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COPY of TREASURY MINUTE, dated 16 April 1889.

THE Lords Commissioners of Her Majesty's Treasury have before them the Agreement dated 12th April 1889, which has been entered into by their Board with the International Cable Company, Limited, for the construction, laying, maintenance, and working of a submarine telegraph line from Halifax, Nova Scotia, to the Island of Bermuda.

The establishment of telegraphic communication between Halifax and Bermuda has for many years been contemplated by successive Governments, its importance for strategic reasons having been frequently urged by the War Office and Admiralty, and supported by the Colonial Defence Committee.

Until the year 1885 a service of steam vessels was maintained between Halifax and Bermuda, at a cost of 17,500 *l.* a year, chiefly for military and naval purposes. In that year fresh tenders for the service were invited, and the offer of a reduction to 14,500 *l.* obtained. It appeared, however, that military and naval as well as postal requirements could be met without maintaining the service of direct steamers between the two ports, and it was therefore decided to discontinue that service, and to proceed to the establishment of telegraphic communication. Tenders were accordingly invited in 1886 for laying, maintaining, and working a cable between Halifax and Bermuda, and were received as follows:—

	Subsidies for 20 Years.
	£.
Telegraphic Construction and Maintenance Company - - - -	20,000
India Rubber, Gutta Percha, and Telegraphic Works Company - -	12,800
Messrs. Siemens - - - - - - - - - - - - - - - - - -	12,000
International Cable Company - - - - - - - - - - - -	8,000

The amount of the subsidies demanded appearing excessive, none of the tenders were accepted; and in 1888 fresh tenders were invited, on the conditions of which a copy is appended to this Minute. Three of the Companies again tendered at the following rates:—

	Subsidies for 20 Years.
	£.
India Rubber, Gutta Percha, and Telegraphic Works Company - -	11,500
Telegraphic Construction and Maintenance Company - - - - -	14,000
International Cable Company - - - - - - - - - - - - -	6,923

Subsequently the International Cable Company applied to be allowed to modify its tender in consequence of the rise in prices since its original tender was sent in. The other Companies were therefore asked whether they also wished to modify their tenders. The final offers of the Companies then appeared as follows:—

	Subsidies for 20 Years.
	£.
Telegraphic Construction and Maintenance Company - - - - -	10,500
India Rubber, Gutta Percha, and Telegraphic Works Company - -	11,500
International Cable Company - - - - - - - - - - - - -	8,100