

COPY of TREASURY MINUTE, dated 1st August, 1874.

My Lords have again before them the contract, dated 8th July, 1874, between the Postmaster-General and the Peninsular and Oriental Steam Navigation Company, for the conveyance of the East India, China, and Japan mails. My Lords have also before them the minute of the Board of 13th July, 1874. These two papers have already been laid before the House of Commons. Their Lordships' attention is particularly directed to the 8th, 17th, 18th, 19th, and 20th clauses of the contract. Their Lordships have also before them an amended contract between the same parties, and for the same object, dated 1st August, 1874, in which words have been inserted in the clauses referred to, specifying more particularly the time to be allowed for passages between certain ports on the respective voyages, and providing that all the penalties payable under the amended contract shall be increased as provided therein, and shall be absolute except in cases of shipwreck and damage to machinery.

My Lords consider that the amendments proposed are advantageous to the Public Service, although they are aware that it was distinctly understood that the terms of the contract of 8th July, 1874, would be construed as binding the Company to the time-table now more specifically set forth. They are pleased, therefore, to approve of the amended contract now submitted to them, and they desire that a copy of the amended contract, together with copy of this minute, may be laid on the table of the House of Commons.

MEMORANDUM by the POSTMASTER-GENERAL relating to the foregoing Contract.

THE following are the only points in which the contract with the Peninsular and Oriental Steam Navigation Company of the 1st August, 1874, differs from the contract executed on the 8th July, 1874, and now on the table of the House of Commons.

In clause 8, the number of hours to be allowed for the carriage of the mails over several of the routes, omitted in the first contract, are inserted in the second.

In clause 11, the provisions with respect to stranding in the Suez Canal are made applicable to voyages *out* and *home*.

In clause 19, the penalties imposed for failure to perform within the appointed time the voyages from Bombay or Point de Galle to Brindisi, are extended by the second contract to the voyages from Calcutta or Shanghai to Brindisi, and the amount of such penalty is in each case quadrupled.

Further, the penalty is made absolute.

Clause 20 in the second contract applies to the routes between Hong Kong and Yokohama, and between Bombay and Shanghai, the same quadruple penalty which is fixed by clauses 17 and 18 to other routes, and makes the penalty absolute.

General Post Office, 1st August, 1874.

JOHN MANNERS.

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