

unfettered by subsidizing contracts, be obtained for the ocean postage alone) will, under these contracts, remain at nearly 157,000 *l.* a year till 1867, subject, indeed, to the gradual improvement arising from increasing correspondence, but without any opportunity during all that period of lightening the burden by taking advantage of increased competition, of additional facilities of traffic by new lines, such as that looked forward to by Halifax, or of diminished expense in steam navigation from scientific inventions or otherwise.

In the meanwhile this country and her colony present the spectacle of competition against each other, by maintaining rival subsidized lines at a great mutual cost to the respective Governments, that of Canada having recently increased her subsidy to the Montreal Company to about 84,000 *l.*

Your Committee do not question the advantages to Ireland of a direct steam traffic with America from an Irish port, nor the benefit to be obtained to this country generally, so long as no continuous telegraphic communication is established, by the speedy conveyance of messages, even once a fortnight only, from the most westerly point of Europe to the most easterly point of America. They may, indeed, consider that an open competition might have secured these advantages at a smaller cost; and they may well doubt whether, with a service from Queenstown now in operation, an additional service from Galway will be worth an expenditure of 78,000 *l.* a year. But, on the other hand, it may also be doubted whether a service from Queenstown, without any additional payment, would have been obtained had not that from Galway been decided on.

It seems to Your Committee unnecessary to discuss whether, under peculiar and exceptional circumstances, it may be expedient for the House of Commons to deviate from the ordinary practice of voting the monies required to carry out contracts which the Executive Government have conclusively effected within the limits of their authority.

The fact, however, must not be lost sight of that in the Galway Contract, there was inserted, and for the first time in such contracts, an express declaration as to the subsidy being payable out of monies to be voted by Parliament, and that this was specially under the consideration of the contractors. Under these circumstances it will of course be open to Parliament to decline to vote the money for carrying out the contract, but Your Committee is not prepared to recommend this course.

From a review of the proceedings above detailed, the conclusion seems to Your Committee irresistible, that great defects exist in the means provided, under the present system, for bringing under the notice of the parties by whom such contracts are to be authorised all the materials and considerations which are essential to a right judgment being come to. If these defects do not altogether excuse, they in a great measure account for the circumstance, that in sanctioning the contracts in question, such highly important considerations as have been above adverted to were entirely overlooked; and they call for an immediate and effective remedy.

23 Vict. c. 6.

App. Nos. 20 and 23.

Q. 4051.

Q. 4075-7.

With a view to remedy these defects, an Act has been passed in the present Session of Parliament, for transferring the enforcement of postal packet contracts from the Admiralty to the Postmaster General, and arrangements have been entered into between the Treasury and the Post Office, for the exercise, by the Postmaster General, of his new functions under it.

The chief remedy, however, for the evils of the existing system will, in the opinion of Your Committee, be found in a more efficient control by Parliament, at a stage when that control can be freely exercised.

At present, no opportunity arises for any consideration of a postal contract till a vote is proposed for the first payment under it. Even, however, when that vote comes on shortly after the contract is entered into, there is nothing, if it be a renewal of an existing contract at the same subsidy (though in anticipation, by many years, of its natural term of expiry), to warn the House that any change has taken place; nor does an increased subsidy necessarily make the House aware of the fact, as the addition may be for a supplemental service merely grafted on that under the original contract. If, again, it be for a new service for which extensive preparation requires to be made, the vote may not fall