

No. 3.

The Hon. Mr. JOHNSTON to Sir F. D. BELL.

SIR,—

Post Office and Telegraph Department, Wellington, 8th October, 1881.

In continuation of my letters noted in the margin (the 13th August and 10th September), I have now the honor to forward you copy of resolutions passed by the House of Representatives on the 13th ultimo, in connection with the proposal to establish a direct steam service between Great Britain and this colony.

2. You will observe that, while the report of the Joint Committee was not affirmed, the House resolved that the Government should during the recess make inquiries and collect necessary data, so as to enable the question of a direct steam service to be finally dealt with by Parliament at its next sitting. May I therefore request that you be good enough to procure and forward at your earliest convenience the information solicited by me in my letter of the 13th August last.

I have, &c.,

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

WALTER W. JOHNSTON,

Postmaster-General.

Enclosure in No. 3.

EXTRACT from the JOURNALS of the HOUSE of REPRESENTATIVES.

Tuesday, the 13th day of September, 1881.

RESOLVED, That this Committee is of opinion that the establishment of a direct monthly steam service with Europe would very materially promote the interests and develop the resources of this colony.

That, in the opinion of this Committee, the Government should make inquiry as to the terms on which a direct steam service with Great Britain could be arranged, and report the same to the next Parliament.

No. 4.

The Hon. Mr. JOHNSTON to Sir F. D. BELL.

SIR,—

Post Office and Telegraph Department, Wellington, 10th October, 1881.

In my letter to you of Saturday, *via* San Francisco, I omitted to state that it had been suggested in the House of Representatives that the subsidy to be paid by this colony in aid of a direct steam service might be considerably reduced, without diminishing overmuch the advantages of the service, if the steamers were allowed to call *en route* at an Australian port. It is believed that it would probably be found on inquiry that one or other of the steamship companies now trading to Australia would be inclined to extend its operations to New Zealand for a moderate payment; and I shall be glad to learn from you that the result of your inquiries confirms this belief.

I have, &c.,

Sir F. D. Bell, K.C.M.G.,

Agent-General for New Zealand, London.

WALTER W. JOHNSTON,

Postmaster-General.

No. 5.

The Hon. W. W. JOHNSTON to the MANAGING DIRECTOR, Union Steam Ship Company, Dunedin.

SIR,—

Post Office and Telegraph Department, Wellington, 30th September, 1881.

I have the honor to invite your attention to the enclosed report of a Select Committee appointed by the House of Representatives last session to consider as to the best means of establishing a direct steam service between New Zealand and the Mother Country.

You will see from the report that the Committee recommended that the colony should guarantee, for not exceeding seven years, to any persons prepared to undertake a monthly steam service by vessels of the class described, at a seagoing speed of not less than $12\frac{1}{2}$ knots, a minimum rate of interest of 6 per cent. per annum upon the actual cost of the steamers required for the service, provided such guarantee shall not be upon an amount exceeding one million, and that the net annual earnings of the service shall go towards the reduction of the payment of interest so guaranteed: provided also that, in the event of such net earnings being in excess of the 6 per cent. guaranteed, such excess shall belong to the contractor; and, that in the event of contractors being found within the colony willing to undertake the service on the forementioned basis, *ceteris paribus*, preference should be given to such.

Inasmuch as the existing contract for the mail service to San Francisco does not expire until November, 1883, the House of Representatives did not adopt the whole of the report of the Select Committee; but it affirmed the desirability of the service, and instructed the Government to make inquiries as to the terms on which it could be established and report the same to the next Parliament; and it is probable that Parliament will then resolve that, instead of renewing the San Francisco service, an endeavour will be made to substitute for it a direct steam service with the Mother Country.

Under these circumstances I hope you will take this question into your consideration, and will make such inquiries and preliminary arrangements as will enable you, should Parliament next session resolve to establish a direct monthly steam service from November, 1883, to tender for the performance of such service.

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