No other offers have been received to perform this service. The Canadian Government Merchant Marine have stated that it is not their intention to tender for this service, as they have no steamers which would comply with the requirements as to passenger accommodation, nor cold storage, should the latter be necessary.

The Minister, therefore, recommends that authority be granted for the conclusion of a contract with the Royal Mail Steam Packet Co. for the purpose of carrying on the service as performed at present, and on the same terms and conditions as contained in the last contract. which expired on October 31st, 1920, and which has been continued by Order in Council until March 31, 1922, subject to the addition of a clause to the effect that if one or more of the steamers now performing the service should have to be withdrawn by the contractors by reason of inefficiency, or other cause, then the contractors should be called upon to use their best endeavours as far as may be reasonably possible to replace such ship or ships by other other suitable vessels; together with such/modification as the Minister may doem necessary.

In view of the fact that such an extension of the present service would not comply with the Canada-Sect Indies Agreement, it would not, of course, be possible to call upon the West Indian Colonies to carry out the provisions of Article 13, providing for the contribution by the West Indian Islands to the subsidy of various sums, amounting in all to £27,000.

The Committee, concurring in the above, advise that Your Excellency may be pleased to forward a copy of this Minute to the Right Honourable the Secretary of

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Memoranda & Notes

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