POSTAL COMMUNICATION WITH NORTH AMERICA.

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Mr. Merivale to Sir Charles Trevelyan, K.C.B.

Downing-street, 7 September 1858. Sir,

With reference to my letter of the 30th July, I am directed by the Secretary No. 70, 3 August of State to transmit to you for consideration of the Lords Commissioners of the 1858. 3 August Treasury the copy of a Despatch, and of its enclosures, from the Governor of Newfoundland, on the subject of direct steam postal communication between this country and Newfoundland.

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

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

Enclosure No. 1.

(No. 70.—Postal.)

Government House, Newfoundland, 3 August 1858.

In reference to your Despatch, No. 9, of the 2d of July, enclosing one from the 25 June 1858. Treasury, addressed to Mr. Merivale, and the other from the Secretary of the 18 June 1858. Admiralty, addressed to the Secretary of the Treasury, relative to the agreement entered into by this Government and the North Atlantic Steam Company for the direct transmission of the mails to St. John's, I have now the honour to state that I laid these Despatches before the Executive Council, and I enclose a certified copy of the Minute which they passed on that occasion.

2. I am very happy that the agreement alluded to was subject to the approbation of Her Majesty's Government, and I shall feel greatly obliged if the Secretary to the Admiralty would be so kind as to direct that the registered tonnage and "Robert Lowe." horse-power of the three ships named in the agreement shall be forwarded to me, "Clarendon. as they have been still represented of larger tonnage and power than I believe "Typemouth." them to be.

3. By yesterday's mail the Colonial Secretary received a letter from Messrs. Bake, Adam & Co, London, agents to Mr. John Orrell Lever, of Manchester, proprietors of the Galway line of steamers to America, touching at Halifax. beg leave to enclose a copy of that letter, and the writers have been referred to Her Majesty's Government.

I have, &c.

(signed) A. Bannerman,

Governor.

The Right Honourable Sir E. B. Lytton, Bart., &c. &c. &c.

Enclosure No. 2.

30 July 1858.

At a Council held this day, -Present, His Excellency the Governor, the Honourable the Colonial Secretary, the Honourable the President, the Honourable the Receiver General, the Honourable James J. Rogerson, the Honourable Edward Dalton Shea, the Honourable Attorney General.

The Governor laid before the Council a Despatch which he had received by the last mail from the Colonial Minister, on the subject of direct steam postal communication between Liverpool, Newfoundland, and the United States.

That Despatch contained two enclosures, one from the Lords of the Treasury, addressed to Mr. Merivale, stating that "my Lords cannot feel justified in adopting an arrangement the success of which appears so uncertain; and they regret, therefore, that they are unable to sanction any contribution from Imperial funds in aid of the postal service as projected to be undertaken by the North Atlantic Royal Mail Steam Navigation Company." But their Lordships further state that they "will, upon receiving an intimation, that the Colony desire it, take steps for procuring an efficient service, if such can be effected upon the terms proposed to be given to the North Atlantic Company."

The second Despatch is from Mr. Corry, the Secretary of the Admiralty, who states that "vessels such as those proposed, with their small power, could not efficiently perform service in question, and that the passage between England