

Although the other reasons I have mentioned appear to me sufficient to show the inexpediency of entering into the contract in question, I would call your Lordships' attention in addition to the great drawback from the nature of the scheme caused by the circumstances that the contemplated advantages, so far as they are guaranteed, are confined to the summer, the company not being prepared to fix any number of days for the conveyance of mails in winter.

The Lords Commissioners of the
Treasury.

I have, &c.
(signed) *Colchester.*

Enclosure 4, in No. 19.

Encl. 4, in No. 19.

Sir,

Downing-street, 13 April 1859.

I AM directed by Secretary Sir E. B. Lytton to acknowledge receipt of your letter of the 30th ultimo, enclosing the copy of a report from the Postmaster General on the proposal made by the North-West Navigation and Railway Company of Canada to carry the mails through Canada and British Columbia to the Pacific; and I am to request that you will state to their Lordships, that Sir Edward is unable to add anything to his letter of the 7th ultimo on this subject.

G. A. Hamilton, Esq.
&c. &c. &c.

I am, &c.
(signed) *H. Merivale.*

— No. 20. —

(No. 76.)

COPY of a DESPATCH from the Right Honourable Sir *E. Head*, Bart., to the
Right Honourable Sir *E. B. Lytton*, Bart., M.P., &c. &c.

Government House, Toronto, C. W.,
13 June 1859.

Sir,

Received 30th June 1859.

WITH reference to your Despatch of 13th April, No. 54, I have the honour to enclose a copy of a recommendation of the Executive Council, and a copy of a report from the Postmaster General of Canada, on the subject of the proposal to carry the mails from Great Britain through Canada to the Pacific.

I should see with very great pleasure the completion of any arrangement for the performance of this service, and I am persuaded that the Canadian Government will be at all times desirous of doing what can be done to give effect to such arrangement.

I have, &c.
(signed) *Edmund Head.*

Enclosure 1, in No. 20.

Encl. 1, in No. 20.

COPY of a Report of a Committee of the Honourable the Executive Council, dated the 13th June 1859; approved by his Excellency the Governor General in Council on the same day.

THE Committee have had under consideration a petition, dated 26 May 1859, from W. M. D. Dawson, Esq., president of the "North-West Transit Company," and Hugh Allan, Esq., acting on behalf of the Montreal and Liverpool Ocean Steam Ship Company, stating their belief that the Imperial Government will be prepared to enter into a contract for the conveyance of the mails from the United Kingdom to British Columbia, and that the former company have been invited to tender for the performance of that service.

That that company, in tendering therefor, will require the assistance of some established line of ocean steamers for the mail service across the Atlantic, and that the Montreal and Liverpool Company are prepared to co-operate with the North-West Transit Company in the undertaking, upon receiving the consent of the Canadian Government for that purpose, and praying that such consent be given, and that the acceptance of the tender be urged by your Excellency on the Imperial authorities, by pressing upon their consideration the preference due to an enterprise involving such important interests, both Imperial and Colonial.

They also state that the present intention of the Home Government might thus be made the means not only of promoting an enterprise so desirable for the interests of this country, but also of obtaining that additional aid to the Canadian line of ocean steamers, without which it is impossible the line can be permanently sustained against the other heavily subsidised lines which compete for the same traffic.

No. 20.
Right Hon. Sir E.
Head, Bart., to
Right Hon. Sir E. B.
Lytton, Bart., M.P.
13 June 1859.

Min. of Council,
13 June 1859.
Report of Post-
master General,
11 June 1859.