

Encl. 2, in No. 19.

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Sir,

Downing-street, 7 March 1859.

I HAVE laid before Secretary Sir Edward Bulwer Lytton your letter of the 12th ultimo, transmitting copy of a proposal from the North Western Navigation and Railway Company of Canada to undertake, on certain conditions, the conveyance of mails through Canada and British Columbia to the Pacific.

Sir E. B. Lytton requests you will inform the Lords Commissioners of the Treasury that he admits, in the fullest sense, the great importance to British interests, whether Governmental or commercial, of establishing an early and secure postal communication to the Pacific, and that it would afford him the highest satisfaction if an arrangement, on reasonable terms, could be effected with this company; which seems, from the statements in its proposal, to have carefully weighed the difficulties of the undertaking. Sir Edward calls the attention of their Lordships to the possibility to which the projectors advert, that if a mail were thus established through British territory, the letters of the United States for San Francisco might be conveyed by this route instead of by the existing one across the Isthmus of Panama. This idea, if realised, would undoubtedly add materially to the success of the scheme; a scheme, indeed, of which, at the present moment, it is not easy to calculate the extent of its expansion, and the benefits accruing therefrom. At present, however, Sir Edward can do little more than express his approval of the project. The means by which it may be accomplished are chiefly financial; and the Lords Commissioners of the Treasury will be much better able than himself to judge whether Parliament could be applied to with any prospect of success for a subsidy; and also as to the proper amount of such subsidy.

Sir Edward Lytton would be content, on this point, that the mails should be conveyed to Fort Langley in 14 and not 12 days, which it is stated would probably diminish the expense by 10,000 £.

I am to add, that if their Lordships think it advisable, Sir Edward Lytton will be happy to communicate with the Governor General of British North America on this subject; but that as the company already have some concession from the Provincial Government for the conveyance of the mails from Toronto to the Red River, he fears that Government will not be ready to come forward with much, if any, additional pecuniary assistance for the extension of the mail to British Columbia.

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

I have, &c.
(signed) H. Merivale.

Encl. 3, in No. 19.

Enclosure 3, in No 19.

Sir,

Treasury Chambers, 30 March 1859.

I AM desired by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of Secretary Sir E. B. Lytton, with reference to your letter of the 7th instant, the enclosed 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 move Secretary Sir E. B. Lytton to cause my Lords to be favoured with any observations on the report in question which he may wish to offer.

H. Merivale, Esq. C.B.
&c. &c. &c.

I am, &c.
(signed) Geo. A. Hamilton.

Sub-Enclosure to Enclosure 3.

My Lords,

General Post Office, 8 March 1859.

I HAVE to acknowledge the receipt of your Lordships' letter of the 14th ultimo, enclosing a copy of a letter from the North West-Navigation and Railway Company of Canada, containing a proposal for a mail service through Canada and British Columbia to the Pacific, and asking for any observations I may wish to offer thereon.

The amount of correspondence, whether present or prospective, which the company would convey for this office is so very far from yielding the sum demanded that, as a postal question, I could not, under any circumstances, recommend that the offer be accepted.

Independently, however, of this consideration, I would suggest that such an agreement as that proposed might lead to misunderstanding and difficulties between the Imperial and Canadian Governments; and it appears to me, therefore, that any agreement which may be entered into should be with the Canadian Government itself, and not with a private company.

Should the route described by the memorialists be ultimately formed, and should it prove advantageous for the conveyance of our mails, but expensive as compared with the amount of traffic, there would be good ground for paying the Canadian Government a high transit rate on correspondence between this country and British Columbia conveyed by this route, or, perhaps, a fixed and liberal sum for a certain number of years, but, so far as postal interests are concerned, I cannot advise more than this.

Although