

Fast Mail Service.

EUSTON HOTEL,
LONDON, 9th July, 1896.

The Hon. Sir DONALD A. SMITH,
High Commissioner for the Dominion of Canada.

DEAR SIR DONALD,—My partner, Mr. Henry Allan, cabled me from Ottawa last night to the effect that the order in council confirming the arrangements for the fast mail service made with the ministers has also been before the Governor General, so that everything is completed so far as it can be until British government pronounce upon it.

I imagine the contract cannot be laid before the Canadian parliament until Mr. Chamberlain has signified his approval of it.

This being so, possibly Mr. Chamberlain may deal with it at once.

Regarding the date to be fixed for commencing the service, my message informs me that besides giving some extension of time in the event of strikes arising as you mentioned, Sir Charles Tupper recognizes that reasonable extension should also be given for the delay already incurred, and that may yet arise before we are free to issue building contracts, and I gather that Sir Charles has cabled you to this effect.

I am anxious to leave London if I can to-night, and will call for you in the afternoon soon after four.

Yours, &c.,
NATH. DUNLOP.

COLONIAL OFFICE, DOWNING STREET, S.W., 10th July, 1896.

The High Commissioner for Canada.

SIR,—In reply to your letter of the 4th instant, respecting the fast Atlantic service, I am directed by Mr. Secretary Chamberlain to acquaint you that he is still of opinion that it would be undesirable to take any steps towards definitely accepting the tender of Messrs. Allan until the new government of the Dominion has been formed.

Independently of this consideration however, it would in any case be impossible for Her Majesty's government to come to an immediate decision on the matter because, as intimated in my despatch to the Earl of Aberdeen of the 21st of November, 1895, Her Majesty's government have still to consider the amount of the subsidy to be granted from the Imperial Exchequer, and for that purpose they require to be furnished with all particulars in possession of the Dominion government including the form of tender and copies of all tenders and of any communications in respect to them which may have been received.

With reference also to your interview with Mr. Chamberlain on the 9th instant, I am to state that Mr. Chamberlain learns that some changes of an important character have been made in the tender of Messrs. Allan.

If that is the case, it is quite possible that questions will arise as to the necessity of calling for fresh tenders, so that all parties may have a fair chance of competing on the altered terms.

Information on this point will certainly be required by the Lords Commissioners of the Treasury in considering the question, and you will see, therefore, that some delay is unavoidable.

A cablegram in the sense of this letter has been sent to the Governor General.

I am, &c.,
JOHN BRAMSTON.