

Transit Company, for the unprovided portion of the proposed service, and will at the same time preclude any possibility of difficulty with Mr. Allan (the contractor for the ocean service), or with any other interests.

The remuneration to be received by the Canadian Government for the transport of mails for the Pacific coast across the Atlantic, and through Canada, is doubtless a matter of much importance, but is not a question in the adjustment of which any difficulty can be anticipated.

The undersigned therefore respectfully recommends that the Canadian Government do express its readiness to acquiesce in any arrangements which the Transit Company may be able to effect with the Imperial Government for the performance of that portion of the service in question which is not already provided for; and that an assurance be given that these mails will be conveyed by the Provincial Government over the other portions of the route whenever such service may be required, at such rate of remuneration for the service as his Excellency may determine.

(signed) *Sidney Smith, P. M. G.*

— No. 21. —

(No. 88.)

COPY of a DESPATCH from the Right Honourable Sir *Edmund Head*, Bart., to the Duke of *Newcastle*.

Government House, Toronto, C. W., 23 July 1859.

My Lord Duke,

(Received, 8 August 1859.)

WITH reference to previous correspondence, and more especially to the Address to Her Majesty from the Provincial Legislature on the subject of a subsidy to the Canadian line of ocean steamers, I have now the honour to enclose a copy of a Minute of my Executive Council, approved by myself.

I have, &c.

(signed) *Edmund Head*.

Enclosure in No. 21.

COPY of a Report of a Committee of the Executive Council, dated 18th July 1859, approved by His Excellency the Governor General.

THE Committee have had before them a Report, dated 18th July 1859, from the Honourable the Postmaster General, submitting that immediate action should be taken to press urgently upon the Imperial Government the necessity for a subsidy by the Imperial Government to the Canadian line of Atlantic steamers, as prayed for in the Address of both branches of the Provincial Legislature during last Session, and also referred to in the Order in Council of the 13th June last on the subject of the transport of the mails between Great Britain and British Columbia through this Province, that it would be well that some member of the Provincial Government should, without delay, proceed to England for that purpose; and he recommends that the Honourable Mr. Rose be requested and authorised to undertake the mission.

The Committee submit the above suggestion for your Excellency's approval, and that Mr. Rose be also instructed to urge strongly upon the Imperial Government the very great injustice with which Canada conceives she is treated by the continuation of the subsidy to the Cunard line, and the additional injustice with which she is threatened by the proposed subsidy to a rival line of steamers, known as the Galway line, and whose interests are associated with a foreign country, and in direct hostility to those of Canada, and to the line of steamers she is endeavouring to sustain.

That any Member of the Council who may happen to be in England be associated with Mr. Rose in this duty.

(Certified.)

(signed) *Wm. H. Lee, C. E. C.*

No. 22.

Right Hon. Sir *E. Head*, Bart. to the Duke of *Newcastle*.
23 July 1859.

Enclosure.

Encl. in No. 21.