

grounds for supposing that any such sudden emergencies occurring in the postal service might not safely be left to be met in the same way with similar emergencies in other services.

Your Committee proceed to make some suggestions which present themselves from the consideration of the evidence. With respect to the details of the arrangements for the conduct of the business Your Committee purposely refrain from proposing any rules, and they prefer stating the objects which should be effected by the departmental regulations :

1. Whatever may be the distribution of the business, the responsibility of the Treasury should be complete and effective. However lax the practice, the Treasury is now responsible in theory. The decision on Post Office contracts is not a mere Post Office question, but frequently involves considerations of an imperial character affecting our political relations, our colonial empire, the efficiency of our army and navy, and the spread of our commerce. The public have a right to the real exercise of the judgment of the highest authorities on matters so important, and Your Committee would see with regret that the action of the Treasury should degenerate into a mere formal sanction of the suggestions of some other department.

2. The arrangements of the Government should secure that all information received by the departments should reach the Treasury. It has been seen that in giving their opinion on matters referred to them, departments have not thought it necessary to transmit the documents to the Treasury, and that the latter have come to decisions in ignorance of information which might materially have affected their judgment.

3. Security should be taken that the decision of the Treasury should be faithfully carried out. It appears in evidence that in one contract material conditions contained in the Treasury Minute had been omitted by mistake, and that a privilege had been inserted which the Treasury had never sanctioned or seen. The draft contract should be submitted, examined, and approved at the Treasury.

4. Your Committee would also suggest that, previously to any contract being finally sanctioned by the Treasury, draft copies should be transmitted to the Admiralty, and to such other department of the Government as might have an interest in the performance of the proposed service, for the consideration and observation of those departments.

5. As the management of the packet contracts is now vested in the Post Office, subject to the Treasury, arrangements should be made securing to the Treasury a sufficient knowledge of what is done.

We now come to the question of the manner in which contracts should be made, and the conditions of such contracts. To lay down positive rules would be impossible. A commission composed of men of high authority investigated the subject with great diligence, and made a Report deserving every consideration and respect, yet the recommendations of that Commission have not obtained the concurrence of the successive Governments who have had to decide on subsequent contracts ; and Your Committee have reason to suppose that the opinions of the Commissioners themselves have been modified by experience. Your Committee, therefore, warned by such an example, feel the necessity of great caution, and are convinced that very much must be left to the discretion of the Government, adapting itself to the varied circumstances of each case.

Your Committee will, however, offer such general observations as they consider may be of service.

1. With respect to contracts for services entirely new, Your Committee are of opinion that, as a general rule, such contracts should be put up to open competition. There are two exceptional cases ; one, where immediate steps are necessary, in which case Government must act on its responsibility, subject to the approbation of Parliament ; but in such a case, we recommend that the arrangement should be confined as much as possible to the immediate necessity. Another, and more difficult exception arises with respect to new additional branches to lines already in operation and under contract ; the circumstances are so various, so much depends on the character of the new service, its connexion with that already under contract, and the possibility of working the new line by an independent company,