

No. 38.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 23rd May, 1900.

Fr'isco service and your cable of nineteenth: Government received definite proposal from Spreckels by last Fr'isco mail. Three-weekly service to commence thirty-first October. Yearly subsidy from colonies £30,000; postages to be retained by Governments; five or seven years' contract. Your Government on third instant was cabled by Premier this colony inquiring whether a purely American service would be acceptable your colony if no other service to be secured, and what proportion of the £30,000 New South Wales would be prepared to find. I am to refer you to that cablegram, to which the Acting Premier would be glad receive early reply.

No. 39.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney.
SIR,—

General Post Office, Wellington, 30th May, 1900.

I have the honour, by direction of the Postmaster-General, to forward herewith copy of a letter, dated the 6th ultimo, from Mr. Spreckels to the Hon. the Premier, notifying that the United States Government had accepted an offer of the John D. Spreckels and Brothers Company for a three-weekly service between San Francisco and the colonies, which the company proposed to begin on the 31st October next.

From this letter you will learn that Messrs. Spreckels look for financial support from the colonial Governments, and the Postmaster-General will be glad to have the views of your department on the proposal at the earliest possible moment.

In considering the matter it is necessary to bear in mind that the effect of the Hanna-Payne Act, under which Mr. Spreckels will receive subsidies from the United States, will be to preclude the "Moana," or any other British vessel, from participating in the subsidies payable under the new Act should she be continued in the present service, even under the management of the John D. Spreckels and Brothers Company. It is also understood that the general shipping laws of the United States in any case prohibit foreign-owned vessels carrying passengers or cargo between United States coastal ports, and you will gather from an enclosed extract from the report of this department's Mail-agent on board the "Moana" that the effect of the Hawaiian Bill will be to apply the coastal laws to steamers running between San Francisco and Honolulu.

I have, &c.,

The Deputy Postmaster-General, Sydney.

W. GRAY, Secretary.

P.S.—I also enclose copies of telegrams exchanged between ourselves on the 19th and 23rd instant [Nos. 37 and 38.]

Enclosure in No. 39.

EXTRACT FROM THE REPORT OF THE MAIL AGENT ON BOARD THE R.M.S. "MOANA," 19TH MARCH TO THE 8TH MAY, 1900.

The clause in the Hawaiian Bill postponing for one year the time for applying the United States coasting laws to Hawaii was struck out in Committee the day we sailed. The Committee's report was to be sent in on the 19th April, and was expected to be approved of by the President and acted on at once. The Bill is to go into effect forty-five days after approval. A contract for ten years has been awarded to the Oceanic Steamship Company for carrying English and Australian mails. The service to be three-weekly, beginning 1st November, steamers to touch at Honolulu and Apia or Pago Pago. The rate is 2 dollars per mile outwards for each voyage.

No. 40.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
(Telegram.)

Sydney, 4th June, 1900.

Your message twenty-third May: Is it understood proposed American service in lieu of or in addition to present contract? Are Union Company as present contractors to be allowed opportunity for tendering? I understand their contract with you will not terminate until 31st March.

No. 41.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.
(Telegram.)

Sydney, 13th June, 1900.

Re your Premier's wire third ultimo re proposed Fr'isco service: Matter in abeyance pending reply my wire of fourth instant.