

Green Island and Brighton, rearranged so as to include Saddle Hill.

Gisborne and Puhatikotiko, extended to Whatatutu.

Christchurch to Akaroa, *via* Little River, and Waiau and Hanmer Plains (both); in consequence of railway extension the services are accelerated.

MAIL STEAM SERVICES.

Papers presented to Parliament disclose the nature of the negotiations which have taken place in connection with the renewal of the San Francisco service.

The Pacific Mail Company's contract expired in November last. As far back as the 9th of May, 1885, the New South Wales Government were apprised of the intention of this colony to continue the service, and asked if they would contribute £7,000 a year towards the cost of a service which provided for the main boats stopping at Auckland, with a branch service to Sydney. The Postmaster-General of New South Wales was disposed to favour the proposal. Conditions and particulars of such a service were accordingly prepared in anticipation of the meeting of Parliament, and, on its assembling, the question was brought under the notice of the House of Representatives, when the following resolution was agreed to: "That the Government be authorized to negotiate for a fresh mail service between Auckland and San Francisco for three years, at a cost not exceeding £30,000 per annum."

Tenders were thereupon invited for alternative services, for eighteen and nineteen days, between San Francisco and Auckland by the main boats, with a branch service between Auckland and Sydney. No tender was received for either service. Subsequently the time between San Francisco and Auckland was increased to twenty days, and fresh offers invited. Two tenders were then sent in, viz.:—

1. From the Union Steamship Company of New Zealand (Limited), for a service between San Francisco and Auckland, in twenty days, with a branch service between Auckland and Sydney, on the following basis: Subsidy to be £30,000 per annum. The company to receive all contributions from other colonies or countries. Government to assist in securing such contributions. Twenty-day service for three years, to be extended to five years should company be prepared after two years to shorten voyage to nineteen days. Free of all port-charges, including dock charges at Auckland; and also subject to following provisions: (a) Company to be at liberty to employ any of their present boats to open service, even though not up to contract speed; (b) company to be at liberty, if found necessary for docking purposes or for other considerations, to employ a third steamer in the through service, and to extend voyage to Sydney in lieu of branch service; (c) provision to be made for an earlier termination of the contract should it be found impossible to secure satisfactory contributions from other colonies or States. Vessels proposed for main line: New s.s. "Mararoa," and vessel equal to "Australia;" and

2. From Mr. William Pearce, owner of the "Australia" and "Zealandia," for a service between San Francisco and Auckland (but without branch service between Auckland and an Australian port), on the basis of twenty days between San Francisco and Auckland, for the sum of £40,000 per annum. Or between Sydney and San Francisco for the sum of £30,000 per annum, the contractor to receive all mail moneys obtainable from the Government of New South Wales, in addition to the said sum of £30,000. Vessels to be employed: s.s. "Australia," 2,737 tons, 500 horse-power; s.s. "Zealandia," 2,730 tons, 500 horse-power.

Neither of these offers came within the Parliamentary limit. The question was again brought before the House of Representatives, and, after considerable discussion, the Government were authorized to further negotiate on somewhat different lines, but within the terms of the following resolution:—

"That the Government be authorized to contract for a service between Sydney, Auckland, and Honolulu, or Auckland and Honolulu, with efficient provision for the carriage of the mails to and from San Francisco, so that the whole time between Auckland and San Francisco shall not exceed twenty days, at a cost to the colony (after computing estimated receipts, if any, from the other colonies), not exceeding £18,000; and, failing such arrangement being practicable, that the Government be authorized to contract for a service between Auckland and San Francisco, or between Sydney, Auckland, and San Francisco, at the same rate of time, at a cost to the colony (after computing estimated receipts, if any, from other colonies), not exceeding £23,000."

Communication was at once opened up with the Union Steamship Company, Mr. W. Pearce's attorney, and the representative of the Oceanic Steamship Company of San Francisco, who had specially visited New Zealand in connection with the renewal of the service. After considerable negotiation an agreement was arrived at, substantially as follows: The Union Company to contract for a three years' service between San Francisco, Honolulu, Auckland, and Sydney. Time to Auckland twenty days, and to Sydney twenty-five days. The main boats to run between Sydney, Auckland, and Honolulu, connecting at Honolulu with steamers of the Oceanic Company, already trading with San Francisco; subsidy, £30,000 a year. The "Australia" and "Zealandia" to be employed between Sydney, Auckland, and Honolulu, and the "Alameda" and "Mariposa" between Honolulu and San Francisco. All three parties had therefore an interest in the new service—Mr. Pearce having arranged for his boats being employed.

The New South Wales Government in the meantime had agreed to join in the service, and to contribute £10,000 a year, thus leaving £20,000 as New Zealand's share of the cost.

In view of the probable satisfactory termination of the negotiations for the renewal of the service, it was decided to ascertain whether a contribution towards its cost could not be obtained from the United States. The following cablegrams between the Postmaster-General of this colony and the Postmaster-General, Washington, show the success the application met:—