By Mr. Cunard's contract he is only bound to convey 20 mails yearly each way between Halifax and St. John's, and if we can arrange to obtain 20 other mails direct and transmit the same number for 10,000 *l.*, we conceive such an arrangement would serve the interest of the Colony, perhaps better upon the whole than to substitute direct fortnightly communications during the year for the present arrangement, and we therefore earnestly solicit your favourable consideration of this view of the subject, as the only one likely to lead to a satisfactory solution of the difficulties which appear to surround it.

We have, &c.
(signed) *P. F. Little.*
Lawrence O'Brien.

The Right Hon. Henry Labouchere, M.P.,
&c. &c. &c.

TREASURY MINUTE, dated 17 July 1857.

WRITE to Mr. Merivale, for the information of Mr. Secretary Labouchere, that my Lords will not object to sanction the appropriation of a sum not exceeding 3,000 *l.* a year, as a contribution towards the establishment of a direct postal communication between this country and Newfoundland, in accordance with Mr. Labouchere's recommendation, leaving the details of the arrangement for the future consideration and approval of my Lords, who have accordingly requested Mr. Little and Mr. O'Brien to call upon them for the purpose of arriving at some understanding with respect to the nature of the service which it will be expedient and practicable to establish, and the best mode of carrying it into effect.

Mr. *Frederick Elliot* to Sir *Charles Trevelyan*, K. C. B.

Sir, Downing-street, 27 August 1857.

WITH reference to Mr. Merivale's letter of the 10th of July, and to your answer of the 20th of the same month, in which you express the concurrence of the Lords Commissioners of the Treasury in paying a contribution of three thousand pounds (3,000 *l.*), in addition to seven thousand pounds (7,000 *l.*) which has been provided by the Legislature of the Colony for establishing a direct postal communication with Newfoundland, I am directed by Mr. Secretary Labouchere to enclose, for your information, the copy of a letter from Mr. Little, the Attorney General of Newfoundland, stating that a total amount of fourteen thousand pounds (14,000 *l.*) proves to be requisite for the proposed service, and inquiring whether the Lords Commissioners of the Treasury will be willing to raise accordingly the amount given from this country from three thousand pounds (3,000 *l.*) to seven thousand pounds (7,000 *l.*).

Mr. Labouchere has already stated to their Lordships the importance that he attaches to securing this means of communication between this country and Newfoundland; but he must leave it to their Lordships to decide whether they think it proper to devote the further amount of public money now asked for, in order to obtain it.

I am, &c.
(signed) *T. Fred. Elliot.*

Sir C. E. Trevelyan, K. C. B.,
&c. &c. &c.

Enclosure.

42, Upper George-street, Bryanstone-square,
Sir, 22 August 1857.

I HAVE the honour to inform you, that owing to the recent demand for screw steamers to take troops to the East, I have been unable to make an arrangement for the direct mail service to Newfoundland for the available sum of 10,000 *l.* a year, but I can effect a contract with a reliable company, of which Mr. Crawford, M. P. for the City of London, is chairman, having four efficient steamers at present running from Southampton to New York, for the sum of 14,000 *l.* a year. I am