

Enclosure.

42, Upper George-street, Bryanstone-square,
8 July 1857.

Sir,

WE have the honour to state that it appears a renewed or modified contract was made by the Admiralty with Mr. Cunard in 1854, by which he receives 14,700 *l.* a year, until 1862, for the conveyance of mails in three screw steamers of 90-horse power each, to ply, one between Halifax, Nova Scotia, and Newfoundland, fortnightly, during eight months, and only monthly during the four other months in each year, and the other two between Halifax and the Islands of St. Thomas and Bermuda.

The English mails for Newfoundland are conveyed from Liverpool to Halifax by the British and North American Royal Mail Steamers, which frequently pass within sight of the port of St. John's, and in carrying our mails and passengers to Halifax, take them about 500 miles westward of St. John's, to be sent back the same distance, in one of those small steamers, after remaining usually three days in Halifax waiting the arrival of the American mails from Boston. A delay of about ten days is thus caused in the delivery of each English mail, either for England or the Colony, and the same delay to passengers, compared with the time which suitable steamers would take in running from Liverpool direct to St. John's, which would not be more than eight days, against 17 or 18 days for eight months, and from 17 to 30 days for the other four months in each year occupied in the transmission of the mails from Liverpool to St. John's, *via* Halifax.

The loss and inconvenience experienced by the trade of the Colony under this arrangement have formed the subject of agitation and complaint on the part of the inhabitants for several years past, and the Local Legislature in the last Session, notwithstanding the small amount of the aggregate colonial revenue, and the many urgent claims on it for local improvements, voted 7,000 *l.* a year, for five years, to induce a line of Atlantic steamers, running between England and the American Continent, to call at the port of St. John's fortnightly on their outward and homeward voyages; but that sum being insufficient to secure the calling of steamers, it was expected that the Imperial Government would grant a moderate sum, say from 3,000 *l.* to 5,000 *l.* annually, for the conveyance of mails direct between England and the Colony, particularly as direct and increased mail accommodation has become absolutely necessary to meet the growing requirements of the colonial trade. A sum of 10,000 *l.* or 12,000 *l.* would thus be made up, which would secure the calling of suitable steamers. The packet postage received by the Imperial Government on account of the Newfoundland mail service is about 2,000 *l.* a year, which would doubtless be considerably increased with the facilities of more frequent and direct communication.

The inferior character of the passenger accommodation between Halifax and Newfoundland in the small mail screw steamer employed in the service; the serious delay in the delivery and transmission of our mails; the growing importance of the colonial trade, the exports and imports of the Colony being about 3,000,000 *l.* currency a year, and its commercial relations, extending not only to many parts of Europe, but also North and South America; the demands for labour in the Colony (requiring emigration to supply it), not only for the prosecution of its extensive and valuable fisheries, but also for the cultivation of our wild lands, large quantities of which are rich and productive, as well as for the development of the mineral resources, coal, copper, and lead, with which the island abounds,—are substantial reasons, we respectfully submit, for expecting the co-operation of the parent Government in promoting an enterprise of advantage to England as well as to Newfoundland.

Besides the grant of 7,000 *l.* a year for direct steam communication, the Local Legislature have guaranteed the interest on 50,000 *l.* for 20 years at five per cent. per annum on the outlay in the construction of the electric telegraph extending from St. John's to the continent of America, and have also agreed to grant considerable tracts of land to the company projecting that enterprise, to be doubled on the completion of the sub-Atlantic cable. It cannot therefore be fairly said that they have not done all that they could be reasonably expected to do, with the limited means at their control, to encourage communication with the Colony before they determined to apply to the Imperial Government for the moderate assistance they now require to enable them to improve their postal arrangements, and avail of the advantages of direct steam communication with the mother country.

By