

expenditure, not required by the Post Office. He admitted the wrong, but confessed his inability to find any other department on which it was so convenient to charge the expenditure, though it was placed on the estimates to encourage trade between British America and British India and China.

I wish, however, to make it clear that I am strongly in favour of subsidies. I do not think Great Britain pays enough in steamship subsidies. We now pay 650,000*l.* a year, while France, with only a few poky colonies, pays 26,000,000 francs, or over a million sterling a year in subsidies. What I ask is that our subsidies should be fairly apportioned between the Post Office and other Government departments. (Hear, hear.)

A JUST RATE FOR CARRIAGE OF MAILS.

One penny per letter is 300*l.* per ton. I propose to pay from postal revenue 100*l.* per ton for the conveyance of letters, or less than $\frac{1}{2}d.$ per letter. As the steamships carry valuable merchandise for 2*l.* per ton, it is clear that the owners would realise a very handsome profit on the transaction; and, of course, they would receive the balance of their subsidies as at present—only not out of postal revenue.

Our present mail contracts with the Peninsular and Oriental Company and the Orient Steam