

“(a.) This House authorises the Government to enter into a contract with the said company for a renewal of the present San Francisco mail-service for a term of one year and six months, subject to the following conditions:—

“(b.) That the payment for the conveyance of mails from New Zealand to San Francisco shall be at the rate of 7s. 6d. per lb. for letters, 1s. per lb. for books, packets, &c., and 6d. per lb. for newspapers, with a minimum of £15,000 and a maximum of £20,000 per annum; or

“(c.) That, in lieu of the foregoing payments, a fixed annual subsidy of £20,000 be paid, provided that one British-owned steamer, registered in New Zealand, be employed in the service.

“(d.) That the time between San Francisco and Auckland shall not exceed seventeen days.

“(e.) That no bonus shall be paid for early arrival, and a penalty at the rate of £4 an hour shall be enforced only when late delivery exceeds forty-eight hours.

“(f.) That 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 provided for the same.

“(g.) That 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.

“(h.) That 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.

“(i.) That 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 between the Postmaster-General and the Union Steamship Company of New Zealand (Limited) on the 14th day of August, 1895, and the renewed agreement made on the 11th day of April, 1899.

“(j.) And that the terms and conditions of clause 7 of the agreement of the 14th day of August, 1895, providing for the detention of the vessels at San Francisco for the mails from Great Britain, shall be given effect to as far as may be consistent with the contract subsisting between the J. D. Spreckels and Brothers Company and the United States Government.”

On the purport of the resolutions being communicated to Mr. Spreckels, he at first declined to accept the terms because the payment for letters was reduced from 10s. 5d. to 7s. 6d. per pound. Further negotiations, however, resulted in his practically agreeing to carry on the service in terms of the resolutions. The contract, after revision, has been sent Mr. Spreckels for execution by his company.

The service, unfortunately, has not been performed with that regularity which was expected when the initial difficulties connected with the machinery of the new vessels had been overcome. The irregular running has been due to several causes, amongst others the quarantine restrictions, which have more or less interfered with the due despatch of the vessels from Auckland, delaying their arrival at San Francisco. The late arrival there of a few hours only may mean, and has resulted in, three or four days' delay in the delivery of the mails in London—whenever the connection with the Saturday fast steamer from New York was missed, which has caused much dissatisfaction among the business people in London. After repeated representations Mr. Spreckels has agreed to put forward the departure of the steamers from Sydney and Auckland by one day, a change which it is hoped will enable the mails to connect regularly with the Saturday fast steamer from New York, and assure their delivery in London on due date.

The question of opening up negotiations for a Vancouver and for a Federal mail-service was also discussed by the House of Representatives last session, and the following resolutions agreed to:—

Vancouver Mail-service.

“Resolved,—

“2. That this House authorises the Government to enter into negotiations for establishing a three-weekly or a four-weekly Vancouver mail-service, subject to the following conditions:—

“(a.) That the contract shall be for a term of not less than three or more than five years.

“(b.) That the payment shall not exceed £20,000 a year.

“(c.) That the service shall be performed by vessels of not less than 6,000 tons, having first-class passenger accommodation and fitted with all modern improvements, and also refrigerating-chambers, and chilled chambers for fruit and dairy produce.

“(d.) That the time shall not exceed eighteen days between Vancouver and a New Zealand port, the selection of which to be at the contractor's option.

“(e.) That the terms and conditions of contract proposed in respect of the San Francisco service shall be applied to the Vancouver service so far as they can be adopted.”

Federal Mail-service.

“Resolved,—

“3. That the Government shall also negotiate for a fortnightly intercolonial service to provide prompt connection with the Federal mail-service at Melbourne and Sydney,—

(a.) Between Wellington and Sydney; and

(b.) Between Melbourne and the Bluff;

and, in addition, in the event of the San Francisco service not being arranged,

(c.) Between Sydney and Auckland.”