

conditions of contract and form of tender. Will you be good enough to have the advertisement inserted, say for one week, in a few of the principal metropolitan newspapers, and to distribute the terms and conditions and tender-forms to the best advantage.

The proposed service, which is to be for three years, will be on somewhat similar lines to the present one. Parliament indicated that the through time should be shortened, but Cabinet has thought it advisable to obtain offers for a forty-two–forty-five days' service, as well as for one in forty–forty-three days.

Alternative tenders are required to be sent in (1) at a given rate per pound for the correspondence conveyed, and (2) at a fixed subsidy per annum. The steamers are to be of not less than 4,000 gross registered tonnage, and to have refrigerating-chambers for meat, and approved chilled chambers for dairy-produce, fruit, &c. The contractors will not be required to pay any light, pilotage, tonnage, or harbour dues at the first port of arrival in the colony. Bonus will not be paid for early arrival, but a penalty will of course be inflicted for late delivery of the mails. Tenders will close on the 31st May, and will be receivable at this office only.

I should have preferred to have called for tenders for a service *via* Vancouver as well, but, as the negotiations so far have been without result, this is impracticable. Parliament will probably meet about the middle of June next, and, as all matters connected with the ocean mail-service question should be in a forward state of preparation by then, further delay is to be avoided. I may state that New South Wales has not expressed any decided opinion on the question of a Vancouver service. I enclose for your information copy of the only communication received from the Government on the matter.

I have now been definitely advised that the United States' increased contribution to the present San Francisco service is at the rate of \$46,000 per annum, dating from the 18th November last. Of this sum the contractors claim \$20,000 as their separate share for the carriage of United States mails. This leaves \$26,000 to be divided equally between the two contracting colonies and the contractors, in terms of the 10th clause of the contract.

Mr. J. D. Spreckels, on behalf of the Oceanic Company of San Francisco, has submitted proposals for a fortnightly San Francisco service, and by the last mail-steamer Mr. R. J. Creighton arrived as the confidential representative of the Oceanic Company in the matter. He went on at once to Sydney, but addressed to me from Auckland a confidential letter setting forth the nature of the proposals. £80,000 a year is named as the subsidy required for the proposed fortnightly service. The colonies are asked to contribute £40,000; and Mr. Spreckels is sanguine that the United States Government will find the balance on being assured that the colonies agree to contribute their proportion for a term of years.

In the face of the decision of Parliament this Government has been unable to give any official expression of opinion on the proposal, and Mr. Creighton has been informed to this effect.

The political crisis in New South Wales has prevented Mr. Creighton so far doing anything with the New South Wales Government, and he is now in Melbourne. May I ask you to regard this information as confidential in the meantime, as Mr. Spreckels has asked that his proposals should not be made public for the present.

I have, &c.,

H. A. ATKINSON,
Postmaster-General.

Sir F. D. Bell, K.C.M.G., C.B., Agent-General for New Zealand, London.

Enclosure 1 in No. 17.

TENDERS FOR A DIRECT MAIL STEAM SERVICE BETWEEN NEW ZEALAND AND PLYMOUTH.

SEALED tenders will be received at the General Post Office, Wellington, New Zealand, until Friday, the 31st May next, for the performance of a direct mail steam service between New Zealand and Plymouth, England, for a period of three years, commencing in December next, in accordance with the terms and conditions to be seen at the General Post Office, Wellington; the Chief Post-offices, Auckland, Christchurch, and Dunedin; and at the office of the Agent-General for New Zealand, 7, Westminster Chambers, London, S.W.

H. A. ATKINSON, Postmaster-General.

General Post Office, Wellington, New Zealand, 23rd January, 1889.

Enclosure 2 in No. 17.

FORTNIGHTLY AND FOUR-WEEKLY ALTERNATIVE DIRECT MAIL-SERVICE BETWEEN NEW ZEALAND AND PLYMOUTH.—PARTICULARS AND CONDITIONS OF CONTRACT.

THE Postmaster-General of New Zealand is prepared to receive separate tenders for a fortnightly, and also for a four-weekly, steam service for the conveyance of mails between Plymouth, England, and a port or ports in New Zealand, for three years, commencing in December, 1889, on the following conditions:—

1. The New Zealand ports to be either of the following: Auckland, Wellington, Lyttelton, Port Chalmers, or Bluff.

2. Tenderers to state (1) the rate per pound for which the letters, books and packets, and newspapers, and packets under the parcel-post, will be conveyed, in lieu of a fixed annual payment; and (2) the fixed subsidy per annum required for the performance of the service.

3. Tenders to be sent in for performing the service—(1) in forty days (960 hours) from New Zealand to Plymouth *via* Cape Horn; and forty-three days (1,032 hours) from Plymouth to New Zealand *via* Cape of Good Hope; and (2) in forty-two days (1,008 hours) homeward, and forty-five days (1,080 hours) outward. In the event of the Contractors availing themselves of any route across