

United States as to the withdrawal of the Collins line, and that "until it can be ascertained whether this withdrawal is temporary or permanent, his Lordship cannot come to any decision on the company's offer;" but it was only in communicating his suggestions as to the terms of the contract with Mr. Cunard (4th June) that the Postmaster General made the Treasury aware of the offer of the Liverpool Company; Mr. Cunard's application having in the meantime been agreed to. Though that offer was not accepted by this Government, the company nevertheless took up the days of sailing of the Collins line, and under subsequent arrangements with the Government of the United States, they carried mails for that Government, and to its satisfaction, for the amount of the ocean postage.

No. 184, p. 52.
Q. 1078.

A formal contract with the Cunard Company, was subsequently (24th June) executed, subject to some slight modifications, for the same subsidy with that of the then existing contract, with the addition of 3,000 *l.* for a new service between New York and the Bahamas. The total subsidy is now 176,340 *l.*, and the contract is to endure till 1st January 1867, and thenceforward till 12 months' notice of determination be given by either party. On the faith of this contract the Cunard Company are now building a new ship of large size, which is to cost 180,000 *l.*

No. 184, p. 61.

Q. 3572.

When the decision of the Treasury granting this renewal was come to, the then Financial Secretary, who had only entered on office at the change of Ministry in the month of March immediately preceding, was not aware of the existence of the correspondence between the Home Government and that of Canada in 1856, already mentioned; nor, though that correspondence was among the records of the Treasury, and the authority on which the Secretary of State had written his despatch of 3d December 1856, was a Minute of the Treasury, do the proceedings appear to have been known to any of the officers of the department charged with this branch of its business.

Q. 1040 *et seq.*
1078.

Q. 1841-43.

The Committee have not received any satisfactory explanation of the circumstance, that a matter so recent, and of such importance, should have been so entirely lost sight of; but it seems, in part at least, to have arisen from changes in the department, as well as changes in the office of Financial Secretary, by whom these postal contract questions had been mainly considered. It is right also to add, that no allusion is made to that correspondence, or to the question of which it treats in the minute of 2d March, above quoted, left by the Secretary who had just vacated office.

Q. 4374 *et seq.*

No. 184, p. 26.

Id. p. 30-1.

When the fact of the renewal of the Cunard contract, without any previous notice to the Government of Canada, became known, it excited great surprise and dissatisfaction. Certain members of that Government being in this country at the time when it first transpired, a remonstrance was, on their behalf, addressed to the Home Government, in the form of a letter, dated November 11th 1858; from one of their number, Mr. Galt, Inspector General of Canada, to the Secretary of State for the Colonies; and subsequently the Legislature voted an Address to Her Majesty, strongly expostulating against a course of proceeding so injurious, in their opinion, to the interests of Canada, and praying "that no renewal of the Cunard contract be made, that no subsidy be granted to any other transatlantic line, until Canada shall have had an opportunity of urging such arrangements as will conduce to its prosperity;" and that such assistance, by way of subsidy, may be given to the Canadian steamers, "as will place them on an equal footing with other lines of steamers plying between British and Colonial ports."

This Address of the Canadian Legislature, however, did not reach Britain till after the Home Government had sanctioned the formation of the Galway contract, to the proceedings in reference to which Your Committee now call the attention of the House.

In 1858, a private company, then newly formed, and chiefly promoted by Mr. Lever, by whose name it has since been generally known, established a line of steamers for commercial purposes, to ply monthly between the ports of Galway, in Ireland, and New York, in the United States. Their first vessel sailed on the 19th of June of that year, and was entrusted by the Postmaster General