galway.	For New York Boston.	Ship lying at New York or Boston.		From New York and Boston for Galway.
		Days.	Hours.	
August 28	New York	16	22	September 25
September 11 -	Boston	16	8	October 9
„ 25	New York -	16	22	„ 23
October 9 -	Boston	16	8	November 6
„ 23	New York	16	22	„ 20
November 6	Boston -	14	12	December 4
„ 20	New York -	15	—	„ 18
				1861.
December 4 -	Boston -	14	12	January 1.

No. 88.

(921 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 14th August 1860.

WITH reference to your letters of the 7th and 9th instant, I am directed by the Postmaster General to state to you, for the information of the Directors of the Atlantic Royal Mail Steam Navigation Company, that, under the circumstances represented, his Grace has been pleased to accede to their application to postpone from the 21st to the 28th instant the despatch of the next packet from Galway for America, and that he has sanctioned the adoption of the time-table for this service for the remainder of the present year, which you transmitted to this office.

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

I am, &c.
(Signed) F. HILL.

No. 89.

(54,429.)

Mr. F. HILL to Mr. BOATE.

Sir,
I HAVE to call your attention to the circumstance that the proper form of "Abstract of Journal," for the voyage to and from Newfoundland of the "Golden Fleece,"* has not yet reached this office, and I request that it may be obtained and sent to me.

A. Boate, Esq.

General Post Office, 15th August 1860.
I am, &c.
(Signed) F. HILL.

No. 90.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
I AM instructed to offer for the postal service on the 28th instant the steam ship "Prince Albert."

Information has this morning reached the Directors that this ship has performed the last voyage from Galway to New York, calling at St. John's, Newfoundland, in 10 days and 20½ hours, which is 5½ hours under the time specified in the contract.

I have also the honour to report that the steam ship "Connaught" has met with an accident on the homeward voyage, the repair of which may probably not be completed in time for her to leave the station on the 28th instant. The Directors therefore think it prudent to offer the "Prince Albert," which ship they trust his Grace the Postmaster General will be pleased, under the circumstances above stated, to accept for the service on the 28th instant.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 91.

Mr. F. HILL to Mr. BOATE.

Sir,
WITH reference to my letter of the 16th ultimo, acquainting you that at least a week's notice is requisite when any vessel belonging to the Atlantic Royal Mail Steam Navigation Company is required to be surveyed, I am directed by the Postmaster General to inform you that, in addition to giving notice a week before the survey is appointed to take place, it is necessary that another week should be allowed between the date of the survey, and the period at which it is proposed that the vessel, if accepted, should be employed in the conveyance of the mails.

It has been found that this interval is required for the various communications which have to be made after the survey has taken place, and inconvenience has been experienced on one or two recent occasions in consequence of less time being given.

The Postmaster General directs me, therefore, to request that when the Atlantic Royal Mail Steam Navigation Company are about to place a new steam ship on the line contracted for, information of the circumstance, with full particulars, should be communicated to this Office not less than a week before the survey is to take place, and not less than a fortnight before it is proposed that such new steamer shall commence the service.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 92.

(958 L.)

Mr. F. HILL to Mr. BOATE.

Sir,
I HAVE laid before the Postmaster General your letter of the 21st inst., offering on behalf of the Atlantic Royal Mail Steam Navigation Company the screw steamer "Prince

* Arrived at Galway 2d August.

Albert" for the conveyance from Galway of the American mails appointed to be despatched on the 28th instant, and I am directed to acquaint you, that considering that permission was granted to the Company last month to employ the "Prince Albert" for one voyage only as a special case, and as the Duke of Argyll was assured that the Company would not again ask for a similar indulgence, the Postmaster General cannot consent to the "Prince Albert," which has not been surveyed by the officers of the Board of Admiralty, being again employed in this service.

Under these circumstances, unless the "Connaught," the only vessel which has been surveyed and accepted for the service, can be despatched with the next mail, this mail must be forwarded by another route, and the voyage from Galway next Tuesday, with the corresponding return voyage, must be omitted; a proportionate part of the subsidy being forfeited.

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

I am, &c.
(Signed) F. HILL.

No. 93.

Mr. BOATE to Mr. F. HILL.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 24th August 1860.

Sir,

I HAVE to acknowledge the receipt of your letter of the 23d inst., informing the Directors of this Company that the "Prince Albert" steam ship cannot be accepted for the conveyance of Her Majesty's mails on the 28th inst., and that his Grace the Postmaster General "was assured that the Company would not again ask for a similar "indulgence."

The Directors are not aware how this has arisen, but taking into consideration the performances of the "Prince Albert," and her character as one of the fastest steamers afloat, the Directors have received with some astonishment and surprise the views of his Grace the Postmaster General.

I am desired to bring the matter respectfully under the notice of his Grace in the hope that on a reconsideration of the circumstances the "Prince Albert" may be accepted as the ship for the 28th instant.

The communications which were made to the Government by this Board prior to the granting of the subsidy fully satisfied them that no blame whatever was attributable to the Company for the delay in the delivery of their new steamers, but on the contrary that the Board had used every possible exertion to ensure their delivery in time for the performance of the contract. The dates of "the contracts" and the details respecting them were also explained to the Government, showing them the penalties which were to be incurred by the builders for non-delivery of the ships.

The Government being satisfied therefore that it was a mere question of delay for a short time, and that every effort had been made by the Company, expressed their opinion that some indulgence ought to be shown and facilities granted to the Company under the very peculiar and special circumstances of the case.

I have therefore to request, on behalf of the Board of Directors, a similar consideration and indulgence at the hands of his Grace the Postmaster General.

The Directors conceive that they have the strongest ground for making this request.

The three remaining new ships of the Company are not delivered.

One, however, will be delivered in about a fortnight, and another is to be ready in the month of September.

In the meantime the Directors would ask permission to have the "Prince Albert" adopted as one of the ships.

The "Prince Albert" has made fifteen successful voyages across the Atlantic.

She has had 30,000*l.* expended upon her during the last twelve months.

She is of the required horse power, and of greater tonnage than is provided for by the contract.

She has the approval of Her Majesty's Surveyor of Packets, who expressed the most favourable opinion of her on the last survey, a few weeks ago.

She is provided with the Board of Trade certificates.

She has performed the voyage between Galway and St. John's under six days, and on the last occasion of carrying Her Majesty's mails under the Imperial contract, she accomplished the voyage between Galway and New York in 5½ hours under the time required by the penal clause of the contract.

I may add that the Company propose to make such arrangements as will be satisfactory to his Grace the Postmaster General in future.

Trusting that the circumstances above detailed will meet with the favourable consideration of his Grace the Postmaster General.

F. Hill, Esq., General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

P.S.—The “Prince Albert” will of course take the Newfoundland mails on her next voyage.

No. 94.

Mr. WEIR to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
24th August 1860.

Sir,

THE steam ship “Prince Albert,” of London, 1,463 tons register, Capt. Prowse, being the ship appointed to sail with Her Majesty’s mails of 27th instant from Galway for St. John’s, Newfoundland, and New York, I have the honour to request you will cause a certificate to be issued, exempting that ship from the operation of the Passenger Act, from and after the 27th instant, under the bond given by this Company, dated 22d June 1859.

The Secretary, General Post Office. I have, &c.
(Signed) A. M. WEIR,
General Manager.

(56,451.)

No. 95.

Mr. F. HILL to Mr. WEIR.

Sir,

General Post Office, 24th August 1860.

WITH reference to your letter of this day’s date, requesting to be furnished with a certificate exempting the steam ship “Prince Albert” from the provisions of the Passengers Act, I have to refer you to my letter of yesterday’s date, in which I informed the Directors of the Atlantic Royal Mail Steam Navigation Company that the Postmaster General could not accept the “Prince Albert” for the conveyance of the next mails from Galway to America.

A. M. Weir, Esq. I am, &c.
(Signed) F. HILL.

(56,908.)

No. 96.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 25th August 1860.

I HAVE to transmit to you the accompanying blank form of “Abstract of Journal for the Packets between Galway and New York, or Boston,” and to inform you that as no Admiralty agent was on board the steam ship “Connaught” on her recent voyage to and from Boston, the necessary particulars relating to her voyage out and home have not been furnished to this Office. I request therefore that you will be good enough to cause the enclosed form to be filled up, and returned to me as early as possible.

A. Boate, Esq., I am, &c.
Atlantic Royal Mail Steam Navigation Company. (Signed) F. HILL.

(958 L.)

No. 97.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 25th August 1860.

HAVING laid your second letter, of yesterday’s date, relative to the employment of the “Prince Albert” steam ship, before the Postmaster General, I am directed to inform you that, on certain conditions, and on these only, his Lordship has very reluctantly consented to grant the Company’s request.

These

These conditions are,—first, that, as on the previous occasion of the use of this vessel, a fine of 500*l.* be paid, in addition to any penalties which may arise for over-time on the voyage; and, secondly, that the Directors do state in writing that this is the last time that they will ask for permission to use any vessel which is not strictly within the terms of the contract, including of course the provision which requires that the entire designs, plans, and sections of every vessel shall, previous to building, be presented for approval by the Postmaster General.

When the time had been appointed for the present service to commence, no application was made by the Directors of the Company to postpone the commencement, although it soon became evident that they were not in a position for working the service under the terms of the contract; but Lord Stanley of Alderley desires that it may be distinctly understood, that after the departure of the “Prince Albert” on Tuesday next, either the contract must be fully performed, or the Directors must at once apply for leave to suspend it, with a statement of the grounds upon which they make such application, as no further irregularities will be permitted.

On receipt of a letter from you, informing me that the Directors entirely agree in the conditions I have named, orders will be given to permit the embarkation of the mails on Tuesday next on board the “Prince Albert.”

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

I am, &c.
(Signed) F. HILL.

No. 98.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
London, 26th August 1860, Sunday afternoon.

Sir,

AFTER my interview with Lord Stanley of Alderley yesterday afternoon, I received your letter (No. 958 L.) at 7 o'clock p.m., but up to this hour have been unable to see any of the Directors, the Chairman of the Company being out of town.

Being anxious, however, to reply to your communication at the earliest possible moment, I have the honour on behalf of the Company to assent to the condition imposed as regards the fine of 500*l.* for the employment of the “Prince Albert” on the 28th inst., in addition to any other penalties which may arise from over-time on the voyage, and from my knowledge of what has passed at the Board, I feel assured that the Directors will, in the course of the ensuing week be in a position to make a definite arrangement with the Post Office Department so as to avoid all further discussion.

I may also mention that the new Board of Directors will in all probability be finally completed on Wednesday next. In the meantime, some of the new Directors have gone to Hull and to Newcastle, in order to inspect the new ships, and ascertain with certainty the precise periods on which the builders can confidently assure the Board that they will be delivered.

I trust that it is understood by the Post Office Department that this difficulty does not arise from any circumstances over which the Company has any control.

The builders are now incurring heavy penalties for non-delivery of the remaining vessels.

These circumstances were explained to Her Majesty's Government prior to the vote on the subsidy, and it was felt that the Company was entitled to ask for indulgence as regards the temporary substitution of other ships, provided the service could be performed to the satisfaction of the Post Office Department. I respectfully trust, therefore, that his Lordship the Postmaster General will be of opinion that the Company is entitled to some consideration.

As regards the “Prince Albert,” it is gratifying to learn that she has performed the postal service fully and efficiently.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

No. 99.

(958 L.)

Mr. F. HILL to Mr. BOATE.

SIR,

General Post Office, 27th August 1860.

I HAVE submitted to the Postmaster General your further letter of the 26th instant, relative to the employment of the steam ship “Prince Albert” in the contract mail service,
(132.) F vice,

vice, and I am to inform you that his Lordship, considering your letter as conveying the acquiescence of the Directors of the Atlantic Royal Mail Steam Navigation Company in all the conditions under which alone this Department could accept the "Prince Albert," (including an assurance that the Directors will not again ask for a similar indulgence), will permit the mails of to-morrow to be forwarded from Galway by that vessel.

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

I am, &c.
(Signed) F. HILL.

No. 100.

Mr. BOATE to Mr. F. HILL.

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

Sir,

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

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

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

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

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

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

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

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

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

I am, &c.
(Signed) A. BOATE.

No. 101.

(1018 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 13th September 1860.

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

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

As,

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

I am, &c.
(Signed) F. HILL.

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

No. 102.

Mr. ARBUTHNOT to the POSTMASTER GENERAL.

My Lord, Treasury Chambers, 13th September 1860.

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

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

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

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

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

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

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

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

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

I have, &c.
(Signed) G. ARBUTHNOT.

Enclosure No. 1 in No. 102.

Mr. HAMILTON to MESSRS. VALLANCE.

Gentlemen,

Treasury Chambers, 29th August 1860.

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

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

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

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

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

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

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

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

Messrs. Vallance and Vallance,
20, Lower Essex Street, Strand.

I am, &c.
(Signed) G. A. HAMILTON.

Enclosure No. 2 in No. 102.

MESSRS. VALLANCE to the TREASURY.

My Lords,

20, Essex Street, Strand, London, 3d September 1860.

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

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

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

The "Connaught" is already delivered.

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

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

The

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The very great commercial advantages of the Atlantic Company's line have already become apparent, for during the last few weeks telegraphic messages of the utmost importance connected with the cotton trade and the corn trade have been communicated within six days to St. John's, which under no circumstance could have been provided for by any other service.

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

We have, &c.

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

(Signed) VALLANCE and VALLANCE.

Enclosure No. 3 in No. 102.

MESSRS. VALLANCE to the TREASURY.

Sir,

20, Essex Street, Strand, W.C., London, 6th September 1860.

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

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

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

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

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

This contract is dated the 21st April 1859.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thirdly, the Company to convey telegraphic messages fortnightly to Newfoundland only.

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

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

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

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

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

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

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

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

Requesting your consideration of the above,

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

We have, &c.
(Signed) VALLANCE and VALLANCE.

No. 103.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 14th September 1860.

WITH reference to the recent correspondence which has been forwarded to the Department, between the solicitors of the Atlantic Royal Mail Steam Navigation Company and the Assistant Secretary of the Treasury, with regard to such part of the mail service between this country and Newfoundland as is performed by your Company, I am directed by the Postmaster General to inquire whether, if his Lordship would consent to waive his legal right to require your Company to convey mails to and from Newfoundland by the vessels employed in the American service, without any addition to the subsidy for that service, your Directors will agree to carry such mails, by every packet, for a payment to you by the Colony at the rate of 8,500*l.* per annum, on the simple understanding that the present

present special mail service to Newfoundland shall merge in the main or American service, and that you shall not, therefore, be required to have two fleets of ships.

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

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

I am, &c.
(Signed) F. HILL.

No. 104.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 17th September 1860.

Sir,

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 105.

Mr. SMITH to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 19th September 1860.

Sir,

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

The Secretary, General Post Office.

I have, &c.
(Signed) S. SMITH.

No. 106.

(63,021.)

Mr. PARKHURST to Mr. WEIR.

Sir,

General Post Office, 20th September 1860.

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

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

A. M. Weir, Esq.,
Atlantic Royal Mail Steam Navigation Company.

I am, &c.
(Signed) R. PARKHURST.

(48)

No. 107.

Mr. SMITH to Mr. PARKHURST.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 20th September 1860.

Sir,

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

Thanking you for calling attention to this matter,

R. Parkhurst, Esq., General Post Office.

I am, &c.
(Signed) S. SMITH.

No. 108.

(1,066 L.)

Mr. PARKHURST to Mr. SMITH.

Sir,

General Post Office, 22d September 1860.

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

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

I am, &c.
(Signed) R. PARKHURST.

No. 109.

THE POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 22d September 1860.

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

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

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

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

The Directors have more than once complained that the Post Office has been unduly rigorous in enforcing their contract; but on this point I may state that, during the period their contract has been in operation, they have applied for and received more indulgences than the Directors of all the other Mail Packet Companies put together.

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

With respect to the Newfoundland service, I beg to inform your Lordships that I have caused a letter to be addressed to the Atlantic Royal Mail Steam Navigation Company, inquiring whether, in the event of my being disposed to waive the legal right to require the Company to convey, without any additional payment, mails to and from Newfoundland

land by the vessels employed in the American service, they will agree to carry such mails by those vessels, for the Colonial subsidy of 8,500*l.* per annum. It appears, however, by a letter from the Secretary of the Company, dated the 17th instant, that no reply can be given to this inquiry until after a meeting of the Directors, on Wednesday, the 26th instant.

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

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

I have, &c.

The Lords Commissioners of the Treasury, (Signed) STANLEY OF ALDERLEY.
&c. &c. &c.

No. 110.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 26th September 1860.

Sir,

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

I have, &c.

The Secretary, General Post Office, (Signed) A. BOATE.
St. Martin's le Grand.

No. 111.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 26th September 1860.

Sir,

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

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

1. Telegram from light-keeper at Cape Race to Mr. Shea, the Company's agent at St. John's.
2. Declaration as to the state of the weather on the 10th, 11th, and 12th August, on the Coast of Newfoundland, by Thomas Winter, Esq., Sub-collector of Her Majesty's Customs in that island.
3. Declaration of James Cantwell, lighthouse keeper, Cape Spear, near St. John's, as to the state of the weather in that locality on 10th, 11th, and 12th August 1860.

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

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

I have, &c.

The Secretary, General Post Office. (Signed) A. BOATE.

Enclosure No. 1 in No. 111.

NEWFOUNDLAND.
ST. JOHN'S to wit.

ON this 16th day of August, in the year of our Lord 1860, before me, William Henry Mare, of the town of St. John's, in the Island of Newfoundland, Notary Public, by lawful authority duly admitted
(132.) G and

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

(Signed) JAMES CANTWELL.

Declared before me, and to which I have hereunto set my hand,
and affixed my seal of office.
(L.S.) (Signed) W. H. MARE, Not. Pub.

Enclosure No. 2 in No. 111.

NEW YORK, NEWFOUNDLAND, AND LONDON TELEGRAPH COMPANY.

Copy Telegram, 14th August 1860, St. John's, from A. SHEA to WILLIAM HALLEY, Light Keeper,
Cape Race.

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

(Signed) A. SHEA.

NEW YORK, NEWFOUNDLAND, AND LONDON TELEGRAPH COMPANY.

From WILLIAM HALLEY, Cape Race Lighthouse, to A. SHEA, 14th August 1860.

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

(Signed) WILLIAM HALLEY.

Enclosure No. 3 in No. 111.

NEWFOUNDLAND.

ST. JOHN'S to wit.

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

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

(Signed) THOMAS WINTER.

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

Quod attestor,
(Signed) W. A. MARE, Not. Pub.

No. 112.

(64,729.)

MR. TILLEY to MR. BOATE.

Sir,

General Post Office, 28th September 1860.

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

I enclose

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

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

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

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

I am, &c.
(Signed) J. TILLEY.

No. 113.

(1,065 L.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 29th September 1860.

IN reply to my letter of the 14th instant, in which I inquired, by direction of the Postmaster General, whether, if his Lordship would consent to waive his legal right to require the Atlantic Royal Mail Steam Navigation Company to convey mails to and from Newfoundland by the vessels employed in the American service, without any addition to the subsidy for that service, the Directors would agree to carry such mails on the conditions therein laid down, you informed me that an answer to this question should be forwarded to the Postmaster General after a meeting of the Directors to take place on the 26th instant.

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

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

I am, &c.
(Signed) J. TILLEY.

No. 114.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 29th September 1860.

Sir,

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 115.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 2d October 1860.

Sir,

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 116.

(64,729.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 3d October 1860.

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

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

It is true that, at the urgent solicitation of the Company, a bag of letters was, in compliance with a request made in a note from the Secretary of the Treasury, made up at this office on the evening of the 10th July, and forwarded to Galway to be put on board the "Connaught," but it was clearly understood at the time that this would not give rise to any demand for payment, and this voyage has therefore been struck out of the account.

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

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

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

I am, &c.
(Signed) J. TILLEY.

No. 117.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 4th October 1860.

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 118

No. 118.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th October 1860.

Sir,

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

The Secretary, General Post Office, London.

I have, &c.
(Signed) A. BOATE.

No. 119.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th October 1860.

Sir,

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 120.

(66,699.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 5th October 1860.

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

A. Boate, Esq.

I have, &c.
(Signed) J. TILLEY.

No. 121.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord,

Treasury Chambers, 5th October 1860.

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

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

In case of such a report being received either now or at any time hereafter from your Lordship, my Lords will be prepared to give it their most attentive consideration. But should you be of opinion that, although the contract has not been in all respects fulfilled, yet that the Company have done their best, and have so far carried its main

* See Letter No. 109.

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

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

I have, &c.
(Signed) GEO. A. HAMILTON.

No. 122.

(1125 L.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 8th October 1860.

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

A. Boate, Esq., 10, Cannon Street, E.C.

I have, &c.
(Signed) J. TILLEY.

No. 123.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 124.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 11th October 1860.

REFERRING to the interview which the Directors of this Company had with his Lordship the Postmaster General this morning, and the conditional arrangement then made with respect to the "Prince Albert" going out on the 23d instant with the American and Colonial mails, I have now the honour, on behalf of the Board, to state the conditions on which the "Prince Albert" is to be accepted.

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

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

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

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

I am

I am instructed by the Directors to state that since their return to the office they have looked into the question of the tonnage of this ship, and find that, by the Parliamentary Return, her dimensions are as follows : length, 274 feet ; breadth, 38 feet ; depth, 27 feet, which gives, according to calculation, $1,936\frac{9}{16}$ tons, builder's measurement.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 125.

(1,154 L.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 13th October 1860.

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

A. Boate, Esq., 10, Cannon Street, E.C.

I am, &c.
(Signed) J. TILLEY.

No. 126.

(1,156 L.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 16th October 1860.

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

A. Boate, Esq.

I am, &c.
(Signed) J. TILLEY.

No. 127.

(1,137, L.)

Mr. TILLEY to Mr. BOATE.

Sir,

General Post Office, 16th October 1860.

I AM directed by the Postmaster General to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company that his Lordship desires to receive, with the least possible further delay, a reply to the letter which by his directions I addressed to you, on the 14th ultimo,* respecting the Newfoundland Mail Service.

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

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

I am, &c.
(Signed) J. TILLEY.

No. 128.

Mr. WEIR to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company,
16th October 1860.

Sir,

THE steam ship "Prince Albert," of London, 1,463 tons register, Captain Walker, being the ship appointed to sail with Her Majesty's mails of 22d October instant from

* See Letter No. 103.

Galway for New York, I have the honour to request you will cause a certificate to be issued exempting that ship from the operation of the Passenger Act, from and after the 24th instant, under the bond given by this Company dated 22d June 1859.

I have, &c.
(Signed) A. M. WEIR,
General Manager.

The Secretary, General Post Office.

No. 129.

Mr. BOATE to the SECRETARY to the POST OFFICE.

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

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

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

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

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

I have, &c.
(Signed) A. BOATE.

The Secretary, General Post Office.

No. 130.

(68,346.)

Mr. TILLEY to Mr. BOATE.

General Post Office, 19th October 1860.

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

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

I am, &c.
(Signed) J. TILLEY.

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

No. 131.

(1,175 L.)

Mr. TILLEY to Mr. BOATE.

General Post Office, 19th October 1860.

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

I am, &c.
(Signed) J. TILLEY.

A. Boate, Esq.

No. 132.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 25th October 1860.

Sir,

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

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

2d. This letter contains the views of the Company, first, as to the construction of the contract, namely, that such contract does not impose upon the Company the obligation to carry mails to St. John's, Newfoundland, but only to deliver telegraphic messages there; and secondly, that so far as the intentions of the contracting parties were concerned, and so far as those intentions would govern the construction, there is no evidence whatever to lead to the conclusion that either the Government or the Company ever contemplated to provide for carrying mails to St. John's, but, on the contrary, the original tender by the Company, the Minutes of the Lords of the Treasury, the instructions from the Treasury to the Admiralty, and every document connected with the affair, distinctly negative any intentions of the kind; and in corroborations of this view, I have the honour to transmit, for his Lordship's perusal, the copy of a letter (Appendix No. 2), from the Contract Department of the Admiralty to Messrs. Vallance, in which it is distinctly stated, that "certainly when the contract was settled it was not intended to send mails to " St. John's."

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

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

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

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

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

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

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

5th. The unfortunate loss of the "Connaught," the news of which reached London only on Saturday last the 20th instant, has deprived the Company of one of their new ships, the Directors trust that this loss having arisen from circumstances over which they had

* See Enclosure No. 3 in No. 102.

no control, may entitle them to his Lordship's consideration, and that some indulgence may be extended to the Company.

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

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

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

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

Enclosure No. 1 in No. 132.

EXTRACT from LETTER addressed by Messrs. VALLANCE and VALLANCE to the TREASURY,
7th September 1860.

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

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

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

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

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

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

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

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

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

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

On the 15th March 1859 another letter was addressed by the Treasury to the Company, enclosing copy of a letter addressed by the Treasury to the Admiralty, directing, "Preparation of a contract for the

the conveyance by this Company by a fortnightly mail service, between Galway and Boston and Galway and New York alternately."

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

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

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

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

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

Enclosure No. 2 in No. 132.

Mr. BRADY to MESSRS. VALLANCE.

Dear Sirs,

Contract Office, Admiralty, 28th September 1860.

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

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

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

Messrs. Vallance and Vallance,
20, Essex Street, Strand, W.C.

I am, &c.
(Signed) ANTONIO BRADY.

Enclosure No. 3 in No. 132.

SECRETARY of COMPANY to Mr. F. HILL.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 17th July 1860.

Sir,

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

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

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

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

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

I have, &c.
(Signed) A. BOATE.

Enclosure No. 4 in No. 132.

Mr. F. HILL to SECRETARY of COMPANY.

Sir,

General Post Office, 18th July 1860.

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

I am, however, to state that permission for the Company to send no packet on the 21st instant is only given on the distinct understanding that the despatch of a packet from Galway to the United States *via* Newfoundland, takes place on the 24th instant in due course, and that if that packet be not

(60)

despatched the Company shall, within seven days from the 24th instant, send to Newfoundland the packet which should properly leave Galway on the 24th instant.

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

I am, &c.
(Signed) F. HILL

No. 133.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 29th October 1860.

Sir,

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 134.

(73,062.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 31st October 1860.

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

A. Boate, Esq.

I have, &c.
(Signed) F. HILL.

No. 135.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 31st October 1860.

Sir,

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

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

As the Directors are informed that the Post Office Department has not paid the subsidy, but has credited the Canadian Government with the amount of the postage of the letters sent by the "North Britain," I have now the honour to request that credit may be given to this Company for the balance of 3,000*l.* which remains after deducting the payments made to the Canadian Government in respect to the mail bags sent by the "North Briton," which otherwise would have been sent by the "Connaught."

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 136.

The PÖSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 1st November 1860.

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

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

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

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

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

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

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

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

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

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

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

It is stated in the enclosed letter from the Company that a Minute of the Executive Council of Newfoundland had extended the contract for a further period of four years. But this does not agree with the statement made by the Governor of Newfoundland in a despatch to the Colonial Office, dated the 10th August last, in which he says that "the contract between the Galway Company and the Newfoundland Government ceased on

* See Letter No. 103.

† See Letter No. 132.

‡ See Letter No. 137.

“ the 31st December last, and that there is no such contract now in existence ;” and that all that the Legislature of Newfoundland had done was to pass “ a resolution to continue “ paying the Galway Company, for four years longer, 8,500*l.* annually, provided Her “ Majesty’s Government agreed to continue their proportion of the subsidy for the same “ period.” The vote is, therefore, altogether dependent upon a continuance of the Imperial grant ; and as I trust that this grant will no longer be paid, the payment to the company from the Colony will also cease.

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

I have, &c.

The Lords Commissioners of the Treasury. (Signed) STANLEY OF ALDERLEY.

No. 137.

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 1st November 1860.

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

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

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

The “ Leinster,” the only other vessel named by the Company, being still in the hands of the builders, and not having been surveyed, the Company is obviously incapable of fulfilling the conditions of the contract by providing a packet of the stipulated kind for the mails of the 6th instant, and similar packets for the regular despatch of fortnightly mails subsequently ; and this notwithstanding a period of four months has now elapsed since the time when the Company were bound to be in full readiness for the complete performance of the contract.

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

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

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

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

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

In

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

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

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

I am, &c.
(Signed) F. HILL.

No. 138.

(64,729.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 5th November 1860.

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

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

I am, &c.
(Signed) F. HILL.

No. 139.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 7th November 1860.

Sir,

IN pursuance of the request contained in your communication of the 5th instant, No. 64,729, I have the honour to transmit herewith an account of the voyage of the "Connaught," commencing on the 11th July and terminating on 20th August 1860.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 140.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
London, 7th November 1860.

Sir,

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

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

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

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

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

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

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

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

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

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

The Directors are fully confident that by the period named they will be in a position to carry out the service to the entire satisfaction of his Lordship the Postmaster General; and they earnestly hope that the reasons they have assigned, coupled with the loss of the "Connaught," will afford sufficient grounds to justify his Lordship in agreeing to a suspension of the contract until March 1861.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

Enclosure No. 1 in No. 140.

To the Chairman and Directors of the Atlantic Company.

Gentlemen,

Liverpool, 6th November 1861.

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

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

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

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

I am, &c.
(Signed) A. M. WEIR.

Enclosure No. 2 in No. 140.

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

Gentlemen,

Walmer Buildings, Water Street, Liverpool,
6th November 1860.

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

which are so suitable for the service as the "America" or "Niagara." Waiting your further instructions,

We are, &c.
(Signed) CURRY, KELLOCK, & Co.

No. 141.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord, Treasury Chambers, 17th November 1860.

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

I am further to state that my Lords concur with the views which your Lordship takes both as regards the cessation of the separate Newfoundland service and the liability of the Company to deliver the mails at Newfoundland under their contract of April 1859.

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

I have, &c.
The Postmaster General, &c. &c. &c. (Signed) GEO. A. HAMILTON.

No. 142.

The POSTMASTER GENERAL to the TREASURY.

My Lords, General Post Office, 19th November 1860.

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

I have, &c.
The Lords Commissioners of the Treasury. (Signed) STANLEY OF ALDERLEY.

No. 143.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord, Treasury Chambers, 19th November 1860.

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

I am, &c.
The Postmaster General. (Signed) GEO. A. HAMILTON.

No. 144.

(1256 L.)

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 20th November 1860.
HAVING laid before the Postmaster-General your letter of the 8th instant, I am directed by his Lordship to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company, that although by the inability of the Company to carry out the stipulations of their contract (notwithstanding the indulgence already extended to them), they have rendered themselves liable to very heavy penalties and to the avoidance of the contract, his Lordship will grant the further concession now asked for, and will permit them to suspend the mail service between Galway, Newfoundland, and the United States, until Tuesday the 12th March next, but only on the following condition:—that the Company shall forthwith execute an agreement with this department providing that if they are not prepared to recommence the service at the period named, and to continue thenceforth to fulfil all the conditions of the contract of 1859, strictly according to their fair intent and meaning, including the conveyance without any additional payment of mails to and from Newfoundland by every ship employed in the service, such contract shall, without any further act or any liability to a claim for damages, become null and void.

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

I am, &c.
(Signed) F. HILL.

No. 145.

Mr. F. HILL to Mr. BOATE.

(1226 L.)

Sir,
General Post Office, 20th November 1860.
WITH reference to my letter of the 1st instant, in which I informed you that the Postmaster General would cause a further communication to be addressed to the Atlantic Royal Mail Steam Navigation Company, respecting the Newfoundland mail service, I am now directed by Lord Stanley of Alderley to request that you will state to the Directors of the Company that he cannot concur in the construction which they seek to put upon the clauses of the contract of April 1859, which refer to the packets touching at Newfoundland.

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

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

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

I am, &c.
(Signed) F. HILL.

No. 146.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 21st November 1860.
I HAVE the honour to acknowledge the receipt of your letters of the 20th instant, Nos. 1226, and 1259 L; also a further letter with enclosure dated this day, and I am instructed to state, for the information of his Lordship the Postmaster General, that the Board

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

The Secretary, General Post Office.

I am, &c.
(Signed) A. BOATE.

No. 147.

(1293 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 21st November 1860.

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

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

I am, &c.
(Signed) F. HILL.

Enclosure in No. 147.

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

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

of Her Majesty's mails should, both on the outward and homeward voyages, call at St. John's, Newfoundland, or in the event of any of the vessels being prevented making St. John's, to the satisfaction of the Admiralty agent, or other officer in charge of Her Majesty's mails, by stress of weather or other unavoidable cause, then and in such case, the vessel should call at Halifax, Nova Scotia; and the said Company should convey in the said vessels to and from, and cause to be delivered and received, at each of the ports or places at which the said vessels were to proceed, call, or touch, in the performance of the now reciting contract, all such of Her Majesty's mails, passengers, and telegraphic messages, as should have to be delivered or received at such places respectively; and as regards the places mentioned in the time table (A), thereunto annexed, within the times therein respectively specified. And whereas a question has arisen between the said Company and the Postmaster General as to the construction of the lastly herein-before recited clause of the said herein-before recited contract, and to the nature and extent of the services to be performed by the said Company thereunder, and for the purpose of settling such question, and specifying the true intent, meaning, and construction of such clause, and the services to be performed thereunder, it has been agreed between and by the said parties hereto, that each of them, the said Company, for themselves, their successors and assigns, and the said Postmaster General for himself, his successors and assigns, should, and each of them accordingly do, hereby agree and declare to and with the other of them, that on and after the said 12th day of March 1861 (being the day on which the said herein-before recited contract shall be revived, and the services thereby agreed to be performed, recommenced, and performed) the said Company shall and will at their own costs and charges, and without receiving any further or other consideration therefor than that covenanted to be paid to the said Company by the said Postmaster General, for the general services in the said herein-before recited contract mentioned, convey or cause to be conveyed, as well mails as passengers and telegraphic messages on the outward voyage from Galway to St. John's or Halifax, and from St. John's or Halifax to Boston and New York, and on the homeward voyage from New York to Boston, to St. John's, and from St. John's to Galway; and that the said Company shall and will deliver and receive, or cause to be delivered and received, at each of the ports or places at which the said vessels shall proceed, call, or touch in the performance of such contract, as well all such of Her Majesty's mails, as passengers and telegraphic messages as shall have to be delivered or received at such ports or places, and generally in such or the like manner, and subject to such penalties, provisoes, clauses, matters, and things as if the true intent, meaning, and construction, as by these presents defined and expressed of the lastly herein-before recited clause of the said herein-before recited contract had been in such contract similarly defined and expressed. In witness, &c.

No. 148.

Mr. BOATE to the SECRETARY to the POST OFFICE.

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

Sir,

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

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

In deference to the views of his Lordship, the Directors agree to this condition, and now state that they will be prepared to deliver the mails by all their vessels calling at Newfoundland fortnightly, without asking any additional payment from the Imperial Government.

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

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

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

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

I am desired to remark that the alteration will greatly extend the benefit of the postal
service

service to the Colony, as it will give to it a service double of that contracted for, and of a much more efficient nature.

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

The draft agreement carrying out these changes is with the solicitors of the Company, and will be returned to the Post Office Department in due course,

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 149.

(1305 L.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 29th November 1860.

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

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

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

I am, &c.
(Signed) F. HILL.

No. 150.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 3d December 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 29th ultimo, No. 1305 L, enclosing warrant for the sum stated to be due for the mail service performed by the "Connaught" on the round voyage between Galway and Boston, commencing 11th July and terminating 20th August last.

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 151.

(1338 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 3d December 1860.

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

In reply, I am desired at once to request that you will inform the Directors of the Atlantic Royal Mail Steam Navigation Company that the construction which you state they put upon those parts of my letters, above referred to, which relate to the Newfoundland

land mail service, is wholly incorrect, and Lord Stanley of Alderley cannot for a moment admit that they will bear any such interpretation. On the contrary, it is stated in one of those letters, that the contract for the separate Colonial service is at an end, and that the Imperial contract requires the Company to land and embark mails at St. John's as part of the service paid for by the subsidy of 3,000*l.* per voyage; whilst in the other letter you were informed that the Postmaster General required the Company to fulfil all the conditions of the contract of 1859 strictly, according to their fair intent and meaning, including the conveyance of the Newfoundland mails, without any additional payment. There can thus be no doubt whatever what were his Lordship's intentions in this respect.

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

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

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

I am, &c.
(Signed) F. HILL.

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

No. 152.

THE POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 3d December 1860.

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

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

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

I have, &c.
(Signed) STANLEY OF ALDERLEY.

The Lords Commissioners of the Treasury.

No. 153.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 5th December 1860.

Sir,

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

* See Letters Nos. 148 and 151.

summoned for Monday next, the 10th instant, when those gentlemen and the other Directors can attend in London, and your letter above referred to shall be laid before them.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 154.

(1353 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 7th December 1860.

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

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

I am, &c.
(Signed) F. HILL.

No. 155.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
London, 12th December 1860.

Sir,

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

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

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

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

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

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

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

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

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 156.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 13th December 1860.

Sir,

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

Enclosure in No. 156.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 13th December 1860.

ACCOUNT for the GALWAY and NEWFOUNDLAND MAIL SERVICE for the Half-year ending
30th June 1860.

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

£7,000

(Signed) A. BOATE.

No. 157.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 14th December 1860.

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

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

The

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

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

I have, &c.
(Signed) STANLEY OF ALDERLEY.
The Lords Commissioners
of the Treasury.

No. 158.

(1,386 L.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 15th December 1860.

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

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

I am, &c.
(Signed) F. HILL.
A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company.

No. 159.

Mr. ARBUTHNOT to the POSTMASTER GENERAL.

My Lord, Treasury Chambers, 17th December 1860.

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

I have, &c.
(Signed) G. ARBUTHNOT.
The Postmaster General.

No. 160.

(1,392 L.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 17th December 1860.

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

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

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

With regard to the concluding remarks in your letter, I am to observe that the settlement of the question raised relative to the bi-monthly mail service to and from Newfoundland

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land was an essential condition on the part of the Postmaster General in agreeing to the temporary suspension of the contract, a concession which, as already intimated to the Company, is intended to include relief from heavy penalties which are daily accruing against them, and that no relaxation in this respect can be permitted.

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

I am, &c.
(Signed) F. HILL.

No. 161.

MR. BOATE TO THE SECRETARY TO THE POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 19th December 1860.

THE loss of the "Connaught" by fire in October last, under circumstances utterly beyond the control of the Company, alone prevents the Directors entering into so serious an engagement as one declaring that their postal contract shall be void if they are not ready to recommence the service on the 1st of March next.

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

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

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

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

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

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

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

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

The Directors therefore confidently rely upon receiving at the hands of his Lordship that liberal consideration which they think the special circumstances of the case will justify.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 162.

(1,421 L.)

MR. F. HILL TO MR. BOATE.

Sir,

General Post Office, 26th December 1860.

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

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

Moreover, his Lordship directs me to remark that the loss of the "Connaught" could under no circumstances afford the Company valid grounds for the extension of time claimed. It was incumbent upon them, as it is upon all other mail packet companies, to provide

provide for the maintenance of the service under all contingencies, and not to depend upon a single ship, liable at all times to be disabled in performing an Atlantic voyage.

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

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

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

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

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

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

I am, &c.
(Signed) F. HILL.

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

No. 163.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 28th December 1860.

Sir,

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

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

I have, &c.
(Signed) A. BOATE.

The Secretary, General Post Office.

No. 164.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 1st January 1861.

Sir,

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

I have, &c.
(Signed) A. BOATE.

The Secretary, General Post Office.

Enclosure in No. 164.

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

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

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

(Signed) A. BOATE, Secretary.

No. 165.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 2d January 1861.

Sir,

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 166.

(1,521 L.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 3d January 1861.

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

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

I am, &c.
(Signed) F. HILL.

Enclosure in No. 166.

GALWAY, BOSTON, AND NEW YORK MAILS.

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

WHEREAS by articles of agreement, dated the 21st day of April 1859, and made between the Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, for and on behalf of Her Majesty of the one part, and the said Atlantic Royal Mail Steam Navigation Company, Limited, of the other part, the said Company, for the considerations therein mentioned, contracted and agreed to convey Her Majesty's mails between Galway in that part of the United Kingdom of Great Britain and Ireland called Ireland, and Boston in the United States of America, and between Galway aforesaid and New York in the said United States, at the times, in the manner, and for the term of years (which is at present unexpired) in the said contract respectively mentioned or referred to. And whereas, under or by virtue of an Act of Parliament, passed in the

23d and 24th years of the reign of Her present Majesty, intituled "An Act to transfer to the Postmaster General securities entered into with the Commissioners of the Admiralty in relation to the "Packet Service," all the estate, right, title, and interest of the said Commissioners of, in, to, and out of the said herein-before recited contract, have become transferred to and vested in the said Postmaster General: And whereas it has been agreed between the said Postmaster General and the said Company, that the said herein-before recited contract and the operation thereof shall be suspended, and the services thereby contracted to be performed discontinued until the 26th day of March 1861: Now these presents witness, that it is hereby agreed and declared between and by the said parties hereto, that the said herein-before recited contract of the 21st day of April 1859 and the operation thereof shall be suspended, and shall continue to be suspended until and up to the said 26th day of March 1861, and that until and up to the said 26th day of March 1861 the services by such contract contracted to be performed shall not be performed, and that the consideration thereby agreed to be paid shall not be paid, anything in the said herein-before recited contract contained to the contrary thereof notwithstanding: Provided always, and it is hereby further agreed and declared, and the said Company do hereby for themselves, their successors and assigns, covenant and agree with, and to the said Postmaster General, his successors and assigns, that they the said Company, their successors or assigns, shall and will, on and after the said 26th day of March 1861, well and truly perform, or cause to be performed, all and singular the services in the said herein-before recited contract particularly mentioned, at the times, in the manner, and for the remainder of the term of years then unexpired, in such contract respectively mentioned or referred to, and generally during the remainder of the said term, in such or the like manner as if this agreement had not been made and entered into: Provided always, and it is hereby further agreed and declared, that in case the said Company shall not on and after the said 26th day of March 1861 well and truly perform, or cause to be performed, the services in the said herein-before recited contract particularly mentioned, at the times and in the manner therein expressed, and thereby commit a breach of such contract and of this agreement, it shall be lawful for the Postmaster General for the time being, by writing under the hand of either the Secretary or one of the assistant secretaries for the time being of the Post Office to determine the said herein-before recited contract without any previous notice to the said Company or their agents, nor shall the said Company be entitled to any compensation in consequence of such determination: And whereas, by the said herein-before recited contract of the said 21st day of April 1859, the said Company agreed that all the said vessels employed in the conveyance of Her Majesty's mails should both on the outward and homeward voyages call at Saint John's, Newfoundland, or in the event of any of the vessels being prevented making Saint John's to the satisfaction of the Admiralty agent or other officer in charge of Her Majesty's mails by stress of weather, or other unavoidable cause, then and in such case the vessels should call at Halifax, Nova Scotia; and the said Company should convey in the said vessels, to and from, and cause to be delivered and received at each of the ports or places at which the said vessels were to proceed, call, or touch in the performance of the now reciting contract, all such of Her Majesty's mails, passengers, and telegraphic messages as should have to be delivered or received at such places respectively, and as regards the places mentioned in the time table A. thereunto annexed, within the times therein respectively specified. And whereas a question has arisen between the said Company and the Postmaster General as to the construction of the lastly herein-before recited clause of the said herein-before recited contract, and to the nature and extent of the services to be performed by the said Company thereunder; and for the purpose of settling such question it has been agreed between and by the said parties hereto, that each of them, the said Company for themselves, their successors and assigns, and the said Postmaster General for himself, his successors and assigns, should and each of them accordingly do hereby agree and declare to and with the other of them, that on and after the said 26th day of March 1861 (being the day on which the said herein-before recited contract shall be revived, and the services thereby agreed to be performed recommenced and performed), the said Company shall and will, at their own costs and charges, and without receiving any further or other considerations therefor than that covenanted to be paid to the said Company for the general services in the said herein-before recited contract mentioned, convey, or cause to be conveyed, as well mails as passengers and telegraphic messages, on the outward voyage from Galway to St. John's or Halifax, and from St. John's or Halifax to Boston and New York, and on the homeward voyage from New York or Boston to St. John's, and from St. John's to Galway; and that the said Company shall and will deliver and receive, or cause to be delivered and received, at each of the ports or places at which the said vessels shall proceed, call, or touch in the performance of such contract, as well all such of Her Majesty's mails as passengers and telegraphic messages as shall have to be delivered or received at such ports or places, and generally in such or the like manner, and subject to such penalties, provisoes, clauses, matters, and things, as if the intent, meaning, and construction as by these presents defined and expressed of the lastly herein-before recited clause of the said herein-before recited contract had been in such contract similarly defined and expressed. In witness, &c.

No. 167.

(5 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 5th January 1861.

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

I am, &c.

(Signed) F. HILL.

A. Boate, Esq.,

Atlantic Royal Mail Steam Navigation Company.

No. 168.

Mr. BOATE to Mr. F. HILL.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th January 1861.

Sir,

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

F. Hill, Esq., General Post Office.

I am, &c.
(Signed) A. BOATE, Secretary.

No. 169.

(10 M.)

Mr. F. HILL to Mr. BOATE:

Sir,

General Post Office, 12th January 1861.

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

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

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

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

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 170.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 15th January 1861.

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

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

As

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

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

The Lords Commissioners
of the Treasury.

I am, &c.
(Signed) STANLEY OF ALDERLEY.

No. 171.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 16th January 1861.

Sir,

THE Chairman of the Company reported to an adjourned meeting of the Board of Directors the result of his interview with his Lordship the Postmaster General on the 9th instant, and that his Lordship is still indisposed to assent to the views of the Company with regard to the commencement of the service, which the Directors deeply regret.

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

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

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

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

The question is, therefore, reduced to this. The Postmaster General has kindly consented to defer the commencement of the service until the 26th of March. The Directors, although willing to commence on that day, are anxious, and they again urge that under the circumstances, and having regard to the signing of a new contract, the 1st of June following should be named in the new contract.

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

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

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

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 172.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord,

Treasury Chambers, 18th January 1861.

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

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

The Postmaster General.

I am, &c.
(Signed) GEO. A. HAMILTON.

No. 173.

(60 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 19th January 1861.

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

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

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

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

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

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

I am, &c.
(Signed) F. HILL.

No. 174.

No. 174.

Mr. BOATE to Mr. F. HILL.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London 23d January 1861.

Sir,

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

I have, &c.

(Signed) A. BOATE.

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

F. Hill, Esq., General Post Office.

No. 175.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 24th January 1861.

Sir,

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

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

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

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

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

The Postmaster General insisted that this service came within the construction of the Imperial contract, but the Directors felt it their duty to call his Lordship's attention to their correspondence with the Treasury, and the Minutes of the Lords of the Treasury on the subject, and they confidently trust that they have furnished abundant evidence to show that whatever might be the strict construction of the wording of the contract, there never was in the negotiation and terms on which it was based any intention either on the part of the Government to require, or the Company to carry those Colonial mails under the

*See Enclosure in No. 166.

Imperial contract. His Lordship stated that he could only look to the contract, and the Directors, anxious to make every concession when they were seeking for some indulgence as to the commencement of the contract, conceded the point, and at once took upon themselves to adopt the Postmaster General's construction, reserving, however, their right to apply to the Treasury on the subject, in the confident assurance of being able to show that the depriving of the Company of any subsidy paid by the Colonial Government would be inconsistent with the assurance conveyed in a letter addressed by the Treasury to Messrs. Vallance & Vallance, dated 29th August last.

In signing this contract, therefore, the Directors beg respectfully to state that they have done so in compliance with your letter of the 19th instant, and with the reservation of their right to apply to the Treasury on the question of the correspondence of that Department as to the Colonial subsidy.

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 176.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 28th January 1861.

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

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

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

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

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

I have, &c.
The Lords Commissioners of the Treasury. (Signed) STANLEY OF ALDERLEY.

No. 177.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E. C., London, 21st February 1861.

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

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

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 178.

(14,448.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 22d February 1861.

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

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

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

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

I am, &c.
(Signed) F. HILL.

No. 179.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E. C., London, 2d March 1861.

Sir,

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 180.

(14,448.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 4th March 1861.

WITH reference to your letter of the 21st ultimo, in which inquiry is made whether a measured mile has been laid down in the River Humber by the Government, and whether the Admiralty Surveyors will try a ship there, I have to inform you, that it has been ascertained from the Admiralty that a measured mile for testing the speed of vessels has been marked off on the south bank of the Humber, near Stallingborough, by the officer in charge of the Admiralty survey of the east coast of England, and that orders will be given to the Admiralty surveying officer to try the ships as proposed by the

Atlantic Royal Mail Steam Navigation Company, unless it should be found hereafter that the speed of a ship cannot be satisfactorily ascertained at that place.

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

I am, &c.
(Signed) F. HILL.

No. 181.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 5th March 1861.

Sir,

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

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 182.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 12th March 1861.

Sir,

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 183.

(221 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 13th March 1861.

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

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

I am, &c.
(Signed) F. HILL.

No. 184.

Mr. BOATE to the SECRETARY of the POST OFFICE.

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

Sir,

I HAVE the honour to state, for the information of the Postmaster General, that the Directors propose to place the steam ship “Adriatic,” belonging to this Company, in dry dock

dock at Southampton on the 21st instant, for survey by the Admiralty Surveyors, with a view to her employment in the postal service between Galway and America.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE.

No. 185.

(249 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 15th March 1861.

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

A. Boate, Esq. I am, &c.
(Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company.

No. 186.

(19,902.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 15th March 1861.

HAVING laid before the Postmaster General your letter of yesterday's date, stating that the steamer "Adriatic" will be ready for survey on the 21st instant, with a view to her employment in the postal service between Galway and America, I am directed by his Lordship to state that, in offering for the conveyance of the mails a ship of which the designs and plans have not been previously approved of, the Atlantic Royal Mail Steam Navigation Company are not acting in conformity with the stipulations of their contract.

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

A. Boate, Esq., I am, &c.
(Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C.

No. 187.

(263 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 19th March 1861.

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

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

A. Boate, Esq., I am, &c.
(Signed) F. HILL.
Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street.

No. 188.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 22d March 1861.

Sir,

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

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

The ship "Adriatic," recently purchased by this Company, is expected at Queenstown from New York in the course of the next 24 hours, with Her Majesty's mails on board, which should have been brought home in the Cunard ship "Australasian," and arrangements have been made to detain her at Queenstown on her arrival, with a view to placing her on the Galway line, so as to meet the present casualty. In order, however, to avoid as little inconvenience as possible to the public service, the Directors have obtained the offer of the steam ships "Parana" and "Magdalena," now in the West India Royal Mail Service, and they have the honour to offer for his Lordship's acceptance one of these ships (both of which exceed the tonnage and steam power stipulated in this Company's contract) in lieu of the "Hibernia," for the mail service between Galway and Boston on the 26th instant.

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

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

I have, &c.

The Secretary, General Post Office.

(Signed) A. BOATE.

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

No. 189.

(283 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 23d March 1861.

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

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

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

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

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

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

postponed until Tuesday, the 9th April next ; the first departure on the other side being, in like manner, delayed for a fortnight.

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

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

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

I am, &c.
(Signed) F. HILL.

No. 190.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 25th March 1861.

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 191.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C., London, 25th March 1861.

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 192.

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 26th March 1861.

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

A. Boate, Esq.,
Atlantic Royal Steam Navigation Company,
10, Cannon Street, E.C.

I am, &c.
(Signed) F. HILL.

No. 193.

Mr. BOATE to Mr. F. HILL.

Sir,
Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 27th March 1861.

IN acknowledging the receipt of your communication of 26th instant, I have the honour to state, for the information of the Postmaster General, that the "Hibernia" is

about to be placed in dock at Liverpool. A communication shall be made to you, at the earliest possible moment, of the date when she will be ready for survey.

F. Hill, Esq., &c. &c. &c.
General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 194.

(290 M.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 28th March 1861.
WITH reference to your letter of the 22d instant, respecting the accident to the steamer "Hibernia," I am directed by the Postmaster General to request that he may be furnished with a detailed report respecting the injuries sustained by that vessel, and which prevented her from prosecuting her voyage to Galway.

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

I am, &c.
(Signed) F. HILL.

No. 195.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir, Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 28th March 1861.
IN acknowledging the receipt of your communication of this day's date, requesting that a detailed report be furnished of the injuries sustained by the steam ship "Hibernia," while on her voyage between Southampton and Galway, I have the honour to state, for the information of the Postmaster General, that the vessel shipped a heavy sea, which carried away her skylights forward, and caused her to make water. There was no loss of any of the ship's boats, or any injury to any person on board.

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 196.

(No. 23,254.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 28th March 1861.
THE attention of the Postmaster General has been called to a report which appears in this day's newspapers of the proceedings at a general meeting of the Atlantic Royal Mail Steam Navigation Company, held yesterday, and at which the Chairman of the Company is stated to have expressed a "sanguine expectation of obtaining from the French Government the conveyance, not only of telegraphic messages from France, but the "postal and other communications from that country."

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

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 197.

No. 197.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C., London, 1st April 1861.

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 198.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Sir,

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 1st April 1861.

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

The Secretary, General Post Office.

I have &c.
(Signed) A. BOATE.

No. 199.

Mr. BOATE to Mr. F. HILL.

Sir,

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 1st April 1861.

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

F. Hill, Esq., &c. &c. &c.
General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 200.

(24,019.)

Mr. F. HILL to Mr. PEEL, M.P.

Sir,

General Post Office, 2d April 1861.

I AM directed by the Postmaster General to transmit to you, to be laid before the Lords Commissioners of the Treasury, the copy of a letter* from the Secretary of the Atlantic Royal Mail Steam Navigation Company, applying for a certificate of exemption from the Passengers Act in favour of the steamer "Columbia," intended by the Company to take out the mails from Galway of the 9th instant.

An authority was given by the Lords Commissioners on the 8th September 1859, for granting a certificate to all the vessels of this Company employed in the conveyance of

* See Letter in No. 199.

the Newfoundland mails; but as the service has since been altogether suspended, and as the Postmaster General is not aware whether the bond stated to have been entered into by the Company is still in force, he thinks it right, before granting the certificate in this case, to communicate with the Lords Commissioners, and to request to be informed whether they approve of the application of the Company being complied with.

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

I am, &c.
(Signed) F. HILL.

No. 201.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord, Treasury Chambers, 4th April 1861.
I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit for your Lordship's information, with reference to your letter of the 2d instant, the enclosed copy of a report from the Emigration Commissioners on the subject of the application from the Atlantic Royal Mail Steam Packet Company, for a certificate of exemption from the Passengers Act, in favour of the steamer "Columbia."

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

I have, &c.
(Signed) GEO. A. HAMILTON.

Enclosure in No. 201.

Sir, Emigration Office, 3 April 1861.
I HAVE to acknowledge the receipt this day of the letter addressed to the Treasury by the Post Office, enclosing an application from the Secretary of the Royal Atlantic Steam Packet Company, for the usual certificate of exemption from the Passengers Act for the Company's steamer "Columbia." The Postmaster General requests to be informed whether that certificate is to be granted.

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

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

I have, &c.
(Signed) T. W. C. MURDOCH.

No. 202.

(19,407.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 4th April 1861.
WITH reference to your letter of the 12th ultimo, I am directed by the Postmaster General to acquaint you that he has had before him the reports of the officers appointed to survey the steam ship "Columbia," and that, under the opinion expressed in those reports, he can only accept the "Columbia" as a packet for the mail service between Galway and America for two round voyages. On the completion of those two voyages, the vessel must be again examined in dry dock, and her final acceptance or rejection will depend upon the result of that examination.

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

I am, &c.
(Signed) F. HILL.

No. 203.

No. 203.

Mr. F. HILL to Mr. PEEL, M.P.

Sir,

General Post Office, 5th April 1861.

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

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

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

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

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

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

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

I am, &c.
(Signed) F. HILL.

No. 204.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord,

Treasury Chambers, 6th April 1861.

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

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

The Postmaster General.

I am, &c.
(Signed) GEC. A. HAMILTON.

Enclosure in No. 204.

Sir,

Emigration Office, 6th April 1861.

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

* See Enclosure in No. 147.

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

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

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

I have, &c.
(Signed) T. W. C. MURDOCH.

No. 205.

(328 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 8th April 1861.

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

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

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

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

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

I am, &c.
(Signed) F. HILL.

No. 206.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company, Limited,
10, Cannon Street, E.C., London, 8th April 1861.

Sir,

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

The "Columbia" is 2,950 tons gross measurement, 1,521 net, and is registered in the port of London.

As

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

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 207.

(328 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 8th April 1861.

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

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

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

I am, &c.
(Signed) F. HILL.

No. 208.

(347 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 11th April 1861.

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

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

I am, &c.
(Signed) F. HILL.

No. 209.

(371 M.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 15th April 1861.

WITH reference to my letter of the 14th instant, informing you that the Postmaster General could only accept the steamer "Columbia" for the conveyance of the mails between Galway and America for two round voyages, I am directed by his Lordship to request that you will state to the Directors of the Atlantic Royal Mail Steam Navigation Company, that as they are fully aware of the objections raised by the surveying officer of the Admiralty against the "Columbia," as regards her strength and general fitness for the mail service, his Lordship expects that they will meet those objections in the case of the "Anglia," a sister ship, before they offer that vessel for survey.

A. Boate, Esq.,
Atlantic Royal Mail Steam Navigation Company,
Cannon Street, E.C.

I am, &c.
(Signed) F. HILL.

No. 210.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 18th April 1861.

Sir,

I HAVE the honour to request you will be so good as to fix a day, as early as may be convenient, for the examination of the following surgeons by the medical officer to the Post Office department, viz., Mr. Sebastian Melassey and Mr. Henry Bedwell, F.R.C.S., and L.R.C.P., who are about to be employed in the Company's ships.

The Secretary, General Post Office.

I am, &c.
(Signed) A. BOATE.

No. 211.

(28,237.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 18th April 1861.

WITH reference to your letter of this day's date, I have to request that Mr. Sebastian Melassey and Mr. Henry Bedwell, the gentlemen who are about to be employed by the Atlantic Royal Mail Steam Navigation Company as surgeons on board their vessels, may be instructed to call upon Dr. Waller Lewis, the medical officer of this Department, at this Office to-morrow between the hours of eleven and one o'clock, bringing with them their testimonials for the inspection of Dr. Lewis.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 212.

Mr. HAMILTON to the POSTMASTER GENERAL.

My Lord,

Treasury Chambers, 19th April 1861.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you that in the month of November last my Lords received a letter from the Board of Works in Ireland proposing to lay down moorings in Galway Harbour for the accommodation of the Trans-Atlantic packets at a cost not exceeding 1,200*l.* To that proposal my Lords made the following reply :—“ Write to the Commissioners of Public Works and state “ that, inasmuch as the continuation of the Trans-Atlantic Packet Service depends upon “ the Company being in a condition to resume it on the 26th March next, my Lords “ consider that it will be advisable to suspend any decision on the point until after that “ date.” My Lords have now received the communication of the 13th instant, copy of which and of its enclosure is forwarded herewith, with a request that you will favour my Lords with your opinion as to whether the present position of the Company is such as to warrant this Board in considering that it may reasonably be expected to be able to continue to fulfil its engagements, without which their Lordships do not feel that they should be warranted in sanctioning this additional expense being incurred.

The Postmaster-General.

I have, &c.
(Signed) G. A. HAMILTON.

Enclosure No. 1 in No. 212.

Sir,

Office of Public Works, Dublin, 13th April 1861.

ADVERTING to the letters of this Board, dated 27th November and 23d January, and their Lordships' replies of the 28th December and 11th February last, relative to the laying down of moorings in Galway Harbour, I am directed to transmit, for their Lordships' information, a copy of a letter upon the subject received from the Galway Harbour Commissioners, and to request that their Lordships will be pleased to instruct the Board in the case.

The Secretary, Treasury.

I am, &c.
(Signed) E. HORNSBY, Secretary.

Enclosure

Enclosure No. 2 in No. 212.

Sir,
Galway Harbour Commissioners Office, 9th April 1861.
THE "Columbia" having sailed from this with Her Majesty's mails on board, the ability of the Atlantic Royal Mail Steam Company to fulfil its engagements is, the Commissioners submit, no longer doubtful, and I am directed by them to request the Board's sanction to the necessary expenditure for laying down the moorings so urgently called for by the Directors of the Company.

E. Hornsby, Esq.

I remain, &c.
(Signed) JOHN D'ARCY.

No. 213.

(383 M.)

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 22d April 1861.
WITH reference to your letter of the 18th instant, I am directed to inform you that the Postmaster General is pleased to approve of the employment of Mr. Henry Bedwell as surgeon on board one of the vessels of the Atlantic Royal Mail Steam Navigation Company.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 214.

(28,809.)

Mr. F. HILL to Mr. BOATE.

Sir,
General Post Office, 22d April 1861.
WITH reference to your letters of the 14th and 25th ultimo, I am directed to inform you that the Postmaster-General has received the reports of the officers appointed to survey the steam ship "Adriatic," as to her fitness for employment in the mail service under the contract with the Atlantic Royal Mail Steam Navigation Company, and notwithstanding that the contract requires the designs and plans of the several vessels, which the Company propose to employ in the conveyance of the mails, shall be previously approved of by the Postmaster General, and that this stipulation has not been complied with in this instance, his Lordship is pleased to accept the "Adriatic" for the mail service between Galway and the United States,

His Lordship will, however, require the engines of the "Adriatic" to be examined as to their condition at the end of twelve months, and the vessel to be again surveyed in dry dock at the end of two years from the present date.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 215.

Mr. BOATE to the SECRETARY TO THE POST OFFICE.

Sir,
Atlantic Royal Mail Steam Navigation Company,
10, Cannon Street, E.C., London, 23d April 1861.
ADVERTING to your letter of the 11th instant, No. 347 M., intimating that the Postmaster General cannot permit the "Hibernia" to be again employed in the postal service until she has been strengthened to the extent required by the Admiralty surveyors, I have the honour to state for the information of Lord Stanley of Alderley that the "Hibernia" is now in dock at Liverpool undergoing the necessary repairs.

The Directors have entered into negotiations with the West India Royal Mail Company to place the steam ship "Oneida" on the Galway line for the postal service on the 7th May next, in lieu of that vessel.

Before, however, they finally conclude this arrangement, which will cost the Company a sum of over 10,000*l.*, the Directors respectfully submit, as the service on the 7th proximo will be between Galway and Boston, for which eleven days and sixteen hours is allowed by the contract, that the steam ship "Prince Albert" may be permitted

to take the mails on that occasion, under such conditions and penalties as may seem to be expedient to the Postmaster General; but Lord Stanley having intimated that he cannot permit the "Prince Albert" to be again employed in the postal service as on two former occasions, viz., under a penalty of 500*l.* per voyage, the Directors are willing to convey the mails of the 7th May to Boston in the "Prince Albert" without any payment whatever, and to place her also under the conditions of the contract as to penalties for over-time on the voyage.

This ship having been surveyed and passed both by the Admiralty and Board of Trade surveyors, the Directors will submit her to any further examination which may be deemed requisite, by placing her in dock.

They respectfully trust, therefore, that his Lordship the Postmaster General will favourably entertain this request, having regard to the positive saving to be effected to the Government of the entire amount of the subsidy for one voyage, viz., 3,000*l.*, which the Directors propose to forfeit in consideration of his Lordship's acquiescence in the above arrangement.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

We, the undersigned members of Parliament, have read the annexed letter, and under all the circumstances consider the request reasonable, and one that would save 3,000*l.* to the public without causing any detriment to the public service, and beg leave to recommend it to the favourable consideration of the Right Honourable Lord Stanley of Alderley, Postmaster General.

Name of Member.	County or Borough.	Name of Member.	County or Borough.
W. McCormick -	Londonderry.	James H. Hamilton -	Dublin County.
M. E. Corbally	Neath County.	Samuel Gurney	Penryn and Falmouth.
Francis B. Beamish	City of Cork.	Harvey Lewis -	Marylebone.
John Vance	City of Dublin.	W. Seymour V. Fitz-	Horsham.
Dunkellin -	Galway.	gerald.	
T. J. Burke -	Galway County.	J. E. Redmond -	Wexford Town.
John Brady	Leitrim County.	W. H. F. Cogan	Kildare County.
James Wyld -	Bodmin.	Patrick O'Brien -	King's County.
Francis P. Durne	Queen's County.	D. O'Connell -	Tralee.
Wm. Stackpoole	Ennis.	E. A. Leatham	Haddersfield.
Francis Macdonogh	Sligo Borough.	Thos. Conolly -	Donegal.
Robert Longfield	Mallow.	H. Corry	Tyrone.
Francis McCalcutt -	Clare County.	William Verner	Armagh.
Geo. Gavin	Limerick City.	James McCann	Drogheda.
Naas -	Cockermouth.	John Greene	Kilkenny County.
T. E. Taylor -	Dublin County.	Lawrence Waldron	Tipperary County.
Alf. R. Bristow	Kidderminster.	Nicholas P. Leader	Cork County.
Jas. Whiteside	Dublin University.	P. McMahon -	Wexford County.
Fermoy	Marylebone.	Stewart Knox	Dungannon.
John F. Maguire	Cork City.	John Boyd -	Coleraine.
Isaac Butt	Youghal.	George Bowyer -	Dundalk.
W. H. Gregory	Galway County.	Mich. Sullivan -	Kilkenny City.
John Ennis	Athlone.	John A. Blake	Waterford City.
Edward Grogan	Dublin.	Jonathan Richardson	Lisburn.
W. B. McClintock Bun-	Carlow County.	Walter F. Hamilton	Linlithgow.
bury.			

No. 216.

Mr. PAGE to Mr. BOATE.

(36,483.)

Sir,

General Post Office, 27th April 1861.

THE Postmaster General has had before him your letter dated the 23d instant, but not delivered at this Office until yesterday afternoon, and regrets to find that so soon after the recommencement of the mail service between Galway and America, in conformity with the agreement entered into by the Atlantic Royal Mail Steam Navigation Company on the 24th January last, the Company are again seeking permission to depart from the stipulations of their contract, and to employ in the conveyance of the mails a vessel which does not come within those stipulations, and is unfit for the service.

The

The Postmaster General, out of consideration for the Company, permitted the use of the "Prince Albert" on three separate occasions; but his determination not to repeat that indulgence has been communicated to the Directors more than once, and from that determination his Lordship cannot depart.

It is hardly necessary to remind you of the indulgence extended to the Atlantic Company in their frequent failures to perform the service which they have undertaken. Vessels of less size or power than those stipulated for have been permitted to be used; the usual survey of the vessels has been more than once dispensed with, or only partially insisted upon; single voyages have been allowed to be omitted; and when, even with that indulgence, the Company found themselves unable to provide packets, the service was allowed to be wholly suspended for several months.

Such an exceptional state of things could not of course be tolerated for any length of time, and in January last the Company were required to execute an agreement binding themselves to recommence the service on the 26th March, and thenceforth to perform it in the manner required by the contract; failing which, the Postmaster General was empowered to terminate the contract.

In consequence of the breaking down of the steamer "Hibernia" on her way to Galway, the Postmaster General, as a further indulgence, allowed the recommencement of the service to be postponed until the 9th instant, with a distinct assurance from the Company that they would then be prepared to commence and continue the service, although he might have declared the contract at an end; but he is not prepared to make any further concession, and must now hold the Company to their agreement.

With respect to the allusion in your letter to negotiations having been entered into by the Company with a view of employing the steamer "Oneida" for the conveyance of the mails of the 7th proximo, I am to request that you will state to the Directors that his Lordship finds that the "Oneida" has been for some time employed on the Brazil mail line, the speed required on which is much lower than that which must be attained on the Galway and Boston line, and it is not probable that she would be found on trial capable of performing the latter service. Be this, however, as it may, the "Oneida" cannot possibly be accepted unless she be surveyed and found duly qualified.

A. Boate, Esq.

I am, &c.
(Signed) W. J. PAGE,
For the Secretary.

No. 217.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 29th April, 1861.

Sir,

WITH reference to the communications which have taken place respecting the Provision of a ship for the postal service on the 7th May next, in lieu of the "Hibernia," as it appears that his Lordship the Postmaster General entertains an objection to the steam ships "Prince Albert" and "Oneida," I am instructed to state, for his Lordship's information, that the Directors have chartered the steam ship "Parana" for the service between Galway and Boston on the 7th proximo.

This ship, which is 2,730 tons and 800 horse power, performed the voyage between Galway and Boston last year in one day and two hours less than the time specified by the contract; and on her return from Boston to Galway in seven hours and fifteen minutes less than the contract time.

The Directors have no reason, therefore, to doubt that she will perform the same voyage in the present season within the period required.

Annexed hereto is a statement of the ship's performance on the voyage referred to.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

Enclosure in No. 217.

STATEMENT showing the time occupied by the steam ship "Parana," carrying Her Majesty's mails on a round voyage between Galway and Boston, as certified by the Government officer in charge of the mails.

Outward.

The "Parana" left Galway for Boston on the 7th August at 3 p.m., and arrived at Boston 18th August at 5 p.m.

	Days.	Hours.
Contract time - - - -	11	16
Passage made in - - - -	10	14
Which is under contract time	<u>1</u>	<u>2</u>

Homeward.

The "Parana" left Boston for Galway on the 28th August at 9.30 a.m., and arrived at Galway on the 7th September at 6.15 a.m.

	Days.	Hours.	Minutes.
Contract time	10	4	0
Passage made in	9	20	45
Which is under contract time - -	<u>0</u>	<u>7</u>	<u>15</u>

No. 218.

(30,483.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 29th April 1861.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of this day's date, and to request that you will inform me in what port the "Parana" is now lying, in order that the necessary instructions for her survey may be given to the Admiralty surveyors.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 219.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 29th April 1861.

Sir,

IN reply to your communication just received, I have the honour to state that the "Parana" is now in wet dock at Southampton.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 220.

(30,483.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 1st May 1861.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 29th ultimo, and to inform you that he has requested the Lords Commissioners of the Admiralty to cause the steam ship "Parana" to be surveyed for the Galway mail service.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 221.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 1st May 1861.

Sir,

I HAVE the honour to request you will be so good as to fix a day, as early as may be convenient, for the examination of the following surgeon by the medical officer to the
Post

Post Office department, viz., Mr. William John Pilcher, M.R.C.S. and L.S.A., who is about to be employed in the Company's service.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE.

No. 222.

(420 M.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 3d May 1861.
REFERRING to your letter of the 1st instant, I am directed by the Postmaster General to acquaint you that his Lordship approves of the employment of Mr. Pilcher as surgeon on board one of the vessels of the Atlantic Royal Mail Steam Navigation Company.

A. Boate, Esq. I am, &c.
(Signed) F. HILL.

No. 223.

(30,483.)

Mr. F. HILL to Mr. BOATE.

Sir, General Post Office, 3d May 1861.
WITH reference to your letter of the 29th ult., stating that the Directors of the Atlantic Royal Mail Steam Navigation Company have chartered the steam ship "Parana" for the conveyance of the mails of the 7th proximo from Galway to Boston, I am directed by the Postmaster General to inform you, that having received from the Admiralty the report of the officers deputed by the Lords Commissioners to survey that vessel, his Lordship finds that the "Parana" is not of sufficient power to perform the stipulations of the Company's contract.

Under these circumstances his Lordship must decline to accept the "Parana" for the mail service.

A. Boate, Esq. I am, &c.
(Signed) F. HILL.

No. 224.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 3d May 1861.

Sir,
I HAVE the honour to acknowledge the receipt of your communication of this day's date, No. 30,483, intimating that the "Parana" is not of sufficient power to perform the requirements of the Company's contract, and that, under the circumstances, his Lordship the Postmaster General has declined to accept her for the mail service.

The Directors cannot but express their great regret, as well as surprise, at learning this decision, and they trust that his Lordship, on reconsideration, will still permit the "Parana" to take the mails to Boston on Tuesday next.

The grounds upon which the Directors respectfully urge this upon his Lordship's consideration are the following:—

The "Hibernia," one of the Company's ships, passed by the Government for the mail service, was disabled by accident at sea in a hurricane, a cause over which the Company had no control. The said vessel having, therefore, become disabled, the Company have submitted to his Lordship a vessel which, from her ascertained capabilities, is perfectly competent to perform the service according to the terms and within the time stipulated by the Company's contract. Your letter states, however, that the "Parana" is not of sufficient power.

I am desired to call your attention to the 10th clause of the Company's contract, which states that "upon any of the Company's vessels becoming disabled, the Company are to replace them by good and efficient vessels of similar tonnage obtained by hire or otherwise."

You will observe that the power of the vessel is not mentioned in this clause; nor any requirement made on that head.

The tonnage of the "Parana" is 2,730 tons and 800 horse power, being 700 tons and 350 horse power in excess of the requirements of the contract.

Independently of this, however, I am to submit for his Lordship's consideration that the contract, being a penal contract, imposes penalties on the Company for every hour of delay beyond the time stipulated therein.

The Company fully carry out their contract, therefore, by submitting for the approval of the Postmaster General a vessel exceeding the tonnage and power mentioned in such contract; and if they fail to carry the mails in the time stipulated they are to suffer in the penalties prescribed.

With respect to the "Parana" and her capabilities of performing the service, I am desired again to call your especial attention to the fact that the voyage for which she will be required on Tuesday next is from Galway to Boston, and that this ship has already performed the same voyage on the last occasion on which she was accepted for this Company's service in one day and two hours within the time mentioned in the contract on the outward voyage, and in seven hours and fifteen minutes within the time on her homeward voyage. The Directors, therefore, confidently submit that she is not only, both in tonnage and power, within the stipulations of the Company's contract, but that she has proved herself capable to perform the service within the time required.

In the expectation that there could be no possible objection to the "Parana," she has been chartered by the Company at a very heavy cost. She has also been coaled and provisioned for the voyage from Galway to Boston, and is now on her way to Galway, where she is expected to arrive on Sunday morning.

In the present excitement and anxiety with respect to American affairs, the failure to forward mails and telegrams by Tuesday next will seriously prejudice commercial interests, and I have therefore only to add that the "Parana" will be ready to receive the mails at Galway, and to depart on Tuesday, the 7th instant, at the appointed hour.

The Directors respectfully trust that his Lordship the Postmaster General will give the necessary directions for the despatch of the mails by that ship.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

No. 225.

(30,483.)

Mr. F. HILL to Mr. BOATE.

Sir,

General Post Office, 6th May 1861.

I HAVE received and laid before the Postmaster General your letter dated the 3d instant (but not delivered at this office until after four o'clock on Saturday the 4th instant), in which you renew the request of the Atlantic Royal Mail Steam Navigation Company to be allowed to employ the steamer "Parana" for the conveyance of the American mails of to-morrow, the 7th, from Galway to Boston.

The Postmaster General finds nothing in the statements contained in your letter to induce him to change his determination not to accept the "Parana" for the mail service.

Against your assertion that this vessel has already performed the same voyage within the time required by the contract, his Lordship desires me to point out that, on her first voyage, the "Parana" exceeded the time allowed for reaching St. John's, Newfoundland (six days), by one day 13 $\frac{3}{4}$ hours, and on her second voyage she exceeded the time by one day five hours.

The Postmaster General cannot, however, enter into any discussion on the results of certain voyages liable, as they must be, to the varying circumstances of wind and weather. In his decision on this and all other nautical questions he is guided by the advice of the Lords Commissioners of the Admiralty, who, in their letter on the subject, state that they do not consider the speed of the "Parana" sufficient to secure a fulfilment of the stipulations of the contract.

Under this opinion his Lordship cannot consider the "Parana" an efficient vessel for the service undertaken by the Atlantic Company, and he declines to approve of her.

As the Company have no other surveyed and accepted vessel to convey the mails of to-morrow, notice has been issued that mails cannot be despatched on this occasion.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 226.

No. 226.

The POSTMASTER GENERAL to the TREASURY.

My Lords,

General Post Office, 11th May 1861.

WITH reference to my letter of the 28th January last, transmitting copies of an agreement which, under the authority conveyed to me in your letter of the 19th November previous, I had required the Atlantic Royal Mail Steam Navigation Company to enter into, as the sole condition upon which I would relieve them from the penalties already incurred and would consent to a temporary suspension of the mail service under their contract, I have the honour to inform your Lordships that, owing to the Company having only one vessel ready for survey by the time fixed for the recommencement of the service, and owing to that vessel being seriously damaged and rendered unseaworthy while proceeding from Southampton to Galway to take up her station, the Company were unable to convey the mails on the appointed day, and it was therefore in my power at once to have declared the contract at an end.

Under the circumstances, however, I refrained from doing so, and allowed the recommencement of the service to be postponed until the 9th April.

The mails were accordingly despatched on that day, and on the 23d April another approved vessel was provided by the Company and took her departure.

The third packet from Galway should have sailed yesterday, the 7th instant, but the Company have failed in offering on this occasion any efficient vessel for the service, and I have been under the necessity, therefore, of announcing at the last moment that no despatch of mails could take place.

As it is now quite evident that the Company are not in a position to fulfil their engagements, I have caused a letter to be prepared terminating the contract; but before sending that letter I submit a draft of it for the approval of your Lordships.

I have, &c.

The Lords Commissioners of
the Treasury.

(Signed) STANLEY OF ALDERLEY.

No. 227.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 14th May 1861.

Sir,

I AM desired by the Directors to report, for the information of his Lordship the Postmaster General, that the "Columbia" arrived at Galway this morning, and that her wheels are reported to be seriously damaged by ice on the coast of Newfoundland, and that the damages are of such a nature that they cannot be remedied in time for her to take the mails on Tuesday, the 21st instant.

The details of these damages have not yet reached the Directors, but the telegram on the subject states that they are confined to the wheels, and that the ship is in every other respect in good order.

Under these circumstances the Directors desire to submit, for the consideration of the Postmaster General, the following arrangement for the conveyance of the mails to Boston on the 21st instant, viz., first, to send the mails by the "Prince Albert" without subsidy, and under the penalties of the contract for overtime; secondly, the Directors propose to charter the "La Plata," of 2,404 tons and 1,000 horse power, which they can obtain from the West India Royal Mail Company, although at a considerable cost; but this Company require it to be a condition of the charter that, in the event of any accident to one of their ships, his Lordship would permit, under such an emergency, a ship which has been passed and accepted for the Galway mail service to be employed for the conveyance of the West India Mails of the 17th June next.

The probability of such a contingency is, however, so remote, that the Directors respectfully trust that his Lordship will sanction the arrangement for the exchange of ships in the respective mail services, and which will facilitate the arrangement for the transmission of the Boston mails on the 21st instant.

I have, &c.

The Secretary, General Post Office.

(Signed) A. BOATE.

No. 228.

Mr. STEPHENSON to the POSTMASTER GENERAL.

My Lord,
I HAVE laid before the Lords Commissioners of Her Majesty's Treasury your report of the 11th instant and its enclosure, and I am desired by my Lords to signify their approval of the letter which you propose to address to the Directors of the Atlantic Royal Mail Steam Packet Company, terminating the contract with that Company for the conveyance of the American mails.

The Postmaster General.

Treasury Chambers, 15th May 1861.

I have, &c.
(Signed) W. H. STEPHENSON.

No. 229.

Mr. F. HILL to Mr. BOATE.

Sir,
THE failure of the Atlantic Royal Mail Steam Navigation Company to provide an efficient steam vessel for the conveyance of the American mails of the 7th instant has rendered it necessary that the Postmaster General should again consider the obligations of the Company under their contract, the manner in which those obligations have been fulfilled, and the means possessed by the Company for continuing the mail service.

In acquainting you with the determination at which his Lordship has arrived, I am desired briefly to advert to the lengthened correspondence which has taken place between the Atlantic Company and this Department, since the commencement of the contract, such correspondence having been almost wholly occasioned by the inability of the Company to abide by the conditions to which they had bound themselves, and on which alone their offer to perform the mail service had been accepted.

By the terms of the contract the Company undertook to provide a sufficient number of vessels, which should not only be approved of when complete, but of which the designs and plans had been previously approved of. Nevertheless, when in June last, the time fixed for the commencement of the service had arrived, they had only one such ship, the "Connaught," ready, and even the attempt with this ship to perform the first voyage under the contract was fruitless.

Under these circumstances the Postmaster General would have been authorized to put an end to the contract; but he forebore from doing so, and allowed a vessel, the "Parana," which did not come within the stipulations of the contract, to be despatched in place of the "Connaught."

In the second and sixth voyages the "Connaught" was employed, but in the latter she took fire and was lost, and the Company were then without a single ship built, surveyed, and accepted in the terms of the contract.

Between these latter voyages the Postmaster General had permitted three voyages to be made by ships not in accordance with the contract, although his Lordship was more than once assured that the application for such an irregularity was made for the last time.

From the commencement of the contract in June last to the present time, only two complete double voyages have been performed by vessels built for the purpose as contemplated by the contract.

When the Postmaster General would no longer accept ships which did not possess the necessary qualifications, the Company applied for permission to forego several voyages, and not only was this permission granted, but the heavy penalties to which they rendered themselves liable for not providing a packet on the appointed day were wholly remitted.

At length, and after great delay on the part of the Company in complying with the conditions upon which alone the Postmaster General could grant such a further concession, they were allowed temporarily to suspend the service altogether.

By the agreement executed in January last the Company undertook to recommence the service on the 26th March, and thenceforth to perform it in strict conformity with the conditions of their contract, which the Postmaster General was empowered to terminate if those conditions were not observed. The Company were warned that, in such case, the Postmaster General's power would certainly be exercised.

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The date for the recommencement of the service was nevertheless extended to the 9th April, in consequence of the damage sustained by the vessel which was to have taken the first mail while on her way to Galway.

Since the agreement by which the Company undertook to recommence the service in March last was executed, the Company have provided three vessels. One of these, the "Columbia," owing to doubts as to her strength, was accepted by the Postmaster General for two voyages only. By a communication received this day from the Company, it appears that on her first voyage out the wheels of this vessel have been seriously damaged by ice on the coast of Newfoundland, so that a further survey would be necessary even before she could be permitted to perform a second voyage.

Another vessel, the "Hibernia," while on her way from Southampton to Galway, six weeks ago, is reported by the Lords of the Admiralty to have been injured in such a way as to indicate a deficiency of strength, and to render her unseaworthy.

This leaves the Company only one efficient vessel for the performance of their contract.

It is evident, therefore, that the Company are not now and never have been in a position efficiently to perform the stipulations of their contract.

Under these circumstances, and on a review of the whole case, the Postmaster General feels that in the discharge of his public duty he has no alternative but to exercise the power reserved to him, and to declare the contract at an end.

I am desired accordingly to transmit to you the accompanying notice to that effect.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

Enclosure No. 1 in No. 229.

To the ATLANTIC ROYAL MAIL STEAM NAVIGATION COMPANY (Limited).

WHEREAS by articles of agreement dated the 21st day of April 1859, and made between the Commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland, for and on behalf of Her Majesty, of the one part, and you, the Atlantic Royal Mail Steam Navigation Company (Limited), of the other part, you, the said Company, for the considerations therein mentioned, did contract and agree that you, the said Company, would convey Her Majesty's mails between Galway, in that part of the United Kingdom of Great Britain and Ireland called Ireland, and Boston, in the United States of America, and between Galway aforesaid and New York, in the said United States, that is to say, fortnightly from Galway to Boston and from Boston to Galway, and fortnightly from Galway to New York and from New York to Galway alternately, in the manner and for the term in the said contract mentioned, and which mails were to be so conveyed by means of a sufficient number of good, substantial, and efficient steam vessels, to be in all respects, as to vessels, engines, equipments, engineers, officers, and crew, subject in the first instance, and from time to time and at all times afterwards, to the approval of the said Commissioners, and of such other persons as should at any time or times or from time to time have authority under the said Commissioners to inspect and examine the same. And whereas under and by virtue of an Act of Parliament passed in the Session of Parliament holden in the twenty-third and twenty-fourth years of the reign of Her Majesty, for transferring to the Postmaster General securities entered into with the Commissioners of the Admiralty in relation to the Packet Service, all the interests, rights, powers, and authorities of the said Commissioners of, in, to, and out of the said herein-before recited contract have become transferred to and vested in the Postmaster General for the time being. And whereas by articles of agreement, dated the 24th day of January 1861, and made between the Right Honourable Edward John Lord Stanley of Alderley, Her Majesty's Postmaster General for the time being, of the one part, and you, the Atlantic Royal Mail Steam Navigation Company (Limited), of the other part, after reciting the said articles of agreement dated the 21st day of April 1859, and the said herein-before recited Act of Parliament, it was agreed and declared between the said Postmaster General and the said Company that the said herein-before recited contract of the 21st day of April 1859, and the operation thereof, should be suspended and should continue to be suspended until and up to the 26th day of March 1861, and that until and up to the said 26th day of March 1861 the services by such contract contracted to be performed should not be performed, and that the consideration thereby agreed to be paid should not be paid, and by the now reciting agreement the said Company did for themselves, their successors and assigns, covenant and agree with and to the said Postmaster General, his successors and assigns, that they the said Company, their successors or assigns, should and would on and after the said 26th day of March 1861, well and truly perform or cause to be performed all and singular the services in the said therein and herein-before recited contract particularly mentioned, at the times, in the manner, and for the remainder of the term then unexpired in such contract respectively mentioned or referred to, and generally during the remainder of the said term, in such or the like manner as if the now reciting agreement had not been made and entered into, and by the now reciting agreement it was (among other things) agreed and declared that in case the said Company should not on and after the said 26th day of March 1861 well and truly perform or cause to be performed the services in the said therein-before recited contract particularly mentioned at the times and in the manner therein expressed, and thereby commit a breach of such contract and of the now reciting agreement, it should be lawful for the Postmaster General for the time being, by writing under the hand of either the Secretary or one of the Assistant Secretaries for the time being of the Post Office, to determine the said therein-before recited contract without any previous notice to the said Company or their agents, nor should the said Company be entitled to any compensation in consequence of such determination. And

whereas on the 7th day of the present month of May in the year 1861, the said Company did commit a breach of the said herein-before recited contract of the 21st day of April 1859 and of the said recited agreement of the 24th day of January 1861, inasmuch as the said Company did neglect to provide a good and efficient steam vessel for the performance of the services by such contract covenanted to be performed by you, and on the contrary thereof did then provide a steam vessel for the performance of such services which was not a good and efficient steam vessel for the said service, and which said last-mentioned vessel having been examined by the persons having authority in that behalf, and having been declared by the Lords Commissioners of the Admiralty not to have a speed sufficient in their opinion for the fulfilment of the stipulations of the said Company's contract, was not approved of by me. Now, therefore, take notice that I, Edward John Lord Stanley of Alderley, Her Majesty's Postmaster General for the time being (by virtue and in exercise of the power or authority in the said several herein-before recited articles of agreement, dated respectively the 21st day of April 1859 and the 24th day of January 1861, or one of them, in this behalf enabling me), do by this writing, under the hand of Frederic Hill, Esquire, one of the Assistant Secretaries for the time being of the Post Office, determine the said herein-before recited contract of the 21st day of April 1859, on and from the day of the date hereof. And I, the said Edward John Lord Stanley of Alderley, Her Majesty's Postmaster General, do hereby declare that you the said Company shall not be entitled to any compensation in consequence of such determination.

Dated this fifteenth day of May 1861.

By command of Her Majesty's Postmaster General.

General Post Office, 15th May 1861.

(Signed) FREDERIC HILL,

One of the Assistant Secretaries of the Post Office.

No. 230.

Mr. MALCOMSON to the POSTMASTER GENERAL.

Respected Friend, Mayfield Factory, Portlaw, Ireland, 15th May 1861.

Our Galway agent has communicated to me by telegraph that the "Columbia," arrived yesterday in Galway, has so much damaged her paddle wheels in the ice going into St. John's, Newfoundland, for the mails for England, that it is impossible fully to repair them in time for her sailing again on Tuesday next, the 21st instant.

There being now, as we have already laid before your Lordship, no ship that we can obtain to charter for to carry out the mails on that date, I have sought for and obtained a friendly letter from Lord Bessborough, asking you to reconsider your decision not again to employ the "Prince Albert" in the service. The "Columbia's" temporary inefficiency having arisen, not from any fault on the part of the ship or her machinery, but from the laudable desire on the part of her commander to bring the Newfoundland mails, though there was much ice off that coast, gives us, I trust you will recognize, some little claim to your favourable consideration.

Your Lordship is, I am sure, in declining the "Prince Albert," actuated by the feeling that it is essential that the British mails should be speedily carried to their destination, and I trust before long we will be in a position to carry them to your Lordship's satisfaction. The "Adriatic" with the mails of the 23d was reported "arrived out" on the 1st, thus making the fastest passage to America that has yet been made by any ship, and from the engine power in our new ships being nearly double that required by the contract, we look to satisfactory passages from them also when their machinery is in good working order.

From conversations I have had with some of our Irish members at the House of Commons, since Mr. Baxter's allusions in the House to the Atlantic Company, I expect he has before this been informed that any further attempts on his part to throw discredit on our Company, which are manifestly only for the purpose of endeavouring to preserve for his Scotch friends a monopoly of any subsidies that may be granted for carrying the American mails, will be met by a united demonstration from our Irish members that they will uphold the claims of our large body of Irish shareholders to a share of any subsidies for carrying letters, so very large a proportion of which is really Irish correspondence.

Being sanguine that your Lordship will give our case your favourable consideration, we will proceed to prepare the "Prince Albert" for sailing with the mails on the 21st instant, and as we do not claim any subsidy for carrying them, by her, I trust we will find that we have not presumed too far in doing so.

The Lord Stanley of Alderley.

I remain, &c.
(Signed) W. MALCOMSON,
Chairman of the Atlantic Company.

No. 231.

No. 231.

Mr. F. HILL to Mr. BOATE.

(34,687.)

Sir,

General Post Office, 16th May 1861.

I AM directed by the Postmaster General to acknowledge the receipt of your letter of the 14th instant, and to refer you to my communication of yesterday's date, in which I acquainted you of his Lordship's decision with regard to the termination of the contract with the Atlantic Royal Mail Steam Navigation Company.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 232.

Mr. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 16th May 1861.

Sir,

I HAVE the honour to acknowledge the receipt of your communication of the 15th instant, and in reply the Directors of the Company request me to express to you the hope that his Lordship the Postmaster General, when he is in possession of the explanation which I am instructed to submit to him, will see sufficient reason to reconsider his determination.

In the meantime, and in accordance with the offer contained in the letter which I addressed to you on the 14th instant, the necessary arrangements for the charter of the "La Plata" have been completed, and she will be ready for the conveyance of the mails to the United States on the 21st instant, subject to the consent of his Lordship the Postmaster General.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE.

No. 233.

Mr. F. HILL to Mr. MALCOMSON.

(30,483.)

Sir,

General Post Office, 17th May 1861.

I AM commanded by the Postmaster General to inform you, in reply to your letter of the 15th instant, that since it was written his Lordship has felt it his duty to terminate the contract with the Atlantic Royal Mail Steam Navigation Company, and that no further vessel will sail, therefore, under the stipulations of that contract.

W. Malcomson, Esq., Portlaw, Ireland.

I am, &c.
(Signed) F. HILL.

No. 234.

Mr. F. HILL to Mr. BOATE.

(482 L.)

Sir,

General Post Office, 18th May 1861.

IN reply to your letter of the 16th instant, I am directed by the Postmaster General to state that any arrangement made by the Atlantic Royal Mail Steam Navigation Company for the hire of "La Plata" steam vessel must be wholly irrespective of the mail service, the contract for that service having been terminated.

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 235.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 20th May 1861.

Sir,

NOTWITHSTANDING the notification which the Directors have received from the Postmaster General of the termination of the postal service between this Company and the Government, the Directors, having regard to the present anxious state of affairs in America, and the great importance in a commercial point of view of continuing the communication between the two countries by the shortest route (namely, from Galway and St. John's, Newfoundland), and thus obtaining and forwarding the earliest information, have desired me to convey, for the information of his Lordship the Postmaster General, their intention of despatching the steam ship "Prince Albert," after the arrival of the mail train at Galway to-morrow afternoon, the 21st instant, for St. John's, Newfoundland, and New York, without making any charge whatever, or demanding any subsidy or compensation.

In making this offer the Directors are prompted only by a desire to furnish additional means of conveying information between the two countries by letters and telegrams.

I have, &c.

The Secretary, General Post Office.

(Signed) A. BOATE.

No. 236.

MR. F. HILL to MR. BOATE.

(36,101.)

Sir,

General Post Office, 21st May 1861.

I BEG to acknowledge the receipt of your letter of yesterday's date (which, however, was not delivered at this office until after five p.m.), stating that it was the intention of the Atlantic Company to despatch the steamer "Prince Albert" from Galway this afternoon for Newfoundland and New York, after the arrival at that port of the mail train from Dublin.

Presuming that the object of your letter was to offer to convey a mail by the "Prince Albert" (although it is not so expressed), I beg to inform you that it is not the practice of this office to forward by a private ship letters which are not specially addressed to be so forwarded.

It does not appear that any letters were posted here addressed to be sent by the "Prince Albert."

A. Boate, Esq.

I am, &c.
(Signed) F. HILL.

No. 237.

MR. BOATE to the SECRETARY to the POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, London, 29th May 1861.

Sir,

I AM instructed by the Directors of the Atlantic Royal Mail Steam Navigation Company (Limited) to make the following statement in reference to the notification received from you on the 15th instant of the intention of his Lordship the Postmaster General to put an end to the contract entered into between the Company and the Lords of the Admiralty under date of 21st April 1859 for the postal service between Galway and the United States of America.

The Directors desire respectfully to offer their protest against this act, and to urge upon his Lordship a consideration of the following statement.

The Directors would contend, first, that the Company have strictly performed the terms of their contract, and they are of opinion that on explanation and reconsideration it will be found that the alleged ground for putting an end to the contract is not tenable.

Assuming, however, for a moment the legality of such notice according to a strict legal construction of the contract, the Directors submit with the utmost confidence that after the statement and explanation which they propose to lay before his Lordship facts will be disclosed sufficient to induce the Postmaster General to withdraw it, upon the ground that it is a severe exercise of the power vested in the Government, and that such

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an exercise of it is a most unusual step, and one tending to create great dissatisfaction, not only to the shareholders in this Company, but to contractors and to the public, and one which would not be followed were the contract between individuals, and that in fact the exercise of such a power, vested in the Postmaster General by Act of Parliament, will be one of the severest measures that has ever been adopted under similar circumstances.

In explaining the position of the Company, the Directors deem it necessary to revert to the special circumstances connected with the contract. They feel, if any case could be made against them of any omission or any want of exertion on their part or failure in the performance of any portion of the contract arising by the default of the Directors or the Company, they would not be in a position to appeal so strongly to the Postmaster General and to Her Majesty's Government for the resumption of the contract entered into; but the Directors undertake to satisfy his Lordship that in every detail, from the date of the contract to the present time, no single act which could have been accomplished has been omitted, and that the delay in the completion of the ships, and any omission as to the punctual performance of the service, have not arisen from any circumstance which the Directors could by possibility control.

The Directors entertain a hope that if they can satisfy the Postmaster General of these facts, so great an injustice will not be done to the Company and the public and to Ireland as to put an end to a mail service of this importance—important as regards the Company and the shareholders, whose interests are deeply involved, important as regards the commercial part of the question, and especially important as regards Ireland.

Prior to the 21st April 1859 the Company were in possession of a colonial contract made with the colony of Newfoundland for a postal communication between Galway, Newfoundland, and the United States of America. This contract was dated the 22d October 1858, and stipulated for the payment of a subsidy to the Company of 13,000*l.* per annum, and at the date of the Imperial contract the Company was performing this postal service.

On the 21st April 1859 a contract was entered into between Her Majesty's Government and this Company, intituled "Galway, Boston, and New York Mails," and was a contract comprising the performance of a mail service between Galway, Boston, New York, and the United States of America.

In pursuance of this contract the Company took steps to construct four large and powerful steam ships with a view of carrying out the proposed service in a full and complete manner. The preparation of the lines, plans, and specifications of ships of such size and power necessarily occupied some time; but on the 10th day of June 1859 arrangements were sufficiently advanced to enable the Company to enter into a contract with Messrs. Palmer and Co., of Newcastle, for the construction of two of the ships at a cost of 95,000*l.* each ship, and on the 15th of the same month they signed another contract with Messrs. Samuelson and Co., of Hull, for the construction of two other ships at a cost price of 97,500*l.* each. By the postal contract it was provided that the ships should be 2,000 tons and of 450 horse-power each, while the Directors having determined to leave nothing undone to carry out the service efficiently, entered into contracts for constructing ships of 2,750 tons and 800 horse-power, being largely in excess of the tonnage and power mentioned in the postal contract.

The lines, plans, and specifications of the ships thus contracted for were submitted to the approval of the Board of Admiralty, and were approved by them.

The builders of the ships were builders of well-known eminence, and no bargain or stipulation was made with a view of lowering the price to be paid for the ships, the Company having stipulated only for vessels efficient for the purpose.

As some justification for the selection of the builders, it may be remarked that Messrs. Palmer and Co. had been employed by the Government as ship builders, and were subsequently to the date of the Company's contract also employed by the Government in the construction of an iron-cased frigate of between 3,000 and 4,000 tons, and which has been recently launched.

The Directors took every possible precaution in their contracts to ensure the construction of ships efficient in build and in power and their delivery within the time required for the service.

The builders' contracts provide that the vessels should be built of the "best materials, in a substantial and workmanlike manner, and finished in superior style; and that the whole of the works should be done under the inspection and subject to the approval of the Company, or their surveyor for the time being, and by whom all materials should be approved, and that the Company or their surveyor, and also the inspectors of the Admiralty and of Lloyd's should have access at all reasonable times during

“ the progress of the works to examine the same, and that the whole of the works should be properly and substantially fastened to the satisfaction of the Company or their surveyor for the time being,” and the builders were also under obligations to do such works to the vessels, fittings, machinery, and appurtenances, whether shown or described in the drawings or specifications or not, as were necessary to make first-rate paddle-wheel steam vessels.

Having regard to the contract entered into by the Company with Her Majesty's Government, and further with a view of ensuring ships of an efficient and perfect character, the Directors inserted another clause in the contracts, by which the builders covenanted that they would “ upon the delivery of the said vessels respectively, deliver to the Company the certificate of the Board of Trade that each vessel is in accordance with the requisitions of the Board of Trade, and also that each of said vessels when delivered by them to the Company should be in such state and condition as to satisfy the Board of Admiralty, to enable the Company to obtain from the Board of Admiralty a certificate of such satisfaction, and that each of the said vessels when delivered should be equal to 9 years A 1 at Lloyd's.”

The time for the commencement of the postal service was by contract fixed for the month of June 1860, that is to say, fourteen months from the date of the Admiralty contract.

In these contracts the builders were bound to deliver the ships within twelve months from the date of the contract, so as to be in ample time for the performance of the service, and they inserted a clause making the builders responsible for penalties for any delay beyond the time stipulated.

The Directors, in providing for the construction of the ships, took also every means to urge upon the builders the importance of their fulfilling their engagements, but it was evident that the construction of ships of such enormous tonnage and power was a work of immense difficulty and anxiety.

I am desired to call the attention of the Postmaster General to the fact that, although three ships would perform the service, the Directors had taken the precaution to order four ships in the first instance, so as to ensure punctuality and efficiency, and provide against any accident.

The Directors trust his Lordship will be convinced that every effort which foresight could suggest had been made by them, and that every step in their power had been taken to ensure the punctual commencement and efficient performance of the service.

They therefore confidently submit that under these circumstances they are not responsible for any omission or delay on the part of the builders to deliver these enormous ships within the time stipulated.

It is due to the builders to refer to the great tonnage and power of the ships and the numerous special requirements to claim for them some indulgence and excuse for having occupied more time in their construction of these ships than was stipulated for in the contracts. But though the Directors have done all in their power to ensure a full and faithful performance of the service, and any omission or delay arising with respect to the commencement or the performance of the service would be one which in ordinary contracts should not be visited with any severe measure as against the contractors, still they feel bound to state that there are other considerations with respect to the contract which they respectfully contend completely and entirely exonerate them from all blame, and justify them in asking at the hands of Her Majesty's Government the most full and liberal consideration of the question, and a recall of the notification for putting an end to the contract.

The circumstances to which the Directors allude are the political questions which were raised immediately after the grant of the contract, and with which the Directors had no connexion whatever, and over which they had no control, and the suspension, as it were, of the running of the time within which the service was to begin, it is submitted that the consequence of this state of things ought not in fairness and justice to be visited on the Company.

In ordinary transactions it has always been held that if any circumstance arose with reference to one of the contracting parties which tended to delay, or which interfered with the ordinary performance of the contract, the party in reference to which such circumstances may have arisen would not be justified, legally or equitably, in any severe or forced construction of the contract as against the other parties, who had been innocent of any identification with the cause of interference.

Had the contract of April 1859 not been interfered with there would have been no delay whatever in the commencement of the service in June 1860, and in its full and faithful performance.

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Immediately, however, after the date of the contract Parliament was dissolved, and soon after the opening of the new session, namely, in July 1859, a Committee was appointed by the House of Commons to inquire into the subject of postal contracts generally, but special reference was made to the Galway contract, and it was openly and distinctly asserted that the validity of such contract would be called in question, and in and out of Parliament the subject was commonly discussed.

Adverse interests adopted every step to prejudice the cause of the Company, and political questions were raised, and charges made against the former Government, which prejudiced most seriously the interests and proceedings of the Company.

It was hoped that the Parliamentary Committee appointed in the month of July 1859 would have made a report in reference to the Galway contract before the close of the session. It failed, however, to do so, and in the early part of the session of 1860 the Committee was re-appointed, but the report of such Committee as regards the Galway contract was not made until the 22d of May 1860. In this report it was stated, in reference to the Galway contract, "*it will, of course, be open to Parliament to decline to vote the money for carrying out the contract, but your Committee is not prepared to recommend this course.*"

This report furnished ample materials to the opponents of the line to justify their constant statements, which were repeatedly published, calling in question the validity of the contract; and the doubts thrown upon it were considerably strengthened by a letter addressed by the Treasury to the Company, under date of the 22d of June 1860, in which it was stated,—

"Under these circumstances it is impossible for their Lordships to foretel what may be the decision of Parliament, or, until the final report of the Committee is made, to give any pledge as to the course which the Government may think it their duty to adopt."

The question, however, was finally set at rest, but not until the 9th August 1860, upon the discussion which took place on the vote for the subsidy.

The estimate had been taken out of the ordinary estimates of the year, and it formed a subject of repeated questions by members of Parliament opposed to the grant; it also formed the subject of discussion in Parliament; and finally the Government promised to have the vote submitted as a special vote on some evening to be agreed upon, when the whole question would be open, *thus separating it from all the other ordinary votes of the session.*

After a division in the House, however, the vote for the subsidy was carried on the 9th August 1860, and the contract thereby confirmed.

It must be remarked that this occurred sixteen months after the date of the Company's contract, and not until two months after the time actually named for the commencement of the service. The Directors, therefore, submit that they are entitled to the whole of that period of sixteen months, and that their obligation to prepare for the commencement of the service should strictly date from the 9th August 1860, when the House of Commons confirmed the grant, and that therefore they should not be compelled to commence the contract until October 1861. Up to the 9th of August 1860 it was clearly a matter of uncertainty, and in common fairness the Directors ask that they should not be prejudiced by the delay occupied in the discussion of political and other matters involving the validity of the contract, and not in any manner affecting the conduct of the Company, but which discussions had the effect of seriously injuring the Company and crippling their powers in preparing for the service.

It cannot be denied but that the proceedings in Parliament had a prejudicial effect on the builders as well as on the power of the Directors. The builders could not be expected to press on with zeal their works, and the Directors were unable to enforce from the shareholders the calls and contributions on the shares at a period when it was openly avowed and stated that the contract would be cancelled.

This difficulty was increased by the consideration that had the contract been set aside by Parliament, there would have been very great loss upon the ships then in course of construction. Still, in the presence of these almost insuperable difficulties, and against the influence and efforts of interested parties, and notwithstanding the political discussions constantly renewed to the very serious prejudice of the Company, the Directors sedulously and zealously laboured to fulfil their part of the contract, determined not to spare any exertion or expense to accomplish the great object in view. They felt that the interests of their shareholders were threatened, but they also felt that this great contract, important as it was to the interests of Ireland, should not be damaged by any act or omissions on their part.

The Directors challenge inquiry as to the course they had adopted, and unhesitatingly

assert that in no one single instance have they omitted to do what was required of them to perform all the obligations imposed upon the Company.

The Directors painfully arrive at the conclusion that these circumstances have not been duly considered, and that they have not had full opportunity of explaining them. They, however, submit that the Company ought not to be prejudiced, nor should the interests of the shareholders be sacrificed by such causes, and the Directors feel that they have not had that consideration which they were justified in expecting, but, on the contrary, that the Company has been hardly dealt with in many respects in connexion with the contract, both in the infliction of serious penalties and in the refusal to accept ships for the performance of the service, and the refusal also to suspend the service until the 1st June next, as originally pressed upon the Postmaster General, and this to an extent which the Directors conceive was not warranted by the proceedings, and which is unparalleled either as between the Government and the contractors or between individual contractors in ordinary commercial life.

The Company would, under these circumstances, have been justified in requesting a postponement of the time for the commencement of the service.

It was, however, urged upon them that the commencement of the service at the time stipulated was an indispensable condition, and that any shortcoming in this respect would justify the opponents of the measure in calling upon the Government to terminate the contract.

The Directors therefore determined to commence the service on the 25th of June 1860, and this they did at a time when the validity of the contract was still in question, and about two months before Parliament had actually confirmed the contract.

Since that period the Company have struggled against unexampled difficulties, but in all cases up to the month of March 1861, the period named for the recommencement of the service under the new arrangement made with the Postmaster General, they have done their utmost to perform the service, but the Post Office Department has inflicted severe penalties upon the Company for any concession which has been granted to them, notwithstanding the special and unprecedented circumstances before mentioned.

Having regard to these facts, the conviction has been forced upon the minds of the Directors that from the commencement of the contract in June 1860 down to the receipt of your letter of the 15th May instant, notifying to the Company the intention to put an end to it, the Company have not received at the hands of the Post Office that consideration which they had a right to expect, and the correspondence has been of a character not calculated to give the Directors any hope that their efforts for the faithful and full performance of the service would be fairly or liberally entertained.

This disagreeable impression on the minds of the Directors has been created by many circumstances, amongst which may be specially named,—

First. When the Postmaster General fixed the 26th June for the commencement of the contract, the Company suggested that the colonial mails (*viz.*, those for Newfoundland) fixed for departure on Saturday the 23d June 1860, might be merged into the service for Tuesday the 26th of the same month, so as to save the Company the obviously unnecessary step of sending two ships over precisely the same line to St. John's, it being admitted that the second ship was much larger and faster than the first, and that the change would not in any manner prejudice the commercial interest. (*Vide Appendix A.*)

The request was refused by the then Postmaster General, and the Company were put to the needless and unnecessary expense and risk of sending two ships, within three days of each other, over precisely the same line, without any corresponding advantage to the commercial public.

Secondly. The Post Office Department in July 1860, prior to Lord Stanley of Alderley's accession to the ministerial control of that Department, compelled the Company to pay a fine of 1,000*l.*, under exactly similar circumstances, as a penalty for permitting the Company to send the Newfoundland mails by the ship leaving on the 24th of that month, instead of sending them on the 21st. (*Vide Appendix B.*)

Thirdly. On this voyage the then Postmaster General inflicted a fine of 500*l.* upon the Company as the condition upon which they were permitted to send the mails by the "Prince Albert" (one of the most efficient steam ships afloat), so that for acceding to that which the Directors contend was a most reasonable and proper request, the Post Office compelled the Company to pay 1,500*l.* in addition to the ordinary obligations of their contract.

Fourthly. In June 1860, notwithstanding the difficulties the Company had had to contend with, the then Postmaster General refused to accept the "Parana" (which the
Company

Company had chartered at great expense, in order to fully carry out the requirements of the Contract,) for the service, although she was in Galway Bay, ready to receive the mails, and was in power and tonnage and in speed fully within the terms and conditions of the contract, and capable of performing the voyage.

This refusal obliged the Company to put on the "Connaught," the first of their new vessels which had been delivered for that voyage; but this ship having met with an accident in steaming out of the harbour, was obliged to return to her moorings.

Communication was then made to London for instructions, and for permission to put the mails on board the "Parana," (being a contingency especially provided for by the contract,) and which could have been done within a few hours, but the Post Office refused to give it, and ordered the mail bags to be sent to Cork to meet some trans-Atlantic steamer. The mails were accordingly forwarded, and were on their way to Cork, but urgent applications and remonstrances having been again made, instructions were ultimately given to put the mails on board the "Parana," and they were brought back to Galway, a telegraphic message having caught the train conveying the mails at some intermediate station, and afterwards forwarded to America by the "Parana."

Fifthly. In August 1860 the Postmaster General again imposed a fine of 500*l.* upon the Company as the consideration for permitting the "Prince Albert" to depart with the mails on the 28th of that month, in addition to the penalties imposed by the contract.

Sixthly. On a subsequent occasion the Postmaster General imposed upon the Company a penalty of 3,000*l.* for not commencing the service under the new arrangement on the 26th of March 1861, although this inability arose from an accident to the "Hibernia" by a hurricane, a circumstance over which the Directors could have no possible control, and notwithstanding that the Company tendered in substitution a ship of 2,567 tons and 800 horse power to replace the "Hibernia" on this voyage.

In considering the onerous nature of the penalties which have thus been inflicted upon the Company, it is of the utmost importance to bear in mind that the contract is a penal one, the penalties being most unusual and more severe than any imposed in any similar service, and that therefore any penalty or fine under such circumstances, in addition to those stipulated for by the contract, were matters of great, and, as the Directors venture to submit, of unnecessary hardship to the Company.

Independently, however, of these fines, the Directors consider that in another and more important point they have been hardly dealt with.

They now particularly refer to the serious question relating to the Newfoundland subsidy and the construction of the Imperial contract which was attempted to be forced upon the Company, to the effect that the Company were bound to take mails to St. John's, Newfoundland, in addition to telegraphic messages, without any extra payment beyond that mentioned in the Imperial contract, thus seeking to deprive the Company of the subsidy of 13,000*l.* a year payable under the before-mentioned contract with the Newfoundland Government.

By the terms of the Imperial contract of April 1859 the Directors were not bound to do more than carry telegraphic messages to St. John's.

The Directors laid before the Postmaster General the correspondence and minutes of letters from the Lords of the Treasury, which furnish the most incontrovertible evidence that it never was the intention of the Government that the Company should undertake any such obligation, and this view was distinctly confirmed under the authority of the Department of the Admiralty, where the postal contract was actually prepared.

The Postmaster General, however, insisted that the Company were bound to take mails to St. John's, Newfoundland, by their engagement with the English Government, although this was clearly never contemplated by the contracting parties.

On this point I am desired to call attention to the following facts:—

The Imperial contract is dated the 21st April 1859; prior to this the Company were performing a mail service under a colonial contract with the Government of Newfoundland to carry a monthly mail between Galway and St. John's, Newfoundland. This contract was dated 22d October 1858.

In the early part of 1859 this Company sent in a tender to the British Government, offering to carry the American mails between Galway and Boston, Halifax or Portland, and New York. The tender was expressly limited to these mails.

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

On the 22d day of February 1859, a letter was addressed by the Treasury to the Company informing them,—

“ That their Lordships would be prepared to enter into a contract with them for the conveyance of the mails, once in every fortnight, to and from Galway and New York and Galway and Boston.”

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

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

The letter addressed by the Treasury to the Admiralty was also dated 15th March 1859, and relates to,—

“ The performance of a contract by a mail service between Galway and Boston and Galway and New York alternately. It also states,—

“ The Company at all times to deliver telegraphic messages either at St. John’s, Newfoundland, or at Halifax, Nova Scotia, within six days.”

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

Secondly as to the construction.

The contract is entitled “ Galway, Boston, and New York mails.” It provides in terms and by the time-table for mails between Galway and Boston and New York only, and for delivery of telegraphic messages at St. John’s, Newfoundland.

The clause at page three provides,—

“ That all the vessels shall, both on the outward and homeward voyages, call at St. John’s, Newfoundland; and that the said Company shall convey in the said vessels, to and from and cause to be delivered and received at each of the ports and places at which the said vessels are to proceed, call, or touch in performance of the contract, all such of Her Majesty’s mails, passengers and telegraphic messages as shall have to be delivered or received at such places respectively.”

The clause then refers to time-table A.

The obvious construction of this is governed by the word “ *respectively*,” that is to say, that the Company shall deliver at each of the ports or places,—

“ Such mails, passengers, and telegraphic messages as by the terms of this contract shall have to be delivered at such places *respectively*.”

That is to say, mails and passengers to New York and Boston, and telegraphic messages to St. John’s.

It cannot be denied that the original tender, the Treasury minute, and the instructions from the Treasury to the Admiralty, and every written document connected with the affair, all expressly limited the mails to Boston and New York, and *excluded mails* to St. John’s.

If any confirmation of this were needed, it is satisfactory to know this is the view of the Admiralty Department, where the contract was actually drawn and completed, for in the letter addressed by the Admiralty to Messrs. Vallance and Vallance, the writer says:—

“ Nothing can be clearer to my mind, and certainly when the contract was settled, it was not intended to send mails to St. John’s.” (*Vide* Appendix C.)

The Directors, therefore, protest earnestly against what would appear to be an inequitable and unjust construction attempted to be fixed upon them by the Post Office Department.

The Directors submit that, in accordance with the literal construction of the contract, they were not compelled to take mails to St. John’s, Newfoundland; still less could they be called upon to do so, having regard to the intention of the contracting parties; and that had there been any doubt as to the proper meaning of the contract, a Court of Equity would have rectified it in all ordinary cases between contracting parties.

The construction put upon the contract is, in the minds of the Directors, the more onerous when reference is made to the letter addressed by the Treasury to Messrs. Vallance and Vallance, the Company’s solicitors, under date 29th August 1860. (*Vide* Appendix D.)

In this letter it is distinctly stated that the Lords of the Treasury thought it but reasonable that the colony should contribute 8,500*l.* a year for the superior service which they would have, and it is clearly expressed that the Company would be in receipt of such 8,500*l.* in addition to the Imperial subsidy of 78,000*l.*

Also in a further letter addressed to the Company (*vide* Appendix E.), the Postmaster General asks whether the Directors will agree to carry the mails to Newfoundland

Newfoundland for the payment of 8,500*l.* per annum, thus proving that the obligation did not then exist.

*The Postmaster General, however, subsequently, notwithstanding the urgent appeals of the Company and the explanations which had been given, not only ignored the distinct offer of arrangement by the Treasury and by the Postmaster General for allowing the Company 8,500*l.* a year for this service, but insisted upon the before-mentioned unfavourable, and, as the Company submit, untenable construction of the contract, without giving the Company an opportunity of being heard on the subject; and finally, as a condition for permitting the Company to suspend the service until March last, the Postmaster General also insisted that the Company should forego altogether the Newfoundland subsidy, and yet take the mails to St. John's, not only every month, as provided by the Newfoundland contract, but every fortnight, thus doubling the service and the risk and cost to the Company, and yet depriving the Company of 13,000*l.* a year, the amount of the colonial subsidy.*

The Directors respectfully submit that these proceedings were harsh and onerous as against the Company, but more particularly as the colonial subsidy of 13,000*l.* a year was due under a contract entered into prior to the Imperial contract, and the 8,500*l.* a year of such 13,000*l.* was payable by the colony.

Besides, it was known that additional delay and risk in performing the American Postal Service must arise from the necessity of the Company's ships going into St. John's, Newfoundland, every voyage, and that this delay and risk were never contemplated or calculated upon when the Company's original tender was made to the Government, or in the contract.

The Directors have also cause to feel aggrieved that when they protested against this severe measure, and made the application to suspend the service until March last, the Postmaster General peremptorily insisted upon the Company signing an agreement undertaking to carry these mails fortnightly to St. John's without the colonial subsidy; and that *under a threat that unless the Company executed such agreement, his Lordship would cancel the contract altogether.*

Under duress, therefore, and feeling the serious responsibility cast upon the Directors as between themselves and their shareholders, the Directors signed the document, undertaking to carry the mails, but reserving the right to appeal to the Treasury on the common ground of fair dealing and faithful performance of obligations emanating from the Treasury, and distinctly appearing upon the correspondence with that Department.

The Directors submit that the postal contract will not bear the interpretation the Postmaster General insisted on putting upon it; but taking a much higher ground, they confidently submit that having regard to the distinct and avowed intention of the contracting parties, the Company ought not to have been placed in such a position by a threat of the contract being cancelled, unless they adopted his Lordship's construction, at variance as it was with every document connected with the undertaking.

From the commencement of the service in June 1860, until the suspension of it with the Postmaster General's sanction in October of the same year, every step was taken urgently and diligently by the Directors to perform the service, and such service was performed, although under fines and penalties as above mentioned.

The loss of the "Connaught" in October last, and the non-delivery of the other ships from the builders, compelled the Directors to ask for a suspension, and this was not only approved of by Her Majesty's Government, but was in fact the result of a suggestion made by the Postmaster General in a letter from the Post Office Department under date of 25th August 1860. (*Vide Appendix F.*)

With regard to the suspension of the service, it will be borne in mind that when the Postmaster General forwarded to the Company the draft of a very severe contract to be executed by them, the Directors urged that it would insure a more satisfactory service if the suspension was allowed until the 1st of June 1861, for having regard to the then non-delivery of all the new ships, the Directors did not desire to involve the Company in the responsibility of undertaking to recommence the service on the 26th March.

This request was refused, and the Postmaster General peremptorily insisted on the Company signing such agreement, under a distinct threat that unless such agreement were signed in the form sent within seven days, "*the Postmaster General would put an end to the contract without further notice.*" (*Vide Appendix G.*)

The request for the suspension of the contract until the 1st of June next was, the Directors submit, most reasonable, as that would have been only ten months from the time when the postal contract was confirmed by Parliament.

In the earnest desire, however, to do all in their power to carry on the service, the Directors purchased the "Adriatic" steam ship to supply the place of the "Connaught,"

which had been lost in October 1860, the "Adriatic" being the only vessel in the market, either in this country or in America, suitable for the requirements of the contract, and capable of being purchased,

The second and third new ships, namely, the "Hibernia" and the "Columbia," were delivered to the Company and respectively surveyed and accepted by the officers of the Admiralty and of the Board of Trade in March last (1861). The Company had, therefore, on the 26th March 1861 the following ships for the service:—The "Hibernia," already surveyed and passed by the Admiralty and the Board of Trade for the service; the "Adriatic" and "Columbia" at Southampton, notified for survey and subsequently passed by the Admiralty and Board of Trade, and the "Anglia," launched and nearly completed and ready to take her place in due course.

The "Hibernia" was fixed to commence the service on the 26th March last, and left Southampton on the 17th of March, fully approved and accepted as before mentioned by the Admiralty and Board of Trade as fit for the service. She was, however, unfortunately caught in a hurricane on that and the following days, and disabled, and was sent to Liverpool, and is now under repair by Messrs. John Laird and Sons, of Birkenhead.

The Directors, therefore, immediately took the necessary steps to provide another ship to replace the "Hibernia" for this voyage, in full and strict performance and in accordance with the express terms of a clause contained in the contract providing for the substitution of a vessel when actually a ship should become disabled; and they chartered the "Magdalena," a vessel performing a Government mail service, of 2,567 tons and 800 horse power, being 567 tons and 350 horse power in excess of what was required under the Company's contract. The Directors submitted this ship to the Postmaster General for approval. The Postmaster General, however, refused to accept her, as well, also, as another ship offered. The refusal of the Postmaster General was, however, accompanied by an intimation to the Company that his Lordship would consent to the Company foregoing the voyage on the 25th March, *but only under a penalty of 3,000l. and the loss of the subsidy.* This intimation was conveyed in the following terms:—

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

The Directors venture to think that such a course as this has never before been adopted in reference to any mail contract.

The "Columbia" was despatched from Galway on the 9th of April, as also the "Adriatic," in due course, on the 23d of April.

The repairs of the "Hibernia" not having been completed in time for the departure of the 7th May, the Directors submitted to the Postmaster General the "Prince Albert," and expressly offered to take the mails out by her free of charge or subsidy. This request and offer was subsequently supported and recommended for adoption by a requisition signed by members of Parliament. (*Vide* Appendices H. and I.) This offer was, however, refused by the Postmaster General, and the Directors immediately chartered the "Parana," at a cost of several thousand pounds, and submitted her for the voyage of the 7th May instant, but his Lordship refused to accept her, on the ground that an opinion had been given by the Admiralty Surveyor that she was not efficient for the performance of the service.

The Directors also complain that they have not had an opportunity of learning what instructions have from time to time been given to the surveyors, nor what had been the precise nature and terms of the surveyor's reports upon any of the ships submitted, and, in consequence, they have been deprived of all opportunity of explanation or hearing on the subject.

The "Parana" is of 2,730 tons and 800 horse power, and the Directors submit that she was within the terms of the contract and fully efficient to perform the service; and as the best answer to the opinion given to the contrary, they refer to the fact that the "Parana" had been accepted and passed by the Postmaster General on a former occasion for the performance of a precisely similar voyage under this contract, in carrying the mails from Galway to Boston, *and had performed the voyage in one day and two hours less*

less than the time contracted for on the outer voyage, and seven hours under the time for the homeward voyage.

Independently of this, the Directors would refer to the clause in the contract giving permission to the contractors to send out a ship of equal tonnage to those stipulated for in the event of any ship being disabled; and the Directors with confidence submit that the "Parana," being greatly in excess of the tonnage and horse power over those mentioned in the contract, is a vessel coming within the terms of the Company's contract, and should, under the circumstances, have been accepted as such by the Post Office Department.

Notwithstanding, however, his Lordship's refusal, the "Parana" was despatched on Tuesday the 7th day of May in the ordinary course of the service, and in fulfilment of the obligations of the Company, but the Postmaster General refused to send any mails by her.

The only ground alleged by the Postmaster General in the notification as to putting an end to the contract is the fact that the Company did not provide an efficient ship for the service on the 7th of May; and they submit that the "Parana" is an efficient ship, coming strictly within the terms of the contract, and that the Company have fully and faithfully performed their part of it.

The Directors, however, do not desire to rest their case upon the strict construction of the contract, but they confidently appeal to the Postmaster General under the circumstances before stated, to accord to them that fair and ordinary consideration which is usual in all similar cases, and especially that consideration which is bestowed by the Government to all contractors.

It is to be remarked that the contract is a penal one, and the Government have indicated the mode in which any omission or nonperformance of the service shall be compensated for; and should the service not be performed within the stipulated time, the penalties in the contract go to the reduction of the subsidy, so that the public do not suffer.

Independently of this, it must be borne in mind that this service reduced the communication with America by one day for letters, and four or five days for telegraphic communications.

The Directors would refer to the voyage of the "Adriatic," the last of the Company's ships which has arrived from America, she having made the passage out in nine days nine hours, being one day seventeen hours less than the contract time, and on the homeward voyage in nine days eighteen hours, being six hours less than the contract time.

The Directors contend that, whatever omissions or defaults have been made in the service up to the 9th of April 1861, they are wholly and entirely condoned and compensated for, as in every case fines and penalties have been imposed for any omissions or concessions.

But as a new agreement was entered into on the 24th January last, the Directors submit that the case may be treated as simply having reference to that agreement, providing for the commencement of the service on the 26th March last.

Now the omission to send a ship on the 26th of March arose from an accident at sea to the "Hibernia," in a hurricane on the 17th and 18th March, and that omission was condoned by the penalty of 3,000*l.* inflicted by the Postmaster General.

Since that time the Directors consider they have made no default.

In conclusion, therefore, the Directors respectfully submit—

That the only reason alleged for cancelling the contract, namely, the inefficiency of the "Parana" to carry out the mails, is answered by the fact that the "Parana" is a mail boat performing a postal service, and that she has before been placed on the Galway service, and has actually performed the voyage to Boston and back considerably under the time specified in the Company's contract.

The Directors prefer, however, to put their case as one of extreme hardship on the Company under all the circumstances. For whatever political or imperial questions might have arisen as to the contract, *they claim to have allowed to them the period during which the Postal Contract Committee was sitting, viz., sixteen months, and that the period named in their contract for commencing the service should not run from the date of the contract, but from the date at which such contract was confirmed by the House of Commons, namely, the 9th August 1860.*

That after the enormous amount of capital embarked in this undertaking in the preparation of the ships on the faith of the Government contract, it would be a case of great hardship to the shareholders to deprive them of the advantage of this subsidy, and thus utterly destroy the valuable property upon which the capital has been embarked.

On commercial grounds the importance of having direct and speedy communication between Galway and St. John's cannot be overrated. This line forms a link connecting Europe with America, and reducing the communication to about six days.

Finally. The Directors cannot close this communication without calling attention to the fact that the undertaking has been looked upon as tending to provide for Ireland great commercial advantages, making her the highway of communication between Europe and America; and the people of Ireland have furnished ample proof of the value they attach to it by the manner in which they have identified themselves with it, both as shareholders and otherwise.

The Directors have now only to hope that the explanations afforded will induce his Lordship the Postmaster General to reconsider the question, and to withdraw the notification as to putting an end to the contract.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

APPENDICES.

APPENDIX A.

FROM SECRETARY OF COMPANY TO SECRETARY OF POST OFFICE.

Sir, 10, Cannon Street, E.C., 8th June 1860.
THE day appointed in the present month for the despatch of the Newfoundland mails being the 23d instant, I have the honour to request you will be so good as to submit for the consideration of the Postmaster General whether the transmission of these mails may not be delayed until the 26th instant, the day fixed by the Post Office Department for the sailing of the Company's ship with the New York mails.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

FROM THE ASSISTANT SECRETARY OF POST OFFICE TO SECRETARY OF COMPANY.

(Immediate.)

Sir, General Post Office, 13th June 1860.
IN reply to the request made in your letter of the 9th instant, that the Atlantic Royal Mail Steam Navigation Company may be permitted to despatch no packet from Galway on the 23d instant with the mails for Newfoundland, but that those mails may be carried by the first steamer appointed to be despatched under the new contract, on the 26th instant, I am directed by the Postmaster General to inform you that Her Majesty's Government cannot agree to the proposal.

A steamer must be despatched from Galway on the 23d instant in the ordinary course.

I am to request that you will forthwith furnish me with the name of the packet to be provided for the purpose.

A. Boate, Esq., I am, &c.
Atlantic Royal Mail Steam Navigation Company. (Signed) F. HILL.

FROM SECRETARY OF COMPANY TO SECRETARY OF POST OFFICE.

Sir, 10, Cannon Street, E.C., 13th June 1860.
I HAVE the honour to acknowledge your letter of this day's date, and, agreeably with the requirement of Her Majesty's Government, the Directors will be prepared to despatch the "Golden Fleece" from Galway on the 23d instant, in the ordinary course, with Her Majesty's mails on board, under the Newfoundland contract.

The Secretary, General Post Office. I have, &c.
(Signed) A. BOATE, Secretary.

APPENDIX B.

FROM SECRETARY OF COMPANY TO ASSISTANT SECRETARY OF POST OFFICE.

Sir, 10, Cannon Street, E.C., 17th July 1860.
REFERRING to the interview had with you this day by the General Manager of the Company, at which you stated, as the only condition on which you could advise the Postmaster General to sanction the mails for Newfoundland of the 21st being conveyed by the steamer leaving Galway for America on the 24th instant, that the Company should forfeit 1,000*l.*, being the amount of the subsidy to which they would be entitled under their contract with the Newfoundland Government;

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

Under the circumstances, however, the Directors have no option but to accede to the condition of the Post Office Department.

Nevertheless,

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

F. Hill, Esq., General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

APPENDIX C.

From the ADMIRALTY to COMPANY'S SOLICITORS.

Dear Sirs,

Contract Office, Admiralty, 25th September 1860.

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

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

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

Messrs. Vallance and Vallance,
20, Essex Street, Strand, W.C.

I am, &c.
(Signed) ANTONIE BRADY.

APPENDIX D.

From the TREASURY to COMPANY'S SOLICITORS.

Gentlemen,

Treasury Chambers, 29th August 1860.

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

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

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

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

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

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

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

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

Messrs. Vallance and Vallance,
20, Lower Essex Street, Strand.

I am, &c.
(Signed) G. A. HAMILTON.

APPENDIX E.

From the ASSISTANT SECRETARY OF POST OFFICE to SECRETARY OF COMPANY.

General Post Office, 14th September 1860.

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

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

I am, &c.
 (Signed) F. HILL.

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

APPENDIX F.

ASSISTANT SECRETARY OF POST OFFICE to the SECRETARY OF COMPANY.

General Post Office, 25th August 1860.

Sir,
 HAVING laid your second letter of yesterday's date, relative to the employment of the "Prince Albert" steam ship, before the Postmaster General, I am directed to inform you that on certain conditions, and on these only, his Lordship has very reluctantly consented to grant the Company's request.

These conditions are—first, that, as on the previous occasion of the use of this vessel, a fine of 500*l.* be paid, in addition to any penalties which may arise for over-time on the voyage; and, secondly, that the Directors do state in writing that this is the last time that they will ask for permission to use any vessel which is not strictly within the terms of the contract, including, of course, the provision which requires that the entire designs, plans, and sections of every vessel shall, previous to building, be presented for approval by the Postmaster General.

When the time had been appointed for the present service to commence, no application was made by the Directors of the Company to postpone the commencement, although it soon became evident that they were not in a position for working the service under the terms of the contract; but Lord Stanley of Alderley desires that it may be distinctly understood that, after the departure of the "Prince Albert" on Tuesday next, either the contract must be fully performed or the Directors must at once apply for leave to suspend it, with a statement of the grounds upon which they make such application, as no further irregularities will be permitted.

On receipt of a letter from you, informing me that the Directors entirely agree in the conditions I have named, orders will be given to permit the embarkation of the mails on Tuesday next on board the "Prince Albert."

I am, &c.
 (Signed) F. HILL.

A. Boate, Esq.

APPENDIX G.

The SECRETARY OF THE POST OFFICE to the SECRETARY OF THE ATLANTIC ROYAL MAIL COMPANY.

General Post Office, 19th January 1861.

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

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

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

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

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

I am, &c.
 (Signed) F. HILL.

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

APPENDIX H.

APPENDIX H.

From the SECRETARY of the COMPANY to the SECRETARY of POST OFFICE.

Atlantic Royal Mail Steam Navigation Company (Limited),
10, Cannon Street, E.C., London, 23d April 1861.

Sir,

ADVERTING to your letter of the 11th instant, No. 347 M, intimating that the Postmaster General cannot permit the "Hibernia" to be again employed in the postal service until she has been strengthened to the extent required by the Admiralty surveyors, I have the honour to state, for the information of Lord Stanley of Alderley, that the "Hibernia" is now in dock at Liverpool undergoing the necessary repairs.

The Directors have entered into negotiations with the West India Royal Mail Company to place the steam ship "Oneida" on the Galway line for the postal service, on the 7th May next, in lieu of that vessel.

Before, however, they finally conclude this arrangement, which will cost the Company a sum of over 10,000*l.*, the Directors respectfully submit, as the service on the 7th proximo will be between Galway and Boston, for which 11 days and 16 hours is allowed by the contract, that the steam ship "Prince Albert" may be permitted to take the mails on that occasion, under such conditions and penalties as may seem to be expedient to the Postmaster General; but Lord Stanley having intimated that he cannot permit the "Prince Albert" to be again employed in the postal service as on two former occasions, viz., under a penalty of 500*l.* per voyage, the Directors are willing to convey the mails of the 7th May to Boston in the "Prince Albert" without any payment whatever, and to place her also under the conditions of the contract as to penalties for over-time on the voyage.

This ship having been surveyed and passed both by the Admiralty and Board of Trade surveyors, the Directors will submit her to any further examination which may be deemed requisite by placing her in dock.

They respectfully trust, therefore, that his Lordship the Postmaster General will favourably entertain this request, having regard to the positive saving to be effected to the Government of the entire amount of the subsidy for one voyage, viz., 3,000*l.*, which the Directors propose to forfeit in consideration of his Lordship's acquiescence in the above arrangement.

The Secretary, General Post Office.

I have, &c.
(Signed) A. BOATE, Secretary.

APPENDIX I.

WE, the undersigned Members of Parliament, have read the annexed letter, and, under all the circumstances, consider the request a reasonable one, and beg leave to recommend it to the favourable consideration of the Right Honourable Lord Stanley of Alderley, Postmaster General.

Name of Member.	County or Borough.	Name of Member.	County or Borough.
Wm. McCormick	Londonderry	James H. Hamilton	Dublin county.
M. E. Corbally	Meath county.	Samuel Gurney	Penryn and Falmouth.
Francis B. Beamish	Cork city.	Harvey Lewis	Marylebone.
John Vance	Dublin city.	W. Seymour Fitzgerald	Horsham.
Dunkellin (Lord)	Galway.	J. E. Redmond	Wexford town.
T. J. Burke (Bart.)	Galway county.	Wm. H. E. Cogan	Kildare county.
John Brady	Leitrim county.	Patrick O'Brien	King's county.
James Wild	Bodmin.	D. O'Connell	Tralee.
Francis P. Dunne	Queen's county.	E. E. Latham	Huddersfield.
Wm. Stackpole	Ennis.	Thomas Connolly	Donegal.
Francis Macdonough	Borough of Sligo.	H. Corry	Tyrone county.
Robert Longfield	Mallow.	Wm. Verner	Armagh.
Francis McCaleutt	Clare county.	James McCann	Drogheda.
Naas (Lord)	Cockermouth.	John Greene	Kilkenny county.
J. E. Taylor	Dublin county.	Lawrence Waldron	Tipperary county.
Alfred R. Bristow	Kidderminster.	Nicholas P. Leader	Waterford county.
James Whiteside	Dublin University.	P. Macmahon	Wexford county.
Fermoy (Lord)	Marylebone.	Stewart Knox	Dungannon.
John F. Maguire	Cork city.	John Boyd	Coleraine.
Isaac Butt	Youghal.	George Bowyer	Dundalk.
W. H. Gregory	Galway county.	Michael Sullivan	Kilkenny city.
John Ennis	Athlone.	John A. Blake	Waterford city.
Edward Grogan	Dublin city.	J. Richardson	Lisburn.
W. B. McClintock	Carlow county.	W. H. Hamilton	Linlithgow county.

No. 238.

SIR ROWLAND HILL, K.C.B., to Mr. BOATE.

General Post Office, 13th June 1861.

Sir,
 THE Postmaster General having fully considered the statement which, on behalf of the Royal Mail Steam Navigation Company, you submitted in your letter of the 29th ultimo, in reference to the termination of the contract entered into on the 21st April 1859, between the Lords of the Admiralty and the Company, for a postal service between Galway and the United States, I am directed to address to you the following reply.

The Directors first contend that the Company have strictly performed the terms of their contract, but a reference to the mode in which the service has been performed will show that this statement is not borne out by the facts.

Out of 46 single voyages which the Company were bound by their contract to perform in the period of its duration, viz. between the 26th June 1860, and the 15th May 1861, only 17 have been performed at all, and of these only three within the strict terms of the contract.

The Directors proceed to observe, that, at the date of the contract, the Company were in possession of a contract made with the Government of Newfoundland on the 22d October 1858, for a postal service between Galway, Newfoundland, and the United States, and were performing that service. This is a correct representation of the position of the Company at the period when the contract with the Imperial Government was entered into; but, six months before the time arrived for bringing this latter contract into operation, the contract with the Colonial Government, which was only for one year, had terminated, and the Colonial service afterwards performed by the Company was only a provisional service specially authorized by the Lords of the Treasury as a temporary measure.

The precautions adopted by the Company to insure the construction of ships, efficient in all respects for the performance of the mail service, and the delivery of such ships within the time at which they would be required, are then adverted to; and on these points it will be necessary to make a few observations before the close of this letter; but, in reference to the credit assumed by the Company for having ordered and constructed four ships whilst three would perform the service, I am in this place to remark, that the Company were bound by their contract to have at all times a sufficient number of ships for the due execution of the service, and that the sufficiency of three ships depended on the improbable contingency that no ship should meet with an accident, or be required to be laid up for cleaning or ordinary repairs.

The Directors, however, do not substantially rest their case upon the allegation that the contract has been strictly performed, but urge various circumstances to show that the right vested in the Postmaster General to put an end to the contract ought not to have been exercised.

As an excuse for the delay of the builders in completing the ships, the Directors refer to the doubts raised as to the validity of the contract, on the appointment by the House of Commons of the Select Committee on Packet Contracts in July 1859, which doubts they allege were strengthened by a letter addressed by the Lords of the Treasury to the Company, on the 22d June 1860.

The Directors submit that, under these circumstances, they ought not to have been compelled to commence the service until October 1861, or fourteen months from the 9th August 1860, the day on which the subsidy was voted by the House and the contract thereby confirmed. But they lose sight of the fact that no application for postponement was made by the Company at the time referred to, nor at any other time for a postponement of the length now mentioned. Instead of so acting, the Company began the service with insufficient means, and entered upon the course which they since, on successive occasions, followed, of urging the Postmaster General to allow them to employ vessels not within the terms of the contract.

The words of your letter might seem to imply that before the contract commenced the Company pressed upon the Postmaster General a suspension of the service until the 1st June 1861; but no such application was made by the Company until the 12th December last, when their operations had entirely broken down, and a considerable part of the period first named by themselves for a suspension of the service had expired.

On the 7th November last the Company asked for a suspension until March 1861, which was granted, and stated that they were fully confident that by that period they should be in a position to carry out the service to the entire satisfaction of the Postmaster General.

The

The Directors state that it was urged upon the Company that the commencement of the service at the time stipulated, viz., June 1860, was an indispensable condition. If these words are meant to imply that this urgency was from the Post Office, I am directed to state that no such pressure was exercised by this Department.

The Directors next allege that, though they have done their utmost to perform the service, the Post Office Department has inflicted severe penalties upon them for any concession which has been granted to them.

This statement is incorrect.

No penalty was imposed for the employment of the "Parana" when she was permitted to take the mails, and no penalties have been levied for the many occasions upon which, prior to the signing of the agreement for the suspension of the service, the Company failed to provide any packet for the conveyance of the mails on the appointed days.

With respect to the fines inflicted as the condition upon which the Company were permitted to send the mails by the "Prince Albert," the Postmaster General desires me to observe that, as the Company were liable by the terms of their contract to a penalty of 500*l.* for every twelve hours' delay in the despatch of a suitable vessel, the permission which was granted to them to employ a vessel not coming within the stipulation of the contract, subject only to a single penalty of 500*l.*, so far from being oppressive, was a great indulgence, since by such permission all question of further penalty was waived, and the remaining part of the subsidy for that voyage, which would have been lost had no vessel been sent, was allowed; in fact, it was a lower payment for an inferior service, and only a deduction from the subsidy to that extent.

In reference to the penalty of 3,000*l.* claimed from the Company in consequence of their not recommencing the service on the 26th March, I am to observe that, as the Company, after their repeated failures, had been allowed to suspend the service till that day, and had been cautioned at the time when that suspension was agreed to, that, unless they recommenced the service on the appointed day, and thenceforward performed the conditions of the contract strictly according to their fair intent and meaning, the Postmaster General would feel it incumbent upon him to terminate the contract, it was the duty of the Company to have provided more than one ship before that day arrived, the more especially as they had stated in their letter of the 7th November last, applying for a suspension till March, that by March they should have three new ships fully equipped.

In consequence of the inability of the Company, therefore, to provide a proper ship for the conveyance of a mail on the 26th March (the ship offered in place of the "Hibernia" not coming within the stipulations of the contract), the Postmaster General, after the intimation made to the Company, would have been fully authorized to put an end to the contract; and his substituting the penalty of 3,000*l.* for the forfeiture was, in fact, a large concession.

It is alleged that the Company have not had an opportunity of explaining the difficulties of their position, and that they have not received at the hands of the Post Office that consideration which they had a right to expect. The Postmaster General cannot admit the justice of this complaint; on the contrary, he maintains that very frequent opportunities have been given to the Company to make explanations, both written and oral, and that those explanations have met with great consideration and even with indulgence.

In proof of the alleged want of such consideration, the Directors complain that in June 1860 they were required to send a ship to Newfoundland with the mails conveyed under the provisional arrangement before referred to three days in advance of the first packet appointed to sail under the Imperial contract. The Postmaster General can see no ground for their complaint on this head. To have decided otherwise would have been equivalent in his Lordship's opinion to granting two subsidies for the performance of only one service, and as the Company made no offer to give up the Colonial subsidy of 1,000*l.* for the voyage of the 23d June it was not reasonable to expect that that voyage would be dispensed with. In the following month, as the Company expressed their willingness to forego the Colonial subsidy, the Postmaster General consented to their proposal to send no separate packet. The Postmaster General cannot, however, admit that the withholding of this subsidy can properly be described as imposing a fine.

The refusal of the Postmaster General to accept the "Parana" for the conveyance of the first mail is brought forward as another proof of want of consideration on his part. But this refusal was fully warranted by the previous performances of that vessel in the service of another company, and was further justified by the result of her voyages when permission was afterwards given for her employment on two occasions by the Atlantic Company; since on one of these voyages she was 1 day 5 hours behind time at St. John's, and on the other 1 day 13 $\frac{3}{4}$ hours.

The statement that the accident which happened to the "Connaught" on her attempting to start from Galway with the first mail was a contingency provided for by the contract, and that such provision allowed the employment of the "Parana," cannot be admitted. It was the duty of the Company to have been prepared with more than one ship, surveyed and approved, before the date fixed for the commencement of the service. The clause in the contract allowing the Company to replace disabled ships by other vessels could not be intended to apply to a case in which the Company had neglected to provide the sufficient number of ships adverted to in the first part of the same clause. But even supposing that the break-down of the "Connaught" did come within the terms of that clause, the Company were bound to furnish, in lieu of the vessel disabled, a ship not only of similar tonnage, but also good and efficient; and it was for the Postmaster General to decide, under the authority given to him in the first clause of the contract, how far he could consider any particular vessel as coming under that definition.

With respect to the other vessels employed by the Company, it is to be observed that the "Prince Albert," although described by the Company as one of the most efficient steam ships afloat, performed the service very badly, occupying from 15½ hours to 4 days 11½ hours beyond the time stipulated in reaching St. John's, and being behind time at New York twice in her three voyages, once to the extent of more than three days.

The "Adriatic," purchased by the Company, is unquestionably a very efficient vessel, and the one voyage which she made under the contract was most satisfactory. But she is the only vessel which has sailed under the Company's contract that has performed all parts of the service within the stipulated time.

The vessels constructed by the Company have not proved satisfactory.

The "Connaught" on her first outward voyage did not arrive at St. John's, Newfoundland, until the eighth day, instead of within six days, as stipulated by the contract. On the second voyage the time occupied in reaching St. John's was seven days and a half. She was in a very leaky condition when the fire, by which she was destroyed before reaching Boston, broke out, and she is believed to have been deficient in strength.

The "Hibernia" on her voyage to Galway met with bad weather, and sustained injuries. The Company, on being requested by the Postmaster General to give a detailed report of those injuries, answered, under date of the 28th March, that "The vessel shipped "a heavy sea, which carried away her skylights forward, and caused her to make "water." On the 6th of April she was re-surveyed by the Admiralty surveyors, and was found to be considerably strained and unseaworthy. From that time she has been in dock at Liverpool; and the Postmaster General has reason to believe that a considerable time must still elapse before she can be sent to sea.

With respect to the "Columbia," the surveying officer reported that the construction of her hull was in many respects faulty; that she was fit, however, to carry the mails for two or three voyages during the summer, but that after that she should be carefully examined in dry dock, when he apprehended that she would be found not to have that degree of strength which was requisite to prevent straining and leakage when at sea. Under this opinion, the Postmaster General felt it his duty to accept this vessel for two round voyages only. The "Columbia" on the only voyage she has made was 4 days 6 hours over her time in reaching St. John's, and 6 days 2 hours over her time in reaching Boston. On the return voyage from Boston she exceeded the time allowed by 3 days 8 hours, and was 1 day 21½ hours over her time from St. John's. In consequence of the injuries she sustained in this her only voyage, she has since been sent for repair to Liverpool, where she now remains.

In referring to the circumstances connected with the Newfoundland service, the Company have brought forward nothing new with respect to the obligation of the Company to land and embark mails at Newfoundland, as part of the service stipulated for in the Imperial contract of April 1859, and paid for by the subsidy of 3,000*l.* per voyage.

The Postmaster General must decline re-opening this question. In two letters, respectively dated the 20th November and 3d December last, the Company were informed that the Postmaster General could not agree in the construction which they put upon this contract.

His Lordship felt it his duty to take the contract as it stood, and to act in accordance with what he considered to be its obvious interpretation.

When, therefore, the Company, which took another view, had failed in the performance of the service undertaken, and applied for a suspension of their contract, the Postmaster General would have lost sight of his duty to the public if, while granting this suspension, and while remitting the very heavy penalties to which the Company had subjected themselves

selves by not providing ships, he had not taken the opportunity of clearing up all doubts as to the obligations of the Company with respect to the Newfoundland service.

As already observed, the subsidy under the Colonial contract was not 13,000*l.* a year, but 13,000*l.* for one year, which year had expired before the contract with the Imperial Government came into operation. And as, even according to the construction of the Company, every vessel employed under the Imperial contract was bound to call at St. John's to land telegraphic messages, the statement that the obligation to deliver mails at that port doubled the risk and cost to the Company is incorrect.

The remark that the suspension of the Galway mail service was the result of a suggestion made by the Postmaster General is so far true that, on the 25th August last, only two months after the service had commenced, the means provided by the Company for carrying on the service had proved so insufficient that the Postmaster General felt it to be his duty to caution the Company that they must thenceforth either fully perform the obligations of the contract, or apply for leave to suspend it; and, except as regards the removal of the doubts above referred to, the "very severe contract" which it is alleged the Postmaster General required the Company to enter into, was simply an agreement by which they were to undertake to recommence the service at the period first named by themselves, on the same conditions as under the original contract, with a warning, as already mentioned, that if they again failed to comply with those conditions the contract would be terminated.

With respect to the "threat" of which they complain, that unless such agreement were signed within seven days the Postmaster General would put an end to the contract, they have omitted to add, that the draft agreement was forwarded to them on the 21st November, and it was not until the 19th January that the Postmaster General fixed seven days as the period within which the agreement must be signed. During all this time the Company were performing no service, and were consequently rendering themselves liable to heavy penalties, which, however, were not enforced.

As to the complaint of the Directors, that they have not had an opportunity of learning what instructions have from time to time been given to the Admiralty surveyors respecting the survey of the Company's ships, nor what have been the precise nature and terms of the surveyor's reports upon any of the ships submitted, I have only to observe that the reports of the surveyors are made for the information of the Lords of the Admiralty, and through them of the Postmaster General, who by the terms of the contract is made the sole judge of the vessels which shall be accepted for the mail service.

Although the immediate cause of the termination of the contract was that the Company did not provide an efficient ship for the conveyance of the mails of the 7th May, such failure was preceded by many similar failures before the suspension of the contract, and by one failure even during the short period that had elapsed since the time appointed for the resumption of the service. It was, moreover, known that the Company had at the time only one efficient ship in their service, which ship was in America.

The Company contend that the "Parana" was an efficient ship under the terms of their contract, and that she had been passed and accepted by the Postmaster General on a former occasion, for a precisely similar voyage from Galway to Boston, which she had performed under the time allowed by the contract. In making this assertion, the Company again keep out of sight that, although the "Parana" reached Boston within the time allowed, she was 1 day 5 hours behind time at St. John's, and that the result, therefore, of that very voyage showed that she was not fit for the service for which she had on that occasion been accepted.

The Postmaster General must repeat the statement made in my letter of the 6th ultimo, that, in his decision on this and all other nautical questions, he has been guided by the advice of the Lords Commissioners of the Admiralty, who, in their letter on the subject, stated that they did not consider the speed of the "Parana" sufficient to secure a fulfilment of the stipulations of the contract.

That their Lordships were correct in this opinion is proved by the result of each of the voyages made by the "Parana," the time allowed for the service between Galway and Newfoundland (the performance of which within six days was, in the opinion of the Postmaster General, one of the most important conditions on which the large subsidy was granted to the Company) having in one or other direction been on every occasion exceeded.

The Company seem to consider that, as they are subject to penalties for excess of time on the voyage between Galway and the United States, such excess is not an infringement of the stipulations of their contract, and they urge that the public do not suffer by such excess of time. The Postmaster General cannot admit this view. A failure to perform the

the service undertaken within the specified time is equally a breach of the contract, whether the default does or does not render the Company liable to fines; and the 43d clause of the contract distinctly provides that it may be terminated by the Postmaster General in case of any breach, notwithstanding that the Company have been subjected to fines on account of such breach. The Company forget that the public do suffer by delay in the delivery of their letters, and it has happened several times that letters forwarded by the Company's packets have reached their destination later than if they had been kept over for conveyance by a subsequent packet of another line.

The Postmaster General believes that he has now disposed of all the points of any importance raised by the Directors, and has to remark that the statements contained in my letter of the 15th ultimo remain unshaken.

In conclusion, I am directed to state that the Company, after repeated failures, to which great indulgence was accorded, and after being allowed temporarily to suspend the service altogether, undertook, on its recommencement, well and truly to perform the obligations of their contract; and as they failed in this engagement, it was with great regret that the Postmaster General felt it to be his duty at last to carry into execution the decision which he had already informed the Company he should be compelled under such circumstances to adopt.

I am, &c.
(Signed) ROWLAND HILL.

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

ATLANTIC ROYAL MAIL STEAM PACKET COMPANY.

COPIES OF CORRESPONDENCE

BETWEEN

THE TREASURY, THE POST OFFICE, AND THE
ATLANTIC ROYAL MAIL STEAM
PACKET COMPANY,

From the 4th May 1860 to the 13th June 1861.

(Presented by Her Majesty's Command.)

1861.

