

the postal service with North America which service might at present, if our Government were unfettered by subsidizing contracts, be obtained for the ocean postage alone, would, under these contracts, remain at 157,000 £. a year till 1867, subject, indeed, to the gradual improvement arising from a very slowly 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, and until these contracts expired in 1867, this country and her colony would present the spectacle of competition against each other, by maintaining rival subsidized lines at a great mutual cost to the respective Governments, to the injury of private trading companies, and without any adequate advantage to the trade of this country, but with a positive loss to that of Canada, and that, too, under circumstances in regard to the mercantile steam traffic across the Atlantic which but for these contracts might admit of subsidies being dispensed with altogether.

In this state of matters the course to be adopted with reference to these contracts deserves very grave consideration.

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 already in operation, an additional service from Galway will be worth an expenditure of 78,000 £. 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 does not seem to Your Committee necessary to discuss the general question whether, even where no corrupt proceeding is established against contractors, the mere circumstance of their being free from such charge should exclude the exercise, by the House of Commons, of its constitutional power of refusing to vote the monies for carrying out the contracts of the Executive Government, however objectionable these may otherwise be.

The fact 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. In a case like this, where the public faith of the country is involved, and where, in addition to the financial objections as regards this country, great interests of others than the British people, whose Government has formed the contract, are seriously affected, Your Committee conceive that the House of Commons may legitimately and fairly exercise, and may be bound to exercise its undoubted power, without giving further effect to the circumstance of the contractors being free from blame, than by allowing them a just compensation, not indeed for being disappointed of a favourable contract, but for the actual loss to which any intermediate expenditure, consequent on the delay of a final determination, may have subjected them.

They would leave it, therefore, to your Honourable House to consider whether the circumstances of this case, so fully detailed above, and minutely exhibited in the evidence taken by the Committee, do not warrant and require the exercise of that power.

If, indeed, an arrangement were effected by which the interests of Canada should be secured, the necessity for such a course might be obviated. But otherwise, it appears to your Committee, that the House of Commons should not, in the full knowledge of the facts and considerations overlooked by the Executive, afford the means of inflicting a serious injury on one, and that not the least loyal nor least important of her colonies.

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