1. Number of pages. 14
2. Date of repair. 8-12-
3. Initials of Reference

M.R.O. 1—2M 405—22-12-69

MADRAS RECORD OFFICE.

Government of Madras.

Public DEPARTMENT.

G.O. No. 1640 Press / Mis.

Dated 15 — 12 — 1870

Not to be folded or roughly handled

No. 126. Read the following Despatch from His Excellency the Right Honourable the Secretary of State for India, to His Excellency the Right Honourable the Governor-General of India in Council, dated India Office, London, 20th October 1870, No. 94 (Public):—

I forward, for the information and guidance of your Excellency in Council, a copy of a letter from the General Post Office relative to a new contract which Her Majesty's Postmaster-General has, with the sanction of the Lords Commissioners of the Treasury, concluded with the Peninsular and Oriental Steam Navigation Company for the conveyance of the East India, China, and Japan mails, together with (18) eighteen copies of the Agreement in question. I desire that your Lordship in Council will make the necessary communications to the Governments of Madras and Bombay with reference to Mr. Tilley's letter and the accompanying contract.

16th August 1870, No. 590-V.

2. I at the same time enclose, for the information of your Government, a copy of a communication which I have caused to be addressed to the General Post Office on the above subject.

14th October 1870.

From J. TILLEY, Esq., to H. MERIVALE, Esq., C.B., dated Whitehall, London, 16th August 1870, No. 590-V.

I am directed by the Postmaster-General to acquaint you, for the information of the Secretary of State for India in Council, that difficulty having been experienced in agreeing upon the amount of subsidy to be paid to the Peninsular and Oriental Steam Navigation Company for the conveyance of the India, China, and Japan mails, under the varying scale of subsidy stipulated for by the contract of the 19th November 1867, his Lordship has, with the sanction of the Lords Commissioners of the Treasury, concluded a new contract on the following terms:—

1. All the services to continue to be performed as at present.

2. The Company to undertake, on receiving a three months' notice from the Postmaster-General, to substitute for the present service between Marseilles and Alexandria a weekly service in each direction, between the ports of Brindisi and Alexandria, and to perform such service in seventy-five hours, being at the rate of eleven knots per hour, the penalty for late arrival being leviable, in this case, after the expiration of twelve hours, instead of twenty-four hours beyond the contract time. This change, however, not to take effect until the Mont Cenis tunnel is completed and available for the conveyance of the mails.

3. The Company to be allowed, on giving three months' notice to the Postmaster-General, to embark and disembark the heavy portion of the India, China, and Australian mails at Liverpool instead of at Southampton. The time to be allowed for the voyage between Alexandria and Liverpool to be computed at the contract rate of speed of ten knots an hour.

4. In lieu of the varying subsidy stipulated for by the contract of the 19th November 1867, a fixed annual subsidy of £450,000 a year to be paid to the Company by the Post Office, to commence from the 1st April 1869, the payment to the Company for the fourteen months previous to that date being at the full amount of £500,000 a year. The fixed subsidy to include the payment for calling at Penang, and not to be subject to any deduction on account of the withdrawal of the sorting officers from the Mediterranean packets.

5. In arriving at this sum of £450,000 a year, the Company consider that at least £30,000 a year must be set down as the estimated minimum amount of the loss they will sustain (in addition to any benefit which they may derive from being able to modify their service on the Marseilles and Alexandria route) in establishing and maintaining the Brindisi route, on which, so far as can possibly be ascertained, the receipts from passengers and cargo must, for a long time to come, be greatly below the expenditure absolutely necessary for the maintenance of the service.

6. In communicating these new arrangements, I am to transmit to you twenty copies of the contract for use in the India Office.

From J. C. MELVILL, Esq., to the Secretary, General Post Office, dated India Office, 14th October 1870.

I am directed, &c., to acknowledge the receipt of your letter of the 16th of August last, No. 590-V., transmitting copies of a new contract which you state Her Majesty's Postmaster-General has, with the sanction of the Lords Commissioners of the Treasury, concluded with the Peninsular and Oriental Steam Navigation Company for the conveyance of the East India, China, and Japan mails for a fixed annual subsidy of £450,000.

2. I am to request that you will express to the Marquis of Harington the regret of the Duke of Argyll in Council that His Grace should not have been consulted before a new arrangement affecting, as this does, the revenues of India, was made.

No. 3358.

Ordered that a copy of the above and of the contract with the Peninsular and Oriental Steam Navigation Company be sent to the Government of Madras and Bombay for information.

2. Also to the Director-General of the Post Office of India for remarks, and to the Comptroller-General of Accounts for guidance.

FORT WILLIAM,
FINANCIAL DEPARTMENT,
30th November 1870.

(Signed) J. WESTLAND,
Offg. Under Secy. to the Govt. of India.

No. 127. ORDER THEREON, 15th December 1870, No. 1640.

Ordered that copies of the foregoing papers, and of the contract referred to, be furnished to the Postmaster-General and to the Master Attendant, Madras.

(True Extract.)

Chief Secretary.

To the Postmaster-General.
,, Master Attendant, Madras.

Encl. J. Wright.

India Office London
20th October 1870

Public.
No 94.

His Excellency the Right Honble
the Governor General of India
in Council.

My Lord.

1 I forward for the information
and guidance of your Excellency in Council,
a Copy of a letter from the General Post Office
relative to a new Contract which has been entered into by the Postmaster General, with the Peninsular & Oriental Steam Navigation Company for the conveyance of the Mails between Brindisi and Bombay, and between Suez and Aden, and I have to request that your Lordship in Council will be pleased to communicate to the Madras Government the necessary instructions for the due performance of the Contract.

2 I have also to request that your Lordship in Council will be pleased to communicate to the Madras and Bombay Governments copies of the Agreement in question, and of Mr Tilley's letter dated the 18th instant forwarding the Contract.

3 Cattle Accommodation, enclosures for the information of your Government a copy of a Communication which has been addressed to the Postmaster General on the subject of the above mentioned Agreement.

I have &c.

Thomas Keir

for Secretary.

16th Sept 1870 No 590 P. 18

14th October 1870

Govt. of {1870} Madras.

PUBLIC.

To

THE POSTMASTER-GENERAL,
&c., &c., &c.

Dated December, 15th.

Recd. *Encl.*

G. O., 15th December 1870, No. 1640.

DECEMBER.
Nos. 126-127.

Directing that copies of the new contract entered into with the Peninsular and Oriental Steam Navigation Company for the conveyance of the East India, China, and Japan mails, and of certain papers on the subject received from the Government of India, be furnished to the Postmaster-General and to the Master Attendant, Madras.

General Post Office
London August 16th 1870.

Whitehall
590V

Herman Merivale, Esqre
&c. &c. &c. C.B.,
India Office.

Sir,

I am directed by the Postmaster General to acquaint you, for the information of the Secretary of State for India in Council, that difficulty having been experienced in agreeing upon the amount of subsidy to be paid to the Peninsular and Oriental Steam Navigation Company for the Conveyance of the India, China and Japan Mails, under the varying scale of subsidy stipulated for by the Contract of the 19th November 1867, his Lordship has, with the sanction of the Lords Commissioners of the Treasury, concluded a new Contract on the following terms.

1 All the services to continue to be performed as at present.

2 The Company to undertake on receiving a three months' notice from the Post Master General to substitute

for the present service between Marseilles and Alexandria a weekly service in each direction, between the ports of Brindisi and Alexandria, and to perform such service in 75 hours. being at the rate of 11 knots per hour - the penalty for late arrival being leviable, in this case, after the expiration of 12 hours, instead of 24 hours beyond the Contract time. This change however not to take effect until the Mont Cenis tunnel is completed and available for the conveyance of the mails.

3 The Company to be allowed on giving three months' notice to the Post Master General, to embark and disembark the heavy portion of the India, China and Australian mails at Liverpool instead of at Southampton. The time to be allowed for the voyage between Alexandria and Liverpool to be computed at the Contract rate of speed of 10 knots an hour.

4 In lieu of the varying subsidy stipulated for by the Contract of the 19th November 1867, a fixed annual subsidy of £460,000 a year to be paid to the Company by the Post Office to commence from the 1st April

April 1869. the payment to the Company for the 14 Months previous to that date being at the full amount of £500,000 a year. The fixed Subsidy to include the payment for calling at Penang, and not to be subject to any deduction on account of the withdrawal of the Sorting Officers from the Mediterranean Packets.

5. In arriving at this sum of £450,000 a year, the Company consider that at least £30,000 a year must be set down as the estimated minimum amount of the loss they will sustain (in addition to any benefit which they may derive from being able to modify their Service on the Marseilles and Alexandria route) in establishing and maintaining the Brindisi route, on which so far as can possibly be ascertained, the receipts from Passengers & Cargo must, for a long time to come, be greatly below the expenditure absolutely necessary for the Maintenance of the Service.

In Communicating these new arrangements, I am to transmit to you twenty Copies of the Contract, for use in the India Office.

I have &c
(Sd) John Tilley
India

India Office 3
14th October 1870.

The Secretary
General Post Office.

Sir,

I am directed &c to acknowledge the receipt of your letter of the 16th of August last, No 590 G. transmitting Copies of a new Contract which you state H.M. Post Master General has, with the sanction of the Lords Commissioners of the Treasury, Concluded with the Peninsular and Oriental Steam Navigation Company for the Conveyance of the East India, China, and Japan Mails for a fixed annual Subsidy of £450,000.

I am to request that you will express to the Marquis of Hartington the regret of the Duke of Argyll in Council that his Grace should not have been consulted before a new Arrangement affecting, as this does, the revenues of India, was made.

I am &c
(Sd) H. Melvill

No 3358.

Ordered, that a Copy of the above end of the Contract with the Peninsular and Oriental Steam Navigation Company be sent to the Governments of Madras and Bombay for information.

Also to the Director General of the Post Office of India for remarks; and to the Comptroller General of Accounts for guidance.

Fort William
Financial Dept
the 30th November 1870

Sent and
Offg Under Secy to the Govt of India

2/12

Public 870 Departs

From

Offg. Under Secy. Govt. of India.
Finance Dept.
No 3358.

27 Jan. Rec'd 29/30.
Rg. Dec. 29/70.

Rec. No. 2115.

Forwards a copy of the new Contract entered into with the P&O. S.N. Co. for the conveyance of the East India, China & Japan Mails, together with papers on the subject.

With an Order.

15 Dec. Rec'd 16/20

Ordered that a Copy of the foregoing Despatch be sent to the Controller of Expenditure for his information & to the Post Masters General, and to the Treasury.

Post Masters General with the Contract
Under Secretary Finance.

27 Jan. Rec'd 29/12

4/12/12
12/6

Govt. of {1870} Madras.

Public

To

The Postmaster General.

&c

Dated Dec. 15.

Recd. Encl;

G. O. 15 Dec. 1870, No 1140

Nos. 126. 127.

Directing that Copies of the new Contract entered into with the P. & O. S. N. Co. for the Conveyance of the East Indian, China and Japan Mails &c of Certain papers on the subject received from the Govt. of India, be furnished to the Postmaster General & to the Madras Attendant Headers.