

directors will esteem it a particular favour if the decision of the Lords Commissioners of Her Majesty's Treasury, respecting the subsidy for Newfoundland, can be communicated to them before Lord Bury's departure.

G. A. Hamilton, Esq., M.P.,
Secretary of Her Majesty's Treasury,
Whitehall.

I have, &c.
(signed) A. M. Wier,
General Manager.

TREASURY MINUTE, dated 7 October 1858.

WRITE to Lord Carnarvon that in consequence of the letter from the Colonial Office of September 7th,* enclosing minutes of the Council of Newfoundland of 30th July last, my Lords have made inquiries as to the possibility of obtaining a service as proposed by the North Atlantic Royal Mail Steam Navigation Company on 15 April last, for a subsidy of 10,000 £., and that my Lords have some reason to suppose that Mr. Cunard would undertake the service on these terms.

State that a deputation has waited upon the Secretary of the Treasury offering an improved service from Galway to Newfoundland, and have presented a tender (of which enclose copy), that Lord Bury is about to proceed to St. John's on Tuesday next to negotiate for such improved service with the Colony, and that the deputation have requested to know whether, in the event of the Colony being willing to offer a larger contribution for such improved service, the Imperial Government would extend their contribution beyond the 3,000 £. offered by the late Board of Treasury in their minute of 17th July 1857.

The late Board of Treasury declined making any advance beyond the sum of 3,000 £.; nevertheless, my Lords being desirous of meeting what may be the views and wishes of the Colony, and being duly sensible of the great advantage of expediting the communication with Newfoundland and the North American Colonies generally, are disposed to authorise an advance on the Imperial contribution from 3,000 £. to 4,000 £., or 4,500 £. as a maximum, if Sir E. Bulwer Lytton shall be of opinion that such advance will be expedient, and provided an advance at least equal to that of the Imperial Government beyond the 7,000 £. now offered by the Colony shall be made from the colonial resources, and that the service shall be in other respects, excepting as regards the port of embarkation, as complete as that proposed upon the former occasion.

My Lords are desirous however to have it understood that it will be for the Colony to determine whether it will be for their interest to enter into the proposed arrangement with the company represented by Lord Bury, or to throw the service open to public competition, or to deal with the present contractor, Mr. Cunard, subject of course to the eventual approval of Her Majesty's Government, and my Lords suggest to Sir E. B. Lytton whether it may not be desirable, in authorising the advance to the extent of 1,000 £., or 1,500 £. a year beyond the 3,000 £., to leave it to the Governor of Newfoundland to prescribe such conditions, in connexion with such advance on the part of the Imperial Government, as Sir E. B. Lytton or the Governor of Newfoundland may deem advisable.

Sir E. B. Lytton to the Governor of Newfoundland.

Sir,

Downing-street, 9 October 1858.

I TRANSMIT to you copy of a letter, with its enclosure, received from the Lords Commissioners of the Treasury, on the subject of the projected postal communication between this country and Newfoundland.

This Despatch will be delivered to you by Lord Bury, who is about to visit the colony in connexion (as I understand) with the proposed service from Galway. But you will observe that their Lordships leave to the colony the question between this proposal and the others specified in their letter; and Sir E. B. Lytton concurs with their Lordships in doing so.

(signed) Herman Merivale,
(in the absence of Sir E. B. Lytton.)

Governor Sir A. Bannerman.