

"not fetter itself by further engagements, unless of the self-regulating and elastic kind I have described; but should, as far as possible, be free to avail itself of every improvement which may take place in the means of swift and punctual transit."

No reference was made to the Admiralty for a report as to risk and delay to be apprehended from touching at St. John's, referred to by the Postmaster General, or any other nautical question involved, nor for their opinion in regard to the fitness of Galway as a packet station; and on the 22d February a Treasury Minute was passed, authorising a contract to be entered into with the Lever Company "for the conveyance of the mails, once in every fortnight, to and from Galway and New York, and Galway and Boston, alternately, at a rate not exceeding 3,000*l.* for each voyage out and home; subject, first, to the pecuniary means of the company being established to the satisfaction of their Lordships; and, secondly, to such arrangements as to time and as to the build and construction of the vessels to be employed; and also to such conditions and penalties for ensuring the punctual and efficient performance of the service, as are usually in similar contracts, or may be thought necessary by Her Majesty's Government."

P. 53-4.

The details of the contract were subsequently arranged at the Treasury, the time stipulated for the voyages being fixed on the basis of an average of the Cunard line service, but deducting the time spent in transmitting the mail's from London to Liverpool, and placing them on board the steamers, and an additional 24 hours.

P. 56.

The contractors were to build four new vessels, and to commence the service in June 1860. The contract did not include the service under the Newfoundland contract.

The Treasury accepted a certificate by the chairman and secretary of the company as sufficient proof of its pecuniary means; but that certificate does not appear to Your Committee so satisfactory as it was deemed by the Treasury.

The company immediately thereafter contracted for the building of their new vessels, paddle-wheels, and of great power, at a cost of 100,000*l.* each. One of these has recently been launched, and the company expect to be ready to commence the service in June.

In the meanwhile, arrangements have been made by the Canard Company, under which their vessels, sailing from Liverpool, touch at Queenstown, and there receive mails to the latest date, forwarded by railway. This service is not stipulated for in their contract, and no additional payment is made on account of it; but Sir Samuel Cunard, in his evidence before the Committee, stated that their present intention was to continue it.

Q. 3529.

The Treasury Minute of the 22d February, authorising the Galway contract to be entered into, was not adopted according to the ordinary routine in the case of matters disposed of in the department; nor had it been referred for the decision of the Chancellor of the Exchequer, as is often done in important or doubtful cases; but the First Lord, whose attention had been specially called to the subject, by deputations and memorials, and also by representations from the Lord Lieutenant of Ireland, shortly before the date of the minute, called on Mr. Stephenson, the chief clerk, in charge of this branch of business, for his opinion regarding it. Mr. Stephenson thereupon drew up and handed to Lord Derby a Memorandum, which is in these terms:

Q. 1853 et seq.

"The question raised by the offer of the Atlantic Royal Mail Steam Navigation Company is one which it appears to me must be settled rather upon political than upon postal considerations. There cannot be a doubt of the importance of shortening the route between North America and this country. Even the Postmaster General concurs in this, and says that any arrangement which would carry out this object would receive his cordial support. But the question is, after all, an Irish one, for it is Ireland that would be the great gainer by the proposal now made. I apprehend that if the Galway route were successfully established, by far the greater part, if not the whole of the Irish postal communication, would take that route. This may be calculated at a return equal to about 24,000*l.*, which would consequently be withdrawn from

Q. 1243.