

(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 Bros. Company shall, where applicable, follow the provisions of the agreement entered into between the Postmaster-General and the Union Steam Ship 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 Bros. Company and the United States Government.

Resolved,—

Vancouver Mail-service.

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.

Resolved,—

Federal Mail-service.

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.

No. 18.

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

(Telegram, posted at Auckland.)

Wellington, 19th October, 1901.

HOUSE last night approved renewal Frisco service by thirty-five to twenty-eight votes. Payment to be 7s. 6d. per pound for letters, in place of 10s. 5d. Books and newspapers at same rates as at present. Minimum payment, £15,000, and maximum £20,000. Government proposed renewal for three years, but House reduced this to eighteen months. . . . Feeling is very strong against a British boat being shut out, and British vessels prohibited carrying passengers or cargo between Honolulu and Frisco. I hope Mr. Spreckels will accept, as I am satisfied no better terms can be obtained. The minimum payment was only inserted last night, and was not in original proposals; and even then there was a division on an amendment made to reduce to £12,000.

No. 19.

The SECRETARY, General Post Office, Wellington, to the J. D. SPRECKELS and BROS. COMPANY, San Francisco.

SIR,—

General Post Office, Wellington, 21st October, 1901.

I have the honour to forward herewith three copies of resolutions in reference to the San Francisco and other mail-services, passed by the House of Representatives on the 18th instant.

I have, &c.,

W. GRAY, Secretary.

Messrs. the J. D. Spreckels and Bros. Company, San Francisco.

[Copies also sent to the AGENT-GENERAL; Mr. SMITH, Resident Agent in San Francisco; the MANAGING DIRECTOR, Union Steam Ship Company; the MANAGER, Huddart, Parker Proprietary, Wellington; and the GENERAL MANAGER, New Zealand Shipping Company.]