

the provisions of the existing contract, where not repugnant to these conditions, to apply. That the Government be also authorised to defray one-half the cost of the transit of the Homeward mails from San Francisco to New York, the other half to be borne by the contractors or the American Government. (The Homeward mails sent across America in 1889 would, it is estimated, have cost for overland transit £3,844.)

“(b.) To arrange for a renewal of the four-weekly Direct service for twelve months on the basis of a payment of 12s. per pound on letters, 9d. per pound on books, and 3d. per pound on newspapers. That all receipts received by New Zealand from the Imperial Post Office, and from other countries, be paid over to the contractors; but the colony's direct liability be restricted to payment for its outward mails. (On the mails forwarded by the Direct contract steamers in 1889, this would have amounted to £2,441.) The time to be 45 days from Plymouth to New Zealand, and 40 days from New Zealand to Plymouth. No bonus to be paid for early delivery of mails, and penalties, at the rate of £4 an hour, not to be enforced except when late arrival exceeds forty-eight hours on either voyage. The steamers shall be liable for payment of light, harbour, and other dues. The other provisions of the existing contracts to be adopted where they are not at variance with these conditions.

“Should the Government be unable to make an arrangement for the continuance of the San Francisco service on the terms above stated, then the alternate fortnightly mails should be sent by the Direct steamers, either for the payment of 12s. per pound for letters, or for the usual ship-letter gratuity.”

The printed papers which have been laid before Parliament disclose the negotiations in connection with the renewal of the services, and bring the history of the mail-service question down to date.

There has been an acceleration in the delivery of mails between the colony and London by the San Francisco service. The New Zealand mails are now conveyed between New York and Queens-town by steamers of the “Majestic” and “Umbria” type, whereby a saving of two days outward and three days homeward has been made possible. To meet this it was necessary to change the sailing-day from San Francisco from Saturday to Thursday, and also to put back the despatch from this end five days to assure the homeward mails reaching New York in time to connect with the fast contract steamer sailing on the Thursday for Queenstown.

The change was made in February last, and since then London mails have reached Auckland three times in 33 days and three times in 34 days, while the homeward mails have been delivered in London from Auckland twice in 32 days and twice in 33 days, in the place of 35 days and 36 days respectively allowed under the previous time-table.

This alteration made a corresponding change in the running of the Direct service desirable; but this was impracticable without completely disorganizing the business of the Direct steamers. The contractors, however, agreed to put back the sailing date from the colony two days—from Thursday to Saturday—and this was eventually accepted. The direct homeward despatch is now only a week later than that *via* San Francisco, in the place of 10 days, as formerly. The changes, however, have enabled all the principal centres in the colony to reply by the Direct contract steamer to letters received by the San Francisco mail the week previous, which was not hitherto possible; while the people of Auckland secure the additional advantage of having two days to answer their London San Francisco letters by the return mail *via* San Francisco.

Now that the delivery by the San Francisco service has been further shortened the difficulty in arranging a time-table providing for regular intervals between the despatch and arrival of mails by both lines—the delivery by one service taking only 32 and 33 days, and by the other 42 and 45 days—will be increased. Although there is only a week between the departure of the homeward mails by the San Francisco and Direct services, and then an interval of three weeks before the following despatch by San Francisco, the mails reach London at intervals of 11 days and 17 days. The incoming mails by way of San Francisco and by Direct contract steamer are despatched from London at regular fortnightly intervals, yet the San Francisco mails not infrequently reach the colony within two or three days of the mails despatched a fortnight earlier by the Direct steamers; and it has happened that the mails by both services have been delivered in Auckland on the same day.

It will again be necessary to make provision for the continuance of the ocean mail-services, as the present contracts terminate in November-December next. The policy of renewing from year to year only is unsatisfactory alike to the department and contractors; and there is reason to believe that the uncertain conditions under which the San Francisco service has been maintained for the past three years prevented a better class of steamers being placed on the line. Any future renewal should be for a fixed term of years, which would no doubt ultimately result in further improvements in the San Francisco service.

There is a possibility of the San Francisco service being made fortnightly. The Postmaster-General of the United States is about calling for tenders for a fast fortnightly service between San Francisco, Honolulu, New Zealand, and Australia for a period of ten years, and has asked this department whether it would be willing to co-operate in securing quicker communication. The following letter was received by the last mail from the Postmaster-General, Washington, on the matter:—

“SIR,— “Office of the Postmaster-General, Washington, 14th July, 1891.

“I have the honour to inform you that, under a recent Act of Congress to provide ocean mail-service between the United States and foreign ports, limiting compensation to outward voyages, I am endeavouring to arrange for fast fortnightly service on ten-years' contracts between San Francisco and Australia, *via* New Zealand, calling alternately at Wellington and Auckland.

“I respectfully transmit this information that you may co-operate, if you see proper, in securing quicker communication and regulating return voyages in the interest of your country.

“I have, &c.,

“JOHN WANAMAKER, Postmaster-General.

“The Hon. the Postmaster-General, Wellington, New Zealand.”