

by the report of the Commerce Extension Committee, I entered into communication with the Oceanic Steamship Company of San Francisco, who, as you know, are associated with us in carrying out the present mail-service *via* San Francisco. As the result of this, I am now in a position to say that we are prepared to negotiate with you for a fortnightly instead of a monthly mail-service, as at present, at an increased subsidy to be agreed upon; the fortnightly service to commence in the early part of 1900 and before the expiry of the extension of the present contract recently arranged.

For the purpose of carrying out such a service the Oceanic Steamship Company propose to build a new 5,000-ton steamer of high speed, with up-to-date accommodation, and also to make extensive alterations to the "Alameda" and "Mariposa," so as to bring their accommodation and equipment up to the most modern requirements. The Union Company will also build a 5,000-ton steamer to run in conjunction with the "Moana," thus making up the five steamers required to carry out a fortnightly service.

To justify the large outlay of capital involved in this undertaking it would be necessary that the contract should be for a period of, say, seven years. It is hardly necessary for me to point out that, as a mail-service, the route *via* San Francisco has proved itself to be the most rapid and reliable for this colony, while as a fast and interesting passenger route it is deservedly popular, and will become more so when the improved facilities which we now propose are at the disposal of the travelling public. As you are aware, the uncertain tenure of the mail contract, in consequence of its only being renewed from year to year, has all along discouraged the contractors from taking steps to materially improve the service. The advantages of the route, however, as a mail and passenger service, and the importance of maintaining and improving the connection between the colonies and America, are becoming more widely recognised every day, and we are prepared, therefore, with a little encouragement, to entertain the idea of improving the service. I trust you will see your way to arrange a contract for a period of years, and on a basis of fortnightly sailings.

The Right Hon. R. J. Seddon, Postmaster-General, Wellington.

Yours, &c.
JAMES MILLS.

No. 19.

Messrs. R. W. CAMERON AND Co., New York, to the Hon. the POSTMASTER-GENERAL, Wellington.
New York, 29th December, 1898.

SIR,— We have pleasure in enclosing extract from the *New York Times* of the 25th December [not printed], regarding arrangements for mails between New York and San Francisco, by which a saving of a whole day will be effected. As this has a bearing on the information which we have already mailed to you on this subject, we have no doubt it will prove of interest to you, and remain,

The Hon. the Postmaster-General, Wellington.

Yours, &c.,
R. W. CAMERON AND Co.

No. 20.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 30th December, 1898.

I have the honour to acknowledge the receipt of your letter of the 16th ultimo, covering copy of replies received from the secretary of the Union Steam Ship Company of New Zealand and the liquidator of the Canadian-Australian Royal Mail Steamship Company to your letters advising that the New Zealand Parliament had authorised the renewal of the San Francisco and Vancouver mail-service contracts for twelve months.

I have, &c.,
T. THOMPSON, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 21.

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

SIR,— General Post Office, Wellington, 30th December, 1898.

I have the honour to acknowledge the receipt of your letter of the 19th ultimo, advising that the directors of your company were prepared to continue the mail-service between Auckland and San Francisco for one year from the 1st April next on the present conditions.

A draft form of agreement will be prepared and submitted to you in due course.

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

I have, &c.,
W. GRAY, Secretary.