

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.

No. 2.

EXTRACT FROM THE JOURNALS OF THE HOUSE OF REPRESENTATIVES, FRIDAY, THE 12TH DAY OF OCTOBER, 1894. (No. 214 OF 1894.)

Resolved.—1. That this House empowers the Government to arrange for a renewal of the San Francisco mail-service for a period not exceeding three years.

2. That the basis of the payment for conveyance of mails from New Zealand shall be a rate of 11s. per pound on the net weight of the letters conveyed.

3. That all payments or contributions from Great Britain or other countries shall be receivable by the contractors, the colony's direct liability to be for payment of its outward letters only

4. That at least one New Zealand steamer in three shall be employed.

5. That the time between San Francisco and New Zealand shall not exceed twenty days. The port of call in the colony to be Auckland or Wellington, at the option of the contractors. No bonus to be paid for early arrival, and penalties, at the rate of £4 an hour, to be enforced only when late delivery exceeds forty-eight hours.

6. That all the provisions of the existing agreement, where not at variance with the foregoing provisions, shall be applicable to any new contract made under this authority

On motion of Hon. Mr Ward.

No. 3.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney
SIR,—

General Post Office, Wellington, 29th October, 1894.

I have the honour, by direction, to forward herewith copy of resolutions passed in the House of Representatives of this colony on the 12th instant, in reference to the renewal of the San Francisco mail-service for a period not exceeding three years.

Government has decided that the renewal shall be from year to year, and the contractors have accordingly been asked to renew for another twelve months.

The Postmaster-General understands that your Government will continue its contribution of £4,000 a year.

I have, &c.

The Deputy-Postmaster-General, Sydney.

W GRAY, Secretary

No. 4.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 20th November, 1894.

Re your letter 29th ultimo. Cabinet has approved of this colony continuing contribution four thousand 'Fr'isco service for another year subject to approval Parliament.

No. 5.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

(Telegram.)

General Post Office, Wellington, 20th November, 1894.

POSTMASTER-GENERAL has again had question of renewal of San Francisco mail-service before him, and he directs me to offer you three years' renewal of the contract on your guaranteeing an improvement in the speed and providing better sorting accommodation on "Alameda" and "Mariposa." I observe from newspapers that "Arawa" replaces "Monowai." She will no doubt do better than "Monowai," and be able to accomplish passage in less than twenty days. Can you guarantee shortening of time by "Alameda" and "Mariposa" as well? Understand they can accomplish voyage in less than contract time without much effort.

No. 6.

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 22nd November, 1894.

WE have chartered "Arawa" to replace "Monowai" in San Francisco service. She will be able to maintain required speed, afford ample accommodation for mails and passengers, and comply with provisions of contract in all respects. Shall be glad if you will signify your approval of exchange.

No. 7

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

(Telegram.)

General Post Office, Wellington, 22nd November, 1894.

POSTMASTER-GENERAL approves of "Arawa" replacing "Monowai" 'Fr'isco service.

No. 8.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney
(Telegram.) Wellington, 23rd November, 1894.
'Fr'isco Service. Postmaster-General has accepted "Arawa" in the place of "Monowai," commencing with outgoing mails. He has also proposed to make the renewal of the service for the full term of three years conditionally upon the speed being improved.

No. 9

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
SIR,— General Post Office, Sydney, 26th November 1894.

I am directed to acknowledge receipt of your cablegram of the 23rd instant, stating " 'Fr'isco Service. Postmaster-General has accepted 'Arawa' in the place of 'Monowai,' commencing with outgoing mails. He has also proposed to make the renewal of the service for the full term of three years conditionally on the speed being improved." I take this opportunity of confirming the wire sent you on 20th instant, as follows " *Re* your letter twenty-ninth ultimo, Cabinet has approved of this colony continuing contribution of four thousand to 'Fr'isco service for another year, subject to approval of Parliament."

I have, &c.,

S. H. LAMBTON,

Deputy Postmaster-General.

The Secretary General Post Office, Wellington, New Zealand.

No. 10.

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 3rd December, 1894.

REFERRING to your telegrams. Having replaced "Monowai" with "Arawa" we can guarantee better all-round speed, and will accept Postmaster-General's offer of renewal of contract for three years. Representations have been made to Oceanic Company with regard to providing better sorting accommodation on "Alameda" and "Mariposa" and, if possible, some improvement will be made, although, as you are aware, in consequence of the design and arrangements of these ships, little in this direction is practicable. We cannot undertake to deliver the mails in less than twenty days in the present condition of trade, as to do so would involve very heavy additional cost in running, which the support afforded by the Government does not justify. We are prepared, however, to negotiate to shorten the time by one day if sufficient inducement is forthcoming.

No. 11.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

(Telegram.)

General Post Office, Wellington, 4th December, 1894.

'Fr'isco Service. Will submit your telegram to Postmaster-General. You say nothing as to port of call.

No. 12.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

(Telegram.)

General Post Office, Wellington, 7th December, 1894.

'Fr'isco Service, and your telegram of 3rd. Postmaster-General would be glad if you would kindly indicate the additional payment required for shortening the time by one day.

No. 13.

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

Union Steam Ship Company of New Zealand (Limited),

Dunedin, 13th December, 1894.

SIR,—

I have the honour to acknowledge receipt of your favour of the 23rd ultimo [not printed], following up your telegram of the 22nd, advising that the Postmaster-General approves of the substitution of the "Arawa" for the "Monowai" in the San Francisco mail-service.

I have, &c.,

W Gray Esq., Secretary, General Post Office,
Wellington.

T W WHITSON,
For Managing Director

No. 14.

The Hon. the PREMIER to the AGENT-GENERAL.

Renewal of San Francisco Mail Service.

SIR,—

Premier's Office, Wellington, 13th December, 1894.

I have the honour to confirm my telegram to you of the 1st instant [not printed], advising that arrangements had been made on existing terms for a renewal of the San Francisco mail-service contract for three years, subject to the New South Wales Government continuing its contribution of four thousand pounds (£4,000) a year, and that the present time-table would be adhered to.

The contractors have since expressed a desire to negotiate for shortening the time between Auckland and San Francisco by one day, and they have been requested to make a definite proposal to the Government.

I enclose copy of the time-table for 1894–95.

Sir Westby B. Perceval, K.C.M.G., Agent-General for
New Zealand, London.

I have, &c.,

A. J. CADMAN,
For the Premier.

No. 15.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL. Sydney.

SIR,—

General Post Office, Wellington, 17th December, 1894.

As already advised in my telegram of the 23rd ultimo, the Postmaster-General has arranged for the renewal of the San Francisco mail-service contract for three years on existing terms and under the present time-table running, contingent, however, on your Government contributing four thousand pounds (£4,000) yearly.

The contractors expressed their inability to shorten the time of delivery unless paid a larger subsidy. They were prepared, however, to reduce the time between Auckland and Sydney and San Francisco by one day, and they have now been requested to state what additional payment they require for such a service.

I have, &c.,

The Deputy Postmaster-General, Sydney

W GRAY, Secretary

No. 16.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company.

SIR,—

General Post Office, Wellington, 18th December, 1894.

I have the honour to acknowledge the receipt of your telegram of the 3rd instant, agreeing to renew the San Francisco mail-service contract for three years on existing terms, subject, however, to the New South Wales Government continuing its payment of £4,000 yearly, and stating that although your company could not undertake, without increased payment, to perform the service between Auckland and San Francisco under twenty days, it was prepared to negotiate for shortening the running time by a day.

I have now to confirm my telegram of the 7th instant, inquiring what additional subsidy your company would require for a nineteen days' service between San Francisco and Auckland.

I have, &c.,

The Managing Director, Union Steam Ship Company
of New Zealand (Limited), Dunedin.

W GRAY, Secretary

No. 17.

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

SIR,—

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 17th December, 1894.

I duly received your telegrams of the 4th and 7th December, inquiring *in re* port of call in New Zealand of San Francisco mail-steamers, and what additional payment would be required to accelerate the present service by one day.

In reply to the first, I have the honour to advise you that the directors think it inadvisable to make any change in the port of call at present, and they therefore propose that the mail steamers shall continue to call at Auckland as hitherto.

With regard to shortening the time occupied on the voyage between Auckland and San Francisco, I cannot give you a definite reply at the present moment, as I would first desire to communicate with the Oceanic Steamship Company, who are associated with us in carrying out the contract. To shorten the time by one day would necessitate an average speed of fourteen knots, and to insure this would mean not only the steamers burning more coal, but running with lighter loads, which would leave them unable to reap the full advantage of the cheap coal they now procure in Sydney. I roughly estimate that at least £15,000 per annum would be required in addition to the present mail payment to accelerate the service by one day.

I have, &c.,

W Gray, Esq., Secretary, General Post Office,
Wellington.

JAMES MILLS,
Managing Director

No. 18.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
Postal and Electric Telegraph Department, General Post Office,
Sydney, 31st December, 1894.

SIR,—

I have the honour to acknowledge the receipt of your communication of the 17th instant, on the subject of the renewal of the San Francisco mail-service contract, and beg to refer you to my letter of the 26th ultimo, which explains the position of this colony in this matter.

I have, &c.,

S. H. LAMBTON,

Deputy Postmaster-General.

The Secretary, General Post Office, Wellington.

No. 19.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company.

SIR,—

General Post Office, Wellington, 4th January, 1895.

I have the honour to acknowledge the receipt of your letter of the 17th ultimo, advising that no change would be made in the port of call in New Zealand of the San Francisco mail steamers, and that it was estimated an additional payment of £15,000 per annum would be required for shortening the time occupied on the voyage between Auckland and San Francisco by one day.

Your letter has been submitted to the Hon. the Postmaster-General, and I am directed to inform you that the Government could not entertain any proposal for accelerating the present service which would involve so large an expenditure as that which you estimate would be required.

I have, &c.,

W GRAY, Secretary

The Managing Director, Union Steam Ship Company of
New Zealand (Limited), Dunedin.

No. 20.

WARRANT.

To the Hon. Joseph George Ward, Postmaster-General.

IN pursuance of the provisions of section 8 of "The Post Office Act, 1881," I, David, Earl of Glasgow, the Governor of the Colony of New Zealand, do hereby direct you, Joseph George Ward, the Postmaster-General of the said colony, in your own name as Postmaster-General, to enter into a contract, in writing, on behalf of the Government of the said colony with the Union Steam Ship Company of New Zealand (Limited), for the carriage of mails each way between New Zealand and San Francisco, America, for a period of three years from the fifteenth day of November, 1894, the contract to be subject in all respects to such terms and conditions as to you shall seem fit.

Given under my hand, at Wellington, in the said colony, this twelfth day of January, 1895.

GLASGOW, Governor

No. 21.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
Postal and Electric Telegraph Department, General Post Office,
Sydney, 2nd April, 1895.

SIR,—

I have the honour to acknowledge with thanks the receipt of the draft of an agreement between the Union Steamship Company and the Postmaster-General of New Zealand in connection with the San Francisco mail-service, which you forwarded to this office on the 27th ultimo.

I have, &c.,

S. H. LAMBTON,

Deputy Postmaster-General.

The Secretary, General Post Office, Wellington.

No. 22.

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Wellington, 25th April, 1895.

WE have been negotiating with owners "Arawa" to fit additional boiler in order to improve speed. It is possible we may wish to replace "Monowai" in 'Frisko service for next two trips, allowing "Arawa" proceed England. Will be pleased, therefore, if your department will grant necessary permission to substitute "Monowai" for "Arawa." We have in view re-employing "Arawa" or "Tainui" next October if necessary arrangements can be made for improved speed.

No. 23.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney.
(Telegram.) General Post Office, Wellington, 30th April, 1895.

'Frisko service. Permission granted contractors substitute "Monowai" for "Arawa" for two voyages, commencing departure Sydney 13th proximo.

No. 24.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

SIR,—

General Post Office, Wellington, 30th April, 1895.

I have the honour to confirm my telegram to you yesterday [not printed] approving of the substitution of the "Monowai" for the "Arawa" in the San Francisco service for two voyages, commencing with the departure from Sydney on the 13th proximo.

The Managing Director, Union Steam Ship Company
of New Zealand (Limited), Dunedin.

I have, &c.,

W GRAY, Secretary

No 25

The MANAGING DIRECTOR, Union Steam Ship Company, to the SECRETARY, General Post Office, Wellington.

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 3rd May, 1895.

SIR,—

I have the honour to acknowledge receipt of your favour of 30th ultimo, and have to thank you for the permission given us to substitute the "Monowai" for the "Arawa" in the San Francisco service for two voyages.

I have, &c.,

W Gray, Esq., Secretary, General Post Office,
Wellington.

T W WHITSON,
For Managing Director

No. 26.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company

SIR,— General Post Office, Wellington, 8th June, 1895.

Herewith I have the honour to send you a revise of the San Francisco contract.

The last paragraph of section 5 in the first proof has been excised, and I direct your attention to the alteration in the two last lines of the second paragraph of clause 13, where the word "direct" before the word "liability" has been struck out. In the same paragraph the words "the mails from New Zealand" appear in the place of "its outward mails." I have not thought it desirable, in the absence of the Postmaster-General, to leave out the reference to spar-deck accommodation, particularly as this will only have to be provided in case of its being applied for by the Postmaster-General.

You will perhaps say whether the alteration in clause 39, giving the company as well as the Postmaster-General the right to determine the contract, meets your views.

The Managing Director Union Steam Ship Company
of New Zealand (Limited), Dunedin.

I have, &c.,

W GRAY, Secretary

No. 27

Agreement between THE UNION STEAM SHIP COMPANY OF NEW ZEALAND (LIMITED) and the
POSTMASTER-GENERAL of New Zealand.

ARTICLES of agreement made and entered into this fourteenth day of August, one thousand eight hundred and ninety-five, between the Honourable JOSEPH GEORGE WARD, the Postmaster-General of the Colony of New Zealand, appointed as such Postmaster-General under "The Post Office Act, 1881," and acting for and on behalf of the Government of the said colony, of the one part, and THE UNION STEAM SHIP COMPANY OF NEW ZEALAND (LIMITED), carrying on business at Dunedin, in the Colony of New Zealand, hereinafter designated "the Company," of the other part: Witness that the Company doth for itself, its successors and assigns (so far as the covenants and agreements hereinafter contained are to be observed and performed by the Company), hereby covenant with the Postmaster-General of the Colony of New Zealand and his successors in office And the said Postmaster-General doth, for and on behalf of himself as such Postmaster-General, and his successors in office respectively and the Government of the colony for which he is such Postmaster-General, hereby covenant with the Company and its successors in manner following, that is to say,—

1. In the construction of these presents the following words and expressions shall mean and include (unless such meaning shall be inconsistent with the context) as follows:—

"Postmaster-General" means the Postmaster-General for the time being of New Zealand

"Company" includes the successors and assigns of the Company:

"Mails" includes all boxes, bags, or packets of letters, newspapers, books, or printed papers, patterns, and all other articles transmissible by post, without regard either to the place to which they may be addressed or to that in which they may have originated, also all empty bags, empty boxes, and other stores and articles used or to be used in carrying on the Post Office service

"Mail" means the aggregate of mails transmitted at any one time by any of the vessels for the time being employed in the mail-service under this contract and

"Hours" means hours calculated according to Greenwich time.

2. The Company shall from time to time, and at all times hereafter, during a period of three years, computed from the fifteenth day of November, one thousand eight hundred and ninety-four, unless previously terminated in pursuance of any provision in that behalf hereinafter contained, convey all Her Majesty's mails which, and all other mails of whatever country or place which, the Postmaster-General shall at any time and from time to time require the Company to convey from and to the following ports that is to say Sydney, Auckland, Apia, Honolulu, San Francisco, and any port or ports intermediate between Auckland and San Francisco at which the steam-vessels hereinafter mentioned may call as hereinafter mentioned, or any of such ports, and within the respective times and in manner hereinafter provided for; and, so long as the whole or any part of the services hereby agreed to be performed ought to be performed in pursuance of this contract, shall and will provide and keep seaworthy and in complete repair and readiness for such purpose a sufficient number of and not less than three good, substantial, and efficient screw steam-vessels of the first class, and fully equal to class 100 A1 Lloyd's Register and of not less gross register tonnage than two thousand five hundred tons each, constructed of iron, and propelled by first-rate engines of adequate power for the performance of the voyages within the times hereinafter specified, and having spar decks, and large capacity for passengers and cargo, and ample ventilation for passing through tropical latitudes.

Should any of the three screw steam-vessels aforesaid become disabled through tempestuous weather or by reason of accident beyond the control of the Company, then it shall be lawful for the Company to provide and equip a screw steam-vessel or vessels as substitute or substitutes, capable of performing the voyage within the time specified, and any substitute vessel shall not be of any less gross tonnage than two thousand five hundred tons. Provided further that in any special case, and with the written consent of the Postmaster-General, a vessel of less than two thousand five hundred tons gross register may be used as such substitute vessel as aforesaid, and every such vessel shall be subject to the terms and conditions of this contract for or in respect of any voyage as aforesaid so far as such terms and conditions are applicable.

3. The steam-vessels to be employed under this contract shall be always furnished with all necessary and proper machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, tallow, provisions, anchors, cables, fire-pumps and other proper means for extinguishing fire, lightning-conductors, charts, chronometers, nautical instruments, and whatsoever else may be necessary for equipping the said vessels and rendering them constantly efficient for the performance of the voyages within the times hereinafter specified, and for the service hereby agreed to be performed, and also manned and provided with competent and legally-qualified officers, the master or commander having ample experience in command of screw steam-vessels, and with a sufficient number of efficient engineers, and a sufficient crew of able seamen and other men, and with a competent surgeon to be in all respects, as to vessels, engines, equipments, and capacity, subject in the first instance, and from time to time and at all times afterwards, to the approval of the Postmaster-General or of such other person or persons as he shall at any time or times or from time to time authorize to inspect and examine the same and no vessel shall be employed or used for the purposes of this contract until approved as aforesaid.

Every vessel used for the purposes of this contract shall be fitted with refrigerators or ice-chambers, in which fish-ova or other natural productions may be carried or conveyed, and such refrigerators shall be fitted with all necessary appliances and machinery for working and keeping the same effective.

4. The Postmaster-General shall have full power whenever and as often as he may deem it requisite, by any of his qualified officers or agents, to inspect the officers, engineers, and crew of all or any of the vessels employed or to be employed in the performance of this contract, and to survey all or any of such vessels, and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, stores, and equipments of every such vessel; and any defect or deficiency that may be discovered on any such survey shall be forthwith repaired or supplied by the Company. And for the purposes aforesaid the said vessels shall (if necessary) be opened in their hulls whenever the said officers or agents may so require, and, if any such vessel or any part thereof, or any engines, machinery, furniture, tackle, apparel, boats, stores, or equipments shall on any such survey be declared by any such officers or agents unseaworthy, or not adapted to the service hereby agreed to be performed, or any such officers, engineers, or crew shall be so declared ineligible, every vessel which shall be disapproved of, or in which such deficiency or defect shall appear, shall be deemed insufficient for any service hereby agreed to be performed, and shall not be again employed in the conveyance of mails until such defect or deficiency has been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same and any of such officers, engineers, or crew declared ineligible shall not be employed in the said service.

5. The mails shall be conveyed thirteen times in each year between San Francisco, Auckland, and Sydney, by way of Honolulu and Apia, and at the same rate between Sydney, Auckland, and San Francisco by way of Apia and Honolulu, and the service shall be deemed to have commenced with the despatch of the "Alameda" from San Francisco on the fifteenth day of November, one thousand eight hundred and ninety-four, and of the "Arawa" from Sydney on the twenty-sixth day of November, one thousand eight hundred and ninety-four. The vessels respectively employed to convey the mails shall leave the said ports of Sydney, Auckland, and San Francisco on the days and at the times to be from time to time appointed for the purpose by the Postmaster-General.

6. The Company, at its own expense, shall deliver and take the mails to and from the steamers and from the shore at convenient places to be from time to time appointed by the Postmaster-General, in the respective ports from and to which the mails are to be conveyed, and also shall convey the same and the officers having charge of them to and from such steamers and to and from the shore as may be necessary, in suitable boats, furnished with suitable coverings for the mails, and properly equipped and manned, and shall from time to time convey the officers or agents

of the Postmaster-General to and from such steamers and to and from the shore at any of the said ports as often as may be necessary in the execution of their duties respectively, in the event of a suitable boat not being conveniently obtainable from the shore for the purpose.

7 If the Postmaster-General or his officers or agents shall at any time deem it requisite for the public service that any vessel should be delayed beyond the appointed time of departure, it shall be lawful for the Postmaster-General or such officers or agents to order such delay, not exceeding thirty-six hours at San Francisco, and not exceeding twenty-four hours at Sydney or Auckland as the case may require, free of charge for demurrage, by letter addressed to and delivered to the commander of the vessel or the person acting as such, or left for him at the office of the Company in the port or on board the vessel, three hours at least before the hour appointed for departure.

And, in order to insure the due carrying of the mails from San Francisco, the Company, without any such notice, shall delay the departure of any vessel (if necessary) at San Francisco six days to await the arrival of the mails from London for Australia and New Zealand. For such detention, demurrage at the rate of five pounds an hour shall be paid the Company, such days to be reckoned from the due date of the arrival of the said mails respectively, but for the first thirty-six hours there shall be no payment for demurrage. The Postmaster-General shall also be at liberty from time to time to postpone the times of departure of any vessel from the ports of Sydney and Auckland for a longer period than twenty-four hours, but for every hour over such twenty-four hours demurrage at the rate of five pounds an hour shall be paid.

8. If from any cause whatsoever, at any time or times hereafter, one of the vessels aforesaid shall not be at the ports of San Francisco, Auckland, and Sydney respectively, ready to put to sea in due time to perform the services hereby contracted to be performed, the Company shall pay as liquidated damages to the Postmaster-General in respect of every mail that shall be delayed by reason of any such default as aforesaid the sum of two hundred pounds, and the further sum of fifty pounds for every successive twenty-four hours which shall elapse between the time at which the mail shall be appointed to leave the port and the time at which the vessel conveying the same shall leave the port, whether such vessel shall be one of those aforesaid or any other vessel which the Postmaster-General shall think fit to employ or to sanction being employed for the purpose. Provided that the Postmaster-General shall have power to remit or reduce any of the sums payable as in this clause mentioned if he shall be satisfied that any such default as aforesaid was attributable to causes over which the Company had no control. Provided also that the maximum amount to be paid by the Company under this clause in respect of such defaults for any one voyage shall not exceed one thousand pounds.

9. The mails shall be safely conveyed from San Francisco to Auckland within four hundred and eighty hours, and to Sydney in six hundred hours, and from Sydney and from Auckland to San Francisco respectively within a like period, the times aforesaid to be calculated from the times appointed for the departure of the mail respectively, unless any vessel shall be delayed in consequence of the mail not being ready for embarkation in due time either at San Francisco or at Sydney or Auckland, in which case the time shall be calculated from the time of the mail being ready for delivery at the port where the delay shall take place.

In case of the loss of any of the mails by wreck of any mail-vessel or otherwise, the Company shall with all possible despatch, at their own cost, do all such acts and take all such measures as may be reasonably done and taken to recover the mails so lost. And the Company shall be liable for all damage or injury to any of the mails, from whatever cause the same may arise or happen, except fire, the act of God, or the Queen's enemies.

10. For the conveyance of mails under this contract the Postmaster-General will pay to the company at the following rates. Letters at twelve shillings per pound on the net weight of the letters conveyed, excluding, however, all letters sent from America and from New South Wales.

11. In respect of each voyage the Company shall pay to the Postmaster-General as a penalty four pounds for every hour in excess of the number of hours mentioned in clause 9 occupied by such voyage, and any such penalty may be deducted by the Postmaster-General from any payments due to the Company under this contract: Provided that no penalty shall be payable by the Company unless the period of actual delivery of the mails at San Francisco, or Sydney, or Auckland exceeds the time of delivery provided by this contract by forty-eight hours, and provided also that the Postmaster-General may remit any of such penalties which in his opinion should not be enforced.

12. The sums payable to the Company under this contract shall be in full satisfaction for all services rendered in the conveyance, receipt, and delivery of all Her Majesty's mails which, and all other mails which, may be conveyed under this contract from, to, and at all or any of the ports aforesaid, or otherwise, and shall be payable to the Company at the Treasury, in Wellington, immediately after the due delivery of each mail in the colony, or the advice by cablegram from San Francisco, or by the return mail from thence, of the due delivery of the mail there shall be received, as the case may be.

13. Any subsidy or payment allowed to the colony or the Postmaster-General by the Government of the United Kingdom of Great Britain and Ireland, or by any other Australasian Colony or dependency, or any of the Polynesian Islands, for the conveyance of mails over the aforesaid routes, shall be paid over to the Company, after deducting any payments made or expenses (if any) incurred by the Postmaster-General for the conveying mails to or from any or either of the ports or places hereinbefore appointed for the receipt or delivery of mails.

The Company shall also be entitled to the benefit of and to receive any subsidies or payments which it may induce any Government other than as aforesaid to agree to pay for the conveyance of mails over the aforesaid routes, after deducting any payments made or expenses (if any) incurred by the Postmaster-General for the conveying mails to and from any and either of the ports or places aforesaid, provided the arrangements for the services in respect of any such subsidy shall be approved by the Postmaster-General, but the liability of the Postmaster-General under this con-

tract is expressly limited to payment for the conveyance of the mails from New Zealand at the rate hereinbefore provided.

14. The Company shall provide, to the satisfaction of the Postmaster-General, on board all steam-vessels employed under this contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings, and every such place of deposit shall be rendered and kept vermin-proof.

15. The Company shall also provide, to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several vessels employed under this contract, and, on being required to do so by the Postmaster-General, shall at its own cost erect or set apart in each of the said vessels on the spar deck a separate and convenient room for such purposes and all such furniture, lamps, fittings, and other conveniences shall be from time to time cleansed and kept in repair, and the oil for the lamps supplied, by the servants of and at the cost of the Company. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mails between the mail-room and the sorting-room, and also render such other assistance as may from time to time be needed, without charge.

16. If the Postmaster-General shall think fit to intrust the charge and custody of the mails to the master or commander of any vessel to be employed under this contract, and in all cases where the officer or other person appointed to have charge of the mail shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge, take due care of, and the Company shall be responsible for the receipt, safe custody, and delivery of the said mail at the several appointed places in the respective ports, as part of the services hereby contracted to be rendered. The master or commander shall also make the usual Post Office declaration, and furnish such journal, returns, and other information, and perform such other services in relation to the care and delivery of such mails, as the Postmaster-General or his officers shall from time to time reasonably require.

17. The Company and all commanding and other officers in charge of the vessels employed under this contract shall at all times punctually attend to the orders and directions of the Postmaster-General or his officers or agents, as to the mode, time, and place of landing, transshipping, delivering, and receiving the mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

18. The Company shall have no claim to any postage nor to any sum on account thereof for mails carried in any vessel employed in the service under this contract, or on account of any services rendered, except as herein specially provided to be paid.

19. The Company shall provide suitable first-class accommodation, including a cabin or state-room, for the exclusive use of a mail officer or agent for the Postmaster-General and for one assistant for such Postmaster-General on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties, and such officer or agent and assistant shall be victualled by the Company as chief-cabin passengers without charge either for their passages or victualling, and whilst the vessel stays at any port excepting the ports of Sydney, Auckland, and San Francisco, to or from which the mails are conveyed, such officers, agent, and assistant shall be allowed to remain on board and shall be victualled as aforesaid.

20. Every such mail officer or agent and assistant shall be recognised and treated by the Company, its officers and agents, as the agent of the Postmaster-General, and as having full authority in all cases to require a due and strict performance of this contract. Provided that no such agent, officer, or assistant shall have power to control or interfere with any master, commander, or officer in the performance of his duty, and every such agent, officer, and assistant shall be subject to all general orders issued by the master or commander for the good order, health, and comfort of the passengers and crew, and the safety of the vessels.

21. This contract, or any part thereof, shall not be assigned or underlet or disposed of by the Company without the consent, in writing, of the Postmaster-General first obtained for such purpose. And if the Company shall assign, underlet, or otherwise dispose of this contract, or any part thereof, otherwise than with such consent as last aforesaid, or in case of any great or habitual non-performance or non-observance of this contract, or of any of the covenants, matters, or things herein contained and on the part of the Company, its officers, agents, or servants, or any of them, to be observed or performed, and whether there be or be not any penalty or sum of money payable by the Company for any such non-observance or non-performance, it shall be lawful for the Postmaster-General, if he shall be of opinion that the Company is not *bonâ fide* carrying out the provisions herein contained, and he shall so think fit (notwithstanding there may or may not have been any former non-observance or non-performance of this contract), by writing under his hand, to determine this contract without any previous notice to the Company or its agents. And the Company shall not be entitled to any compensation in respect of such determination, and such determination shall not deprive the Postmaster-General of any rights or remedies to which he would otherwise be entitled by reason of any non-observance or non-performance of any of the provisions herein contained.

22. The Postmaster-General may, if he thinks fit, except from any such determination any voyage or voyages, and if any vessel or vessels should have started before the determination of this contract or before the masters or commanders thereof could have received the news of such determination, or should after the determination start with a mail on any voyage or voyages so excepted as aforesaid, the voyage or voyages shall be continued and performed, and the mails be delivered and received, as if this contract had remained in force with regard to any such vessels and with respect to such vessels this contract shall be considered as having terminated only when such vessels shall have reached their port or place of destination, and the mails carried by them shall have been delivered.

23. All notices or directions which are hereby authorized to be given to the Company, its officers, servants, or agents, may be delivered to the master or commander of any of the said vessels, or other officer or agent of the Company in the charge or management of any vessel employed in the performance of this contract on board such vessel, or left for the Company on board such vessel, or at either of its offices at Auckland, Wellington, or Dunedin, and any notices or directions so given or left shall be binding on the Company. Provided that any notice of the determination of this contract shall be given to the Company, or left for them at their last known office or place of business in Wellington or Dunedin, as the Postmaster-General may think fit.

24. It shall be lawful for the Postmaster-General, by writing under his hand, at any time and from time to time, to delegate all or any of the powers vested in him by virtue of this contract to such person or persons as he may think fit.

25. If the Company shall fail to commence the performance of the services hereby contracted to be by it performed according to the provisions hereof, or, having commenced the same, shall refuse or wilfully neglect to carry on the same according to the true intent and meaning of these presents, it shall forfeit and pay to the Postmaster-General the sum of three thousand pounds, and such sum shall be received as liquidated damages, and not as a penalty.

26. All and every the sums of money hereby stipulated to be paid by the Company shall be considered as liquidated or ascertained damages, whether any damage or loss shall have or shall not have been sustained, and may be set off by the Postmaster-General against any moneys payable to the Company under or by virtue of these presents, or may be enforced by the Postmaster-General as a debt due, with full costs of suit, at his discretion. Provided always that the payment by the Company of any sums of money for any neglect or default in the observance or performance of the covenants or agreements herein contained shall not in any manner prejudice the rights of the Postmaster-General to treat such defaults as a non-observance or non-performance of this contract on the part of the Company.

27. If any dispute, question, difference, or controversy shall arise between the Postmaster-General and the Company touching these presents or any clause or thing herein contained, or the construction thereof, or any matter in any way connected with these presents or the operation hereof, or the rights, duties, or liabilities of the Postmaster-General or of the Company, in connection with the premises, then and in every or any such case the matter in difference shall be referred to arbitration in manner hereinafter mentioned, and the award of the arbitrator, or the arbitrators, or the umpire, appointed as hereinafter mentioned, as the case may be, shall be binding and conclusive in every respect.

28. Unless the Postmaster-General and the Company shall concur in the appointment of a single arbitrator, each party, on the request of the other party, shall nominate and appoint an arbitrator, to whom such dispute, question, difference, or controversy shall be referred, and every appointment of an arbitrator shall be made on the part of the Postmaster-General under his hand and on the part of the Company under its corporate seal, and such appointment shall be made in duplicate, and be delivered, one part to the other party and the other part to the arbitrator on the part of the party by whom the same shall be made, and after any such appointment shall have been made neither party shall have power to revoke the same without the consent of the other, nor shall the death of either party operate as a revocation, and if for the space of fourteen days after any such dispute shall have arisen, and after a request in writing in which shall be stated the matters required to be referred to arbitration shall have been served upon the Postmaster-General or given to the Company, or left for it at its last-known office or place of business in Wellington, by the one party on the other party, to appoint an arbitrator, such last-mentioned party fail to appoint an arbitrator, then, upon such failure, the party making the request, and having appointed an arbitrator may appoint such arbitrator to act on behalf of both parties, and such arbitrator may proceed to hear and determine the matters which shall be in dispute, and in such case the award or determination of such single arbitrator shall be final.

29. If, before the matters so referred shall be determined, any arbitrator appointed by either party die or become incapable, the party by whom such arbitrator was appointed, his successors in office, or successors or assigns, may nominate and appoint in writing some other person to act in his place, and, if for the space of fourteen days after notice in writing from the other party for that purpose he fail to do so, the remaining or other arbitrator may proceed *ex parte*, and every arbitrator so to be substituted as aforesaid shall have the same powers and authorities as were vested in the former arbitrator at the time of such his death or disability as aforesaid.

30. Where more than one arbitrator shall have been appointed, such arbitrators shall, before they enter upon the matters referred to them, nominate and appoint by writing under their hands an umpire to decide on any such matters on which they shall differ, or which shall be referred to him, and, if such umpire shall die, or become incapable to act, they shall forthwith, after such death or incapacity, appoint another umpire in his place, and the decision of every such umpire on the matters so referred to him shall be final.

31. If in either of the cases aforesaid the said arbitrators shall refuse, or shall for fourteen days after the request of either party to such arbitration neglect, to appoint an umpire, the Governor for the time being of the Colony of New Zealand shall, on the application of either party to such arbitration, appoint an umpire, and the decision of such umpire on the matters on which the arbitrators shall differ or which shall be referred to him shall be final.

32. If, when a single arbitrator shall have been appointed, or shall be proceeding *ex parte* under any of the provisions herein contained, such arbitrator shall die or become incapable to act before he shall have made his award, the matters referred to him shall be determined by arbitration in the same manner as if no such arbitrator had been appointed.

33. If, where more than one arbitrator shall have been appointed, either of the arbitrators refuse or for fourteen days neglect to act, the other arbitrator may proceed *ex parte*, and the decision of such other arbitrator shall be as effectual as if he had been the single arbitrator appointed by both parties.

34. If, where more than one arbitrator shall have been appointed, and where neither of them shall refuse or neglect to act as aforesaid, such arbitrators shall fail to make their award within three calendar months after the day on which the last of such arbitrators shall have been appointed, or within such extended time (if any) as shall have been appointed for that purpose, by both such arbitrators under their hands, the matters referred to them shall be determined by the umpire to be appointed as aforesaid, and the umpire shall make his award within three calendar months after the time when his duties shall commence, or within such extended time (if any) as shall have been appointed for that purpose by the umpire under his hand.

35. The said arbitrator or arbitrators or their umpire may call for the production of any documents in the possession or power of either party which they or he may think necessary for determining the question in dispute, and may examine the parties or their witnesses on oath, and administer the oaths necessary for that purpose.

36. The cost of every such arbitration and of the award shall be in the discretion of the arbitrator, arbitrators, or umpire, who may direct to and by whom and in what manner the same or any part thereof shall be paid.

37. The arbitration shall take place and be conducted at Wellington and the arbitrator or arbitrators or the umpire, as the case may be, shall deliver his or their award in writing to the Postmaster-General, who shall retain the same, and shall forthwith, on demand, at their own expense, furnish a copy thereof to the Company and shall at all times, on demand, produce the said award, and allow the same to be inspected or examined by the Company or any person appointed by it for that purpose.

38. Any submission to arbitration may be made a rule of the Supreme Court of New Zealand on the application of the Postmaster-General or the Company.

39. And, lastly, it is hereby agreed and declared by and between the parties hereto, and these presents are upon the express condition, that the Postmaster-General of New South Wales, or other the proper authority for the time being on behalf of the Government of New South Wales, shall during the continuance hereof pay to the Postmaster-General of New Zealand, by equal quarterly instalments on the first day of January, the first day of April, the first day of July, and the first day of October in each year, in respect of the conveyance of mails to and from Sydney aforesaid upon the terms and in the manner hereinbefore set forth, an annual subsidy or contribution of four thousand pounds, subject to the annual voting of such sum by the Parliament of New South Wales and that if from any cause whatever the payment of the said subsidy or any instalment thereof shall not be made during the continuance hereof, then the Postmaster-General or the Company shall be at liberty forthwith, or at any time after the due date of any such payment, by notice in writing, to determine the contract hereby made, and thereupon these presents, and every clause, matter and thing herein contained, and every obligation of the Postmaster-General or the Company hereunder, shall cease, without prejudice, however, to the enforcement of any right or remedy conferred upon either of the parties hereto by these presents.

Each subsidy or contribution received by the Postmaster-General under this clause shall be paid over to the Company subject to the terms of clause 13 hereof.

In witness whereof the Postmaster-General hath hereunto set his hand and seal, and the Company hath hereunto caused its common seal to be affixed, the day and year first above written.

SIGNED, SEALED, AND DELIVERED by the said JOSEPH
GEORGE WARD as Postmaster-General of New Zealand,
in the presence of

(L.S.) J G WARD.

W GRAY,
Secretary Post and Telegraph Department.

THE COMMON SEAL OF THE UNION STEAM SHIP COMPANY
OF NEW ZEALAND (LIMITED) was hereunto affixed in
the presence of

(L.S.)

J M. RITCHIE, } Directors of the
E. B. CARGILL, } said Company

No. 28.

The RESIDENT AGENT, San Francisco, to the SECRETARY, General Post Office, Wellington.

DEAR SIR,—

San Francisco, 18th August, 1894.

I enclose you this morning an extract from the *Daily Examiner* giving a report of the passage of the "Campania" bringing the outward mail.

You will see by this report that she arrived off Sandy Hook on Friday night at 5.45 p.m., which would land the mails about 8 o'clock on that evening. Had they caught the 9 o'clock express they would have been here on Wednesday but I have a wire from the Postmaster at New York this morning informing me that they did not leave until 8.30 to-day which, of course, will not allow them to reach here till Thursday.

In view of the fact that the "Campania" and "Lucania" are now making remarkably fast voyages, and the arrival of the mails in this city on Wednesday is quite probable, I would like to have your instructions regarding the question of the despatch of the Australian steamer from this port immediately on arrival of mails. Of course, I do not mean any change of day but I wish to ascertain your views regarding the question of the authority to ask for a Wednesday despatch when twenty-four hours' delay at this port can be avoided.

You would confer a favour by replying to this communication by return mail.

Yours, &c.,

W Gray, Esq, Wellington.

H. STEPHENSON SMITH.

Enclosure in No. 28

[The *Examiner*, San Francisco, 18th August, 1894.]

New York, 17th August.—The Cunard line steamer ‘*Campania*,’ which arrived this evening from Liverpool and Queenstown, left Daunt’s Rock at 12.45 p.m. on the 12th August and arrived at Sandy Hook lightship at 5.45 this evening.

Her time of passage was five days nine hours and twenty-nine minutes, which beats all previous records by about three hours and ten minutes.

No. 29

The SECRETARY, General Post Office, Wellington, to the RESIDENT AGENT, San Francisco.

SIR,—

General Post Office, Wellington, 4th October, 1894.

I have to acknowledge the receipt of your letter of the 18th August last, enclosing newspaper extract giving an account of the “*Campania*” record run from Queenstown to New York, and suggesting that, as the “*Campania*” and “*Lucania*” were now making very fast passages, the question of making Wednesday in the place of Thursday the sailing-day from San Francisco should be further considered.

I scarcely think it would be advisable to make the suggested change meanwhile as it is uncertain how soon either one or the other of these fast boats may be replaced. Until it is assured that the present quick delivery of mails at New York can be maintained permanently I am of opinion that it would be undesirable to make any change in the sailing-day from San Francisco.

I have, &c.,

H. Stephenson Smith, Esq.,

W. GRAY, Secretary

Resident Agent for New Zealand, San Francisco, California.

No. 30.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 17th August, 1894.

(Memorandum.)

San Francisco Mail-service.

REFERRING to the Hon. Minister’s memorandum of the 30th May last [see No. 77, F.—6, 1894], I beg to transmit copy of letters which have passed with the General Post Office, London, respecting the transmission of the mails from London to New York.

WALTER KENNAWAY

The Hon. the Premier

For the Agent-General.

Enclosure 1 in No. 30.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

13, Victoria Street, S.W., 18th July 1894.

I have the honour to inform you that I have received a communication from my Government in which it is pointed out that the present plan of sending the earlier portion of the New Zealand mails, which go by the San Francisco route, by steamers in advance of the steamer appointed to leave on the mail-day has frequently resulted in its late arrival at New York—the portion despatched later having arrived meanwhile—thus necessitating the detention of the mail-vessels at San Francisco for several hours, and in some instances even a whole day.

I beg, therefore, that you will bring these circumstances under the notice of the Postmaster-General, with the view of effecting an arrangement by which, when only slow vessels are available for the conveyance of the earlier portion of the mails from Queenstown, such vessels be not used, but that the entire mail may be sent by the fast steamer appointed to leave on mail-day.

I have, &c.,

W. B. PERCEVAL.

The Secretary, General Post Office, St. Martin’s-le-Grand.

Enclosure 2 in No. 30

The SECRETARY, General Post Office, London, to the AGENT-GENERAL.

SIR,—

General Post Office, London, 16th August, 1894.

With reference to your letter of the 18th July, calling attention to the circumstance that the preliminary despatch from this country of mails for New Zealand, *via* San Francisco, has frequently arrived at New York later than the final despatch conveyed by a faster steamer I beg leave to inform you that, according to the records of this department for the past two years or so the only instance in which such an occurrence has taken place was in January last, when the preliminary despatch conveyed by the “*Adriatic*” was overtaken by the final despatch conveyed by the “*Umbria*.”

Arrangements will be made to avoid as far as possible any future delay in the transmission of the New Zealand mails to New York.

I am, &c.,

W. ROCHE,

Sir Westby B. Perceval, K.C.M.G.

For the Secretary

No. 31.

The Hon the PREMIER to the AGENT-GENERAL.

(Memorandum.)

Premier's Office, Wellington, 4th October, 1894.

I HAVE to acknowledge the receipt of your memorandum of the 17th August last, covering copy of correspondence which has passed between yourself and the General Post Office, London, on the subject of the transmission from London to New York of mails to this colony despatched *via* San Francisco.

J G. WARD,

For the Premier

Sir Westby B. Perceval, K.C.M.G, Agent-General for New Zealand, London.

No. 32.

The RESIDENT AGENT, San Francisco, to the SECRETARY, General Post Office, Wellington.

Lexington Hotel, Michigan Boulevard and 22nd Street, Chicago,

SIR,—

12th October, 1894.

The ' Monowai ' was again two days late this time in its arrival in San Francisco, and missed the Wednesday's fast steamers from New York. Finding that it would, under the usual time-table, miss the fast steamer from New York on Thursday I placed myself in communication with the Hamburg-American Packet Company and induced them to hold their fast steamer, the " Fürst Bismarck," in New York two hours and a half, and got the Postal authorities in Chicago to divert our mails from the usual route to the Lake Shore express, and all the mails except the Irish portion left New York on the 4th, which should have landed them at Southampton in time. The Hamburg-American Packet Company gained nothing by this detention.

* * * * *

W Gray, Esq.

I remain, &c.,

H. STEPHENSON SMITH.

No. 33.

The Hon. the POSTMASTER-GENERAL to the MANAGER, Hamburg-American Packet Company, New York.

SIR,—

General Post Office, Wellington, 28th November, 1894.

I learn from the Resident Agent for this colony at San Francisco that on the occasion of the transport of the Australasian mails for the United Kingdom by the R.M.S. " Monowai," which arrived at San Francisco on the 29th September last, two days late, your company very kindly detained its steamer, the " Fürst Bismarck," for two hours and a half at New York to enable a portion of the mail to be placed on board, thereby saving a delay of two days at that port. I have accordingly much pleasure in tendering you the thanks of the Government of this colony for your company's courteous action on the occasion in question, which is fully appreciated.

I have, &c.,

W GRAY,

For the Postmaster-General.

The Manager, Hamburg-American Packet Company, New York.

No. 34.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

12th October, 1894.

(Memorandum.)

Arrival of Mails.

A PORTION of the San Francisco mail, despatched from New Zealand on 8th September, arrived in London yesterday (11th October), bringing the despatches specified in the enclosed schedule [not printed], and some newspapers and printed papers. On making inquiry at the Imperial Post Office, I am informed that the other portion of the mail is expected to arrive by the " Lucania " for delivery to-morrow morning (13th October)

I propose to take an early opportunity of ascertaining from the London Post Office how it happened that the mail was sent on from New York divided into two portions.

The Hon. the Premier

W B. PERCEVAL.

No. 35.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

16th November, 1894.

(Memorandum.)

Division of San Francisco Mail.

REFERRING to my memorandum of 12th October last, I now beg to transmit herewith copy of the reply I have received from the Imperial Post Office to my inquiry, explaining the cause of the division of the San Francisco mail, and expressing the regret of the United States Post Office for the occurrence.

W B. PERCEVAL.

The Hon. the Premier

Enclosure in No 35.

The SECRETARY, General Post Office, London, to the AGENT-GENERAL.

SIR,—

General Post Office, London, 14th November, 1894.

Referring to my letter of the 22nd ultimo, in which you were informed that an inquiry had been addressed to the United States Post Office respecting the arrival in this country of the mail from New Zealand, *via* San Francisco, in two portions on the 4th ultimo, I beg leave to state that a reply has now been received, from which it appears that the irregularity was caused by the mistake of an officer in the United States railway postal service, by whom part only instead of the whole of the mail was transferred to the proper train at Albany, New York.

The United States Post Office expresses its regret for this unfortunate occurrence, which, it states, has been seriously noticed.

I am, &c.,

Sir W. B. Perceval, K.C.M.G.

H. BUXTON FORMAN.

No. 36.

The RESIDENT AGENT, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, California, 13th December, 1894.

Again reverting to my communication of the 18th August, and your reply thereto of the 4th October, in reference to the question of the sailing-day of the steamers conveying the outward mails from this port, I would say that my communication was intended to obtain from you an instruction as to the course to pursue in case the fast transmission of the Atlantic should land the mails at this port on Wednesday, prior to the advertised date of sailing. Their arrival in the summer season on that day could be pretty well assured on receipt of the telegram of departure from New York.

It would therefore seem advisable that I should be instructed whether I am to endeavour to secure the departure of the steamer immediately on the arrival of the mail on these special occasions or whether the time-table date must in all cases be adhered to.

The arrival of the steamers in New York lately, even during the winter season, has only escaped the Friday's despatch from that port by from one to three hours, and therefore the case cited above is liable to occur at any time.

I have, &c.,

H. STEPHENSON SMITH,

Resident Agent.

W Gray, Esq.,

Secretary, Post and Telegraph Department, Wellington, New Zealand.

No. 37

The SECRETARY, General Post Office, Wellington, to the RESIDENT AGENT, San Francisco.

SIR,—

General Post Office, Wellington, 17th January, 1895.

I have the honour to acknowledge the receipt of your letter of the 13th ultimo, asking whether, in the event of the mails for the colonies arriving at San Francisco on the Wednesday prior to the advertised date of departure, the steamers should be despatched on that day.

I think that, even under the circumstances you mention, Thursday should be adhered to as the sailing-day from San Francisco; but if on any occasion the mails arrive at San Francisco on the Wednesday the steamers should be despatched early the following day.

I have, &c.,

H. Stephenson Smith, Esq.,

W GRAY, Secretary

Resident Agent for New Zealand, San Francisco.

No. 38.

The RESIDENT AGENT, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, California, 5th March, 1895.

I have the honour to acknowledge receipt of your communications of the 7th [not printed] and the 17th January last, the former communication informing me of the continuation of existing arrangements for mail-service between this port and the colonies, subject to the continuation of the contribution of £4,000 from the New South Wales Government, and the latter indicating that it is your opinion that, even in the event of the outward colonial mails reaching this port on the Wednesday prior to the advertised date of the steamer's departure, the contractors should not be asked to proceed any sooner than an early hour on the Thursday.

I had some conversation with the representative of Messrs. Spreckels and Co. with reference to the latter question, who states that they are, of course, desirous of doing anything in their power to expedite the transmission of the mails, but at present their steamers are advertised in the East and Europe to leave at 2 p.m. on Thursday and they think they might be liable for damages should they leave at any hour earlier than that advertised. I have suggested to them the advisability of making their advertisement read, "9 a.m." instead of "2 p.m.," as they could always defer the departure without incurring any penalty on account of breach of faith with their patrons, and I think this course will be adopted.

I have, &c.,

H. STEPHENSON SMITH,

Resident Agent.

W Gray, Esq.,

Secretary Post and Telegraph Department, Wellington.

CANADIAN PACIFIC MAIL-SERVICE

No. 39.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 15th June, 1894.

In forwarding you copies of the proceedings of the Postal and Telegraph Conference [F.-2, 1894], held here last March, I have the honour to direct your special attention to the resolution concerning the Canadian Pacific mail-service, and to request that you will be so good as to ascertain what prospect there is of the Imperial Government subsidising the service. I should be glad if you would keep me promptly advised of any movement in favour of the service. As Parliament is about to meet, you will, if you consider it necessary advise me by telegraph.

I have, &c.,

J. G. WARD,

For the Premier

Sir Westby B. Perceval, K.C.M.G., Agent-General for New Zealand, London.

No. 40

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
3rd November, 1894.

(Memorandum.)

Mail-service via Vancouver

I beg herewith to transmit copy of letter received this day from Mr James Huddart, containing a proposal for establishing a service direct from New Zealand in connection with that *via* Vancouver

The Hon. the Premier

W. B. PERCEVAL.

Enclosure in No. 40.

Mr HUDDART to the AGENT-GENERAL.

22, Billiter Street, London, E.C., 2nd November, 1894.

SIR,—

Royal Mail-service, Vancouver Route.

In view of the delay likely to arise through the negotiations with Australian Governments, particularly that of New South Wales, as to their allowing the steamships employed in the Sydney-Vancouver trade to call *en route* at a New Zealand port, I beg to propose a service in connection therewith direct from New Zealand.

We are prepared to build a steamship, and within twelve months of your Government's acceptance of our offer, to place her on the berth as a mail-steamer running from Auckland or Wellington (at your Government's option) to Suva, in connection with the Canadian Australian line of Royal mail-ships.

Our proposition is to provide a new steamship which shall sail with mails, passengers, and cargo from Auckland the day following the departure of the through steamer from Sydney, or, assuming that the Port of Wellington is chosen as the terminal port, we should propose to dispatch the New Zealand connecting mail-steamer on the same day on which the through steamship shall leave Sydney.

The New Zealand steamer would deliver at Suva her mails, passengers, and cargo to the through steamer, and then await the arrival of the incoming steamer from Vancouver. After receiving the New Zealand mails, passengers, and cargo she would then sail direct for Auckland or Wellington.

Thus New Zealand would be provided with an alternate service *via* Vancouver, which, as regards time of transit and rates for passengers and goods, would put the colony on an equal footing with New South Wales.

As the connecting steamer from New Zealand would have several days to wait at Fiji, we should be prepared to arrange for her to call at other Fijian ports than Suva, affording the Colony of New Zealand an additional service for all purposes.

The steamer which we propose to build would be in all respects adapted for the trade, and provided with ample accommodation for frozen meat, &c.

The consideration which we require from your Government is a sum of £10,000 sterling per annum, for a period of seven years.

It is understood this is to begin with, for a monthly service, and that as soon as the third vessel shall be added to the direct Canadian Australian line, the New Zealand service shall become four-weekly

I have, &c.,

Sir Westby B. Perceval, K.C.M.G., Agent-General for
New Zealand, London.

JAMES HUDDART.

No. 41

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney

(Telegram.)

General Post Office, Wellington, 28th December, 1894.

GOVERNMENT has had matter of Vancouver service under consideration, and I should be glad to learn from you whether you would be agreeable to entertain a proposal for running the service by way of Auckland on our contributing a subsidy of ten thousand a year

No. 42.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
 (Telegram.) Sydney, 1st January, 1895.
 RE Vancouver Mr Cook would like to know whether you expect for the ten thousand a calendar monthly or four-weekly service.

No. 43.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney
 (Telegram.) General Post Office, Wellington, 3rd January, 1895.
 VANCOUVER. Four-weekly This would secure the fortnightly service favoured by the Conference.

No. 44.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.
 (Telegram.) Sydney 4th January, 1895.
 Re Vancouver service. No objection to consider proposal for deviating to Auckland, provided no extra cost to us.

No. 45.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney
 (Telegram.) Wellington, 5th January, 1895.
 VANCOUVER service. Should be glad if you would now ascertain whether contractors are willing for a subsidy of ten thousand a year to run main boats four-weekly by way of Auckland or Wellington. Steamers to call at Samoa as well as Honolulu, and time between New Zealand and Vancouver not to exceed twenty-one days. I hope it may be possible to do it in less. This should be practicable if average speed of fifteen and half knots an hour is maintained, as stipulated for under clause two of your agreement. First-class passage for mail agent to be provided, as well as accommodation for sorting mails. Generally main provisions of San Francisco contract, so far as applicable, to apply Your agreement of 10th October, 1893, with Mr Huddart, may in a general way be accepted as basis of negotiations. This colony, of course, to have voice in determining passenger and cargo rates, and to have equal preference with yourselves for cargo space.

No. 46.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney
 SIR,— General Post Office, Wellington, 12th January, 1895.

I have now the honour to enclose copy of telegrams exchanged between our respective colonies in reference to the proposal for the steamers of the Sydney-Vancouver mail-service to call at New Zealand.

The Hon. Mr. Ward hopes that it will be possible to arrange for the main steamers of the service to call at either Auckland or Wellington as well as Samoa, on the conditions and for the payment proposed in his telegram of the 5th instant.

I have, &c.,

The Deputy Postmaster-General, Sydney

W GRAY, Secretary

No. 47

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 17th January, 1895.

I have the honour to acknowledge the receipt of your memorandum of the 3rd November last, transmitting copy of a letter received by you from Mr James Huddart, proposing a mail-service direct from New Zealand to Fiji in connection with the service between Sydney and Vancouver.

There is now a probability of the mail contractors for the Vancouver service agreeing to run their main steamers *via* New Zealand—touching at either Wellington or Auckland—as well as Samoa. The New South Wales Government is prepared to favourably consider the proposal, and has undertaken to negotiate with the Huddart-Parker Company on behalf of this colony A four-weekly service has been asked for, so as to alternate with the San Francisco service, and a subsidy of £10,000 will be paid in the event of New Zealand being made a calling-place.

I have, &c.,

J G. WARD,

For the Premier

Sir Westby B. Perceval, K.C.M.G., Agent-General for New Zealand, London.

No. 48.

The MANAGING DIRECTOR, Union Steam Ship Company, to the Hon. the PREMIER.

Union Steam Ship Company of New Zealand (Limited), Dunedin,

MY DEAR MR. SEDDON,—

27th February, 1895.

I notice in connection with the recent negotiations between the Postmaster-General and the contractors for the Vancouver service for their steamers to call at New Zealand, that a proposal has been made that instead of bringing the main line *via* New Zealand they should establish a branch service from Auckland to Fiji and Samoa, connecting with the main line at Fiji. From the tone of the newspaper paragraphs the impression is created that failing the possibility of securing a connection with the main line at Auckland the Government will, for a moderate subsidy, fall in with the alternative proposal.

I take the liberty of writing you personally on this subject to point out that we have already in existence a four-weekly line from Wellington and Auckland to Fiji, and also from Auckland to Tonga and Samoa, while in addition to the latter the Frisco mail-steamers connect Auckland and Samoa each four weeks.

We have maintained these trades for many years, oftentimes at considerable loss, and have done our best to work up and foster trade between New Zealand and the Pacific Islands generally, so that we now naturally view with some alarm the possibility of a rival line being established under a heavy subsidy from our own Government.

I take this opportunity of bringing the matter before you, as possibly this aspect of it may not have occurred to you. I cannot but think that the interests of our company in this connection will receive full consideration at your hands.

It should not be forgotten also that we are a local company, seeing that our head-quarters are in the colony, and that by far the greater portion of our expenditure for repairs, provisions, and wages is made in the colony, which is the home of the great majority of our employees.

Yours, &c.,

JAMES MILLS.

The Hon. R. J Seddon, Wellington.

No. 49.

The Hon. the PREMIER to the MANAGING DIRECTOR of the Union Steam Ship Company

MY DEAR MR. MILLS,—

Premier's Office, Wellington, 10th April, 1895.

I duly received your letter of the 27th February last on the subject of the Vancouver mail-service.

I am entirely of opinion that New Zealand should be served by the main steamers and not by a branch line from Fiji. In fact, the Government will not entertain proposals for a branch service. If the colony subsidises the Vancouver service it will be on the condition that the main-line steamers make Wellington or Auckland a port of call, and also touch at Samoa both ways.

I am, &c.,

R. J SEDDON

James Mills, Esq., Managing Director,
Union Steam Ship Company of New Zealand (Limited), Dunedin.

No. 50.

The MANAGING DIRECTOR, Union Steam Ship Company, to the Hon. the PREMIER.

Union Steam Ship Company of New Zealand (Limited), Dunedin,

DEAR SIR,—

2nd April, 1895.

Referring to my letter to you of the 27th February last, and my subsequent interview with you in Wellington on the 19th March, on the subject of the Vancouver service, I gathered that the desire of the Government was to secure a connection with Vancouver by means of the main line of steamers rather than by a branch line, in order, if possible, to develop commerce between Canada and this colony.

I take this opportunity of pointing out that this connection could be secured by means of an extension of our present San Francisco service to Vancouver. Our steamers now lie at San Francisco for about three weeks, so that they would have ample time to extend their journey in that direction.

We therefore now offer to extend the main line from San Francisco to Vancouver, returning thence *via* San Francisco, Honolulu, and Apia for an additional subsidy of £10,000 per annum from your Government, or we are prepared to extend to Vancouver each alternate month, if this should be considered sufficient for trade purposes in the meantime, for a subsidy of £5,000 per annum from your Government.

I trust you will see your way to take this offer into your favourable consideration.

I have, &c.,

JAMES MILLS.

The Hon. R. J Seddon, Wellington.

No. 51

The MANAGING DIRECTOR, Union Steam Ship Company, to the Hon. the PREMIER.

Union Steam Ship Company of New Zealand (Limited), Dunedin,

DEAR SIR,—

25th April, 1895.

Referring to my letter of the 2nd instant, on the subject of the proposal to extend our present service to San Francisco from that port to Vancouver, I may mention that, as the Govern-

ment of New South Wales have had recently under consideration the questions relating to the Vancouver service, we have intimated to them also that we are prepared to extend our service from San Francisco to Vancouver, and so insure a satisfactory connection with the latter port for the development of trade between Canada and the colonies.

It occurs to me that if there is any probability of the New Zealand and New South Wales Governments working together in the matter this service could be secured on terms, embracing both the San Francisco and Vancouver connection, which would make the burden lighter for both colonies.

The Hon. R. J. Seddon, Wellington.

Yours, &c.,

JAMES MILLS.

No. 52.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the PREMIER, Ottawa.

(Telegram.)

General Post Office, Wellington 29th July, 1895.

VANCOUVER Mail Service.—Parliament to be asked for £20,000 per annum for term of years. Main steamers call Auckland or Wellington. What will be the charges conveyance mails across Canada? What rates Atlantic? Hope your Government give free overland transit pending decision Postal Union Congress, 1897, on general question continental transit of forward mails.

No. 53.

The Hon. the PREMIER, Ottawa, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Ottawa, 30th July, 1895.

ATLANTIC rate Letters, post-cards, 5 francs kilogramme other matter 50 centimes kilogramme. Will grant land transit free until 31st December, 1897, pending negotiations.

[For proceedings on the Canadian Pacific Mail-service at the Conference held in Ottawa in June, 1894, see paper A.-5, 1895, pp. 8 and 9.]

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