

Mr. Hamilton to Mr. Horsfall, M. P.

Sir,

Treasury Chambers, 2 April 1859.

I HAVE laid before the Lords Commissioners of Her Majesty's Treasury the communication from the Liverpool, New York, and Philadelphia Steam Ship Company, forwarded by you to this Board on the 24th February, complaining of the subsidy granted to the Galway line of packets, and I am desired by my Lords to acquaint you in reply, that my Lords admit the expediency, as a general rule, of inviting tenders by public competition, where new postal services are about to be established, under circumstances to which the principle of competition is properly applicable, but the case referred to in your letter is quite exceptional.

Two regular weekly services between England and America had been long established, and were conducted with punctuality. A large portion of the letters, probably more than one-third, were from and to Ireland, and since the vast emigration during the last ten years from that country to the continent of America, the importance of a direct postal communication from Ireland has become apparent, and the claim of the people of Ireland for an acceleration of the service seems reasonable.

Moreover, the successful establishment of such a line would be of great advantage to the whole of the United Kingdom, by expediting considerably the communication with the continent of North America.

My Lords are not aware that any efforts were made to meet these requirements until the establishment of the service between Galway and Newfoundland, during the last year.

The Port of Galway was chosen by the parties establishing that service, and the Colony of Newfoundland readily contributed a considerable subsidy, in addition to a small one offered by Her Majesty's Government for this purpose.

It was suggested by Her Majesty's Government to the Governor of Newfoundland, whether it might not be advisable to invite tenders for that service by public advertisement, but the Colonial Government preferred accepting the offer which the parties above-mentioned made to them, and a service was established accordingly, between Ireland, Newfoundland, and the United States.

These parties having thus established the line between Ireland and America, proposed to Her Majesty's Government an extension of the same service, by a fortnightly line of steamers between Galway and the United States, communicating in six days through St. John's, Newfoundland, or Halifax, by telegraph.

This proposition was supported not only by strong representations from nearly every commercial or municipal body in Ireland, but by memorials from numerous towns and commercial bodies in this country.

My Lords, after much deliberation, have deemed it expedient, upon certain conditions, to give their sanction to the proposal of the Atlantic Steam Company.

They cannot regard it simply as a postal question. It comprises considerations of a more extended character, and the circumstances were such as to preclude, without injustice to the parties who had already acquired the Galway route, and with whom the proposition for extending it originated, the adoption of the system of inviting tenders by public advertisement in this case.

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I am, &c.  
(signed) Geo. A. Hamilton.