

1895.
NEW ZEALAND

OCEAN MAIL-SERVICES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.-6, presented on the 21st September, 1894.]

Presented to both Houses of the General Assembly by Command of His Excellency

SAN FRANCISCO MAIL-SERVICE

No. 1

The MANAGING DIRECTOR, Union Steam Ship Company, to the Hon. the COLONIAL TREASURER and POSTMASTER-GENERAL.

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 20th August, 1894.

SIR,—

The Postal Conference having affirmed the desirability of continuing the mail service *via* San Francisco, and you having announced in your Budget speech that it is the intention of your Government to extend the present contract for the carriage of your mails by that route for a further period of three years, I am emboldened to ask your Government to consider the advisability of making a fixed arrangement for a period of five or seven years.

Since the service was undertaken by us, a little over seven years ago, it has not been more than self-supporting after taking into account the revenue derived from the carriage of the New Zealand mails, and, owing to the uncertain tenure of our arrangement with the Government, the contract in the first instance having been only for three years, afterwards extended simply from year to year, and latterly for a period of three years, we have not been able to see our way to the expenditure of further capital to place new and improved boats on the line, in order, if possible, to develop the traffic.

The position at the present time is even worse than it has been heretofore, as in consequence of the high class of ships that now carry on the passenger-service between Australia and England *via* the Red Sea, and more especially because of the establishment of a steam-service between Sydney and Vancouver, traffic is being diverted from the San Francisco route, and the prospect of making the line self-supporting is becoming more and more remote.

I have the honour to submit, therefore, that the present time is opportune for making a special effort to develop the traffic by this line, seeing that it has been recognised by the Postal Conference and by your own Government that the continuance of the service is necessary. I would also point out that it is all the more necessary to do so at this stage now that the United States has cancelled the duty on wool, as, with greater facilities of transport, this remission should give an impetus to the trade between this colony and the States.

I would therefore ask your Government to consider if they can see their way, when seeking authority to renew the service under its present conditions for three years, to ask Parliament to give them the option of making a contract for a longer period, on condition that one or more of the present steamers are replaced at an early date by new boats of greater size and attractiveness.

Such an extension would afford us some encouragement, and I can offer an assurance on behalf of this company, and of the Oceanic Steam Shipping Company, which is associated with us in carrying out the service, that we have every desire to develop the trade between the colonies and the United States in every possible way, and that, should the encouragement we now ask be granted, we shall be prepared to place improved steamers on the line.

I may further add for your consideration that, in the event of the subsidy you propose offering to the Canadian steamers being insufficient to induce them to call at New Zealand, and thus make an alternative mail with that *via* San Francisco, we shall be prepared to enter into negotiations with you to convert our present four-weekly service into a fortnightly service by the addition of two new and improved steamers to the fleet at present employed.

I may note here that the total amount of subsidies and mailages received for the San Francisco mail-service for the year 1892-93 was as follows: New Zealand Government, £6,792, Great Britain, £4,822, New South Wales, £4,000, other colonies, £2,941, United States, £12,000: total, £30,555.

Trusting that my proposals may meet with your favourable consideration,

I am, &c.,

Hon. J. G. Ward,
Colonial Treasurer and Postmaster-General, Wellington.

JAMES MILLS, Managing Director.