

" 4th. When will the vessels require to begin running? It takes about a year to build one of these vessels, if of large size, and perhaps not more than two could be built in 1853; will parties, therefore, have time to have their vessels built?"

" 5th. Will iron vessels answer, or will wooden ones be required?"

" 6th. How long will the contract last?"

" 7th. Would a Mail Officer have to be carried?—and if so, would an allowance be made for his passage?"

" If there is any other information you can give, which may be of service in tendering, I shall be much obliged."

"(Signed,) HUGH ALLAN."

Only three tenders were received for the service required:—

Mr. Allan tendered at.....	£36,000 stg.
Messrs. McKean, McLarty & Co., represented by the late Mr. David Bellhouse, of Mon- treal, at	24,000 "
Another Firm—a London Firm—whose name I do not recollect, for.....	52,000 "

The result was, that the Government deemed the amounts demanded for the service too high, and none were at the time accepted. Being actively engaged with Sir A. T. Galt, as a Director of the railway to Portland, it occurred to me that the proposed line of steamers would largely benefit the railway, and be of great service to the City of Portland. I, therefore, asked the late Mr. Bellhouse, representing Messrs. McKean, McLarty & Co., whether, in the event of my securing him £5,000 stg. from the St. Lawrence and Atlantic Railway, he would be content to receive from the Government £19,000 per annum. He said, if you can do this, I am willing, on the part of Messrs. McKean, McLarty & Co., to accept the contract. I at once brought the subject in this changed form before my