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I rely on your intervention to induce Mr. Cunard to accept the terms offered, and I think he should not object to do so, looking to his position with the Government. If, however, you should fail to arrange with him, I shall leave it to you to advertise for suitable steamers to carry out the service, and you shall be advised of any steps that may be adopted by the Government of Newfoundland on the subject, while I shall be glad to learn the result of your negotiation with Mr. Cunard.

In conclusion, I beg you to accept my sincere acknowledgments for your invariable kindness to me, and for the efforts you have made to meet the views of the Government of Newfoundland on the subject of this important service.

With sentiments of esteem and regard,

James Wilson, Esq., M. P.,
Treasury.

I have, &c.
(signed) P. F. Little.

Sir,

Bush Hill, Edmonton, 19 October 1857.

In reply to your request to give you my views as to a direct communication between this country and Newfoundland.

It certainly would be a great convenience to Newfoundland, but it would cost a large sum to maintain such a communication.

The travelling portion of the inhabitants of Newfoundland are not numerous; there would not be many passengers; the light freight, such as is carried by steamers, would not amount to much; the heavy articles, such as cordage, iron, salt, &c., which form the great portion of the freight, must go by sailing ships; the postage would not amount to much; but as you appear to attach much importance to the establishment of a direct intercourse, I am willing to undertake to send a steam ship from Liverpool to St. John's and back to Liverpool once a month, carrying the mails, for the sum you have named, viz., 10,000 *l.* per annum, for the term of five years. There will be a heavy loss on this service, but I am desirous of meeting the wishes of the Government.

James Wilson, Esq., M. P., Treasury.

Your, &c.
(signed) S. Cunard.

TREASURY MINUTE, dated 22 October 1857.

TRANSMIT copy of this letter to Mr. C. Fortescue, and request that he will move Mr. Labouchere to communicate it to the Government of Newfoundland, and request that Her Majesty's Government may be informed whether for this service the sum of 7,000 *l.*, voted for a postal service, would be paid for the term specified; Her Majesty's Government, on their part, undertaking to pay 3,000 *l.*

Mr. Merivale to Sir Charles Trevelyan, K. C. B.

Sir,

Downing-street, 28 December 1857.

WITH reference to your letter of the 22d of October last, I am directed by Mr. Secretary Labouchere to transmit, for the consideration of the Lords Commissioners of the Treasury, a copy of a Despatch from the Governor of Newfoundland, accompanied by a Minute of Council, declining to accept the proposal of Mr. Cunard to establish a steam communication between Liverpool and that Colony for a sum of ten thousand pounds (10,000 *l.*) per annum, and stating the terms on which the Local Government will be prepared to enter into the contract.

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

I am, &c.
(signed) Herman Merivale.