

three new steamers on the line between San Francisco and the colonies, and also the fact that our steamer is not permitted to trade between Honolulu and San Francisco, nor will she any longer receive a share of the American mail-payments, it would probably be necessary for us to ask you to cancel our contract with your Government for the carriage of the mails between New Zealand and San Francisco, and to relieve us from our sailings after the departure of the "Mariposa" from Auckland on the 29th October, and the "Moana" from San Francisco, about 3rd October, I have now formally, on behalf of this company, to ask that we should be relieved accordingly.

I need hardly repeat that it is a source of regret to us that, after having taken a leading part in carrying on the mail-service with San Francisco for the past fifteen years, we should be now squeezed out of it; and I venture to say, also, it is not in the interests of the colonies that it should be so. I may add that, if it can be arranged that a British-owned steamer may be retained in the trade under suitable conditions we are still prepared to build and equip a steamer equal in speed and all other respects to the proposed American steamers.

I have, &c.,

JAMES MILLS, Managing Director.

The Hon. the Postmaster-General, Wellington.

No. 12.

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

(Telegram.)

Wellington, 8th October, 1900.

FRISCO service: After fully considering question, Government decided to ask House of Representatives to authorize temporary agreement with Spreckels for continuance of service for twelve months. Once every three weeks. No fixed subsidy, but payment on basis present poundage-rates. The time between Auckland and San Francisco sixteen days. Union Company, recognising that American subsidy payable only to Spreckels's steamers, and "Moana" having been prevented trading between Honolulu and San Francisco, have applied to have contract cancelled, and relieved of sailings after departure of "Mariposa" from Sydney on twenty-fourth instant, and Auckland on twenty-ninth, to which I have agreed. "Alameda," however, leaves San Francisco on thirty-first instant, as advertised. New service probably begin with "Sierra" from San Francisco on 21st November.

No. 13.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 9th October, 1900.

FRISCO service and your telegram fifth: Proposed payment—letters, ten and fivepence; books, one shilling; newspapers, sixpence per pound. Route, San Francisco, Honolulu, Pago Pago, Auckland, Sydney. Exclusively American vessels, specially built. Six thousand tons. Sixteen knots sea-going speed. Time, Auckland San Francisco, sixteen days. Twenty-seven, twenty-eight days London Auckland. Leave San Francisco Wednesdays; arrive Mondays.

No. 14.

SAN FRANCISCO MAIL-SERVICE.

RESOLUTION passed by the House of Representatives on the 11th day of October, 1900:—

Resolved, (1.) That this House authorises the Government to enter into a temporary agreement with the J. D. Spreckels and Brothers Company for the continuance of the San Francisco mail-service once every three weeks, in the place of four-weekly, for a period not exceeding twelve months, from about the 21st November, 1900. (2.) The payment for the conveyance of mails from New Zealand to San Francisco shall be at the rate of 10s. 5d. per pound for letters, 1s. per pound for books, packets, &c., and 6d. per pound for newspapers. (3.) The time between San Francisco and Auckland shall not exceed sixteen days. (4.) No bonus shall 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. (5.) All mails tendered to the contractors at Auckland and San Francisco by or on behalf of the Postmaster-General of New Zealand shall be conveyed by the contract vessels, and sufficient and secure accommodation shall be provided for the same. (6.) Suitable accommodation and lighting shall be provided for the purpose of sorting the mails on board the contract vessels, and first-class accommodation provided without charge for a mail agent and an assistant, or, if required, two assistants. (7.) During the continuance of the contract, and so long as the same shall be faithfully carried out by the contractors, no charge for harbour dues, dock dues, or other rates shall be made or levied under "The Harbours Act, 1878," or any amendment thereof, or under any special Act in that behalf, at the Port of Auckland for any of the steam-vessels employed in carrying out the contract. (8.) Any agreement entered into between the Postmaster-General of New Zealand and the J. D. Spreckels and Brothers Company shall, where applicable, follow the provisions of the agreement entered into with the Union Steam Ship Company of New Zealand (Limited), on the 14th day of August, 1895 [No. 27, F.-6, 1895], and the renewed agreement made on the 11th day of April, 1899 [No. 91, F.-6, 1899].