

Newfoundland, on the subject of the proposed contract for direct steam communication between Liverpool and St. John's, in that island.

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

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

Enclosure No. 1.

Government House, Newfoundland,
23 June 1858.

(No. 5. — Postal.)

My Lord,

Your Lordship will see, from the enclosed note of mine, addressed to the Colonial Secretary, that Mr. Wier, who was here some time ago, and entered into a contract for direct steam communication, asserts that the printed agreement entered into with the Executive Council here, forwarded by me in Despatch No. 34, of 26th April, had miscarried, although its receipt was acknowledged by your Lordship on the 18th of May.

2. I have, therefore, only to refer your Lordship to the enclosed, and am very happy that the agreement entered into by the Governor's advisers was made subject to the approval of Her Majesty's Government.

I have, &c.
(signed) *A. Bannerman,*
Governor.

The Right Honourable Lord Stanley,
Principal Secretary of State for the Colonies,
&c. &c. &c.

Enclosure No. 2.

THE Governor, on his return home from a drive in the country, yesterday evening, found the enclosed letter, addressed to Mr. Kent by Mr. Wier.

The printed contract, which Mr. Wier believes has miscarried, was forwarded by the Governor in his Despatch, No. 34, of the 26th April; it reached England on the 16th May; the receipt of it is acknowledged by the Colonial Minister in a Despatch dated the 18th, which was delivered at Government House on the 7th of June.

The Governor observes that Mr. Lindsay objects to the clause in the contract which stipulates that his ships "must be capable of performing the voyage from Liverpool to St. John's in 12 days."

Now 12 days multiplied by 24 hours, equal to 288, at seven miles an hour, is 2,016, almost exactly the distance from Liverpool to Cape Race.

But Mr. Lindsay has overlooked, that in a former sentence of the contract it is stated that his ships "will steam and sail from 7 to 15 knots per hour," the maximum rate thus being 15 miles per hour, which the ships ought to be capable of performing; but certainly not expected to perform on each and every voyage.

Mr. Little assured the Governor that the contract was a copy, in all its essentials, of what had been agreed to by the authorities in London.

The Governor is very glad that it is subject to the approbation of Her Majesty's Government, and when its "merits are entered into," and the much exaggerated tonnage and power of the ships, as stated in the contract, are discovered, the Governor is greatly mistaken if the whole will not be found a delusion, and there terminate; but he thinks the Colonial Secretary ought to be authorised to acquaint Mr. Weir, by the mail, that as the contract was subject to the approval of Her Majesty's Government, the Council would not take the responsibility upon them of altering any of its clauses.

The Colonial Secretary will please show this letter to his colleagues, in order, if they approve, he may write to Mr. Weir by to-morrow's mail.

Government House, Newfoundland,
22 June 1858.