

No. 121.

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

SIR,— Resident Agency for New Zealand, San Francisco, 2nd December, 1901.

I have the honour to acknowledge the receipt of your communications of the 21st October [No. 19] and 7th of November [No. 25], and enclosures.

I note the conditions under which the Government have been authorised to arrange a contract with Messrs. Spreckels and Bros. of this city for the continuation of the conveyance of mails from the colony for the United Kingdom *via* San Francisco. These resolutions appear to me to be reasonable, and should, I think, appeal to the contractors.

The *Hansard* report of the debate has been read with much interest.

In connection with the acceptance of the contract on the basis of the resolutions referred to, I would say that, as the date of the expiration of the old arrangement had arrived, I, at the request of the Mail-agent, cabled you to ascertain whether Messrs. Spreckels and Bros. had signified their acceptance or otherwise of the proposition, and have your reply intimating that no confirmation of the proposition had yet been received from the Oceanic Steamship Company [No. 27].

I have not had any communication, either written or oral, on the matter from Messrs. Spreckels and Bros., so that here we are entirely in ignorance of the state of the case.

I have, &c.,

H. STEPHENSON SMITH,

Resident Agent for New Zealand.

The Secretary, General Post Office, Wellington.

No. 122.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 13th December, 1901.

I have the honour to acknowledge the receipt of your letter of the 23rd October last, forwarding copies of your letter to the Imperial Post Office and the reply thereto, in connection with the despatch of mails to this colony by way of San Francisco pending settlement of the question of renewal of the contract.

I have, &c.,

J. G. WARD, for the Premier.

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

No. 123.

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

SIR,— Resident Agency for New Zealand, San Francisco, 6th February, 1902.

Your long and interesting letter [not printed] per "Sierra," *in re* Spreckels's contract, is to hand, and the contents have been read with interest.

It is true that the lengthening of the smoke-stacks of the Oceanic steamers appears to have added considerably to the speed of the steamers, and they are coming into port on schedule time when all things are favourable in the way of weather. But they appear not to have any reserve power to counteract any heavy adverse weather. The "Sierra" got here on Monday too late to connect with the morning express, but by extreme good luck her mails caught the "Umbria" on Saturday. You will be surprised, however, not to get any notice of the "Sierra's" departure until late this time, as the Atlantic steamer, the "Saxonia," a slow boat, did not get to New York until Tuesday afternoon instead of Saturday. Of course, the Atlantic weather has been frightful for the past month, and that, coupled with the mails being upon a sixteen-knot boat, has thrown the schedule entirely out of gear. The "Sierra," if not further delayed, will get away about mid-day on Sunday. As the United States mails, I believe, arrived here in time to go forward on timetable date, we were confronted with a rather serious proposition. Messrs. Spreckels, who had arranged to make some repairs on the "Sierra" at Sydney, were extremely anxious to leave on receipt of the United States mails, and telephoned me that they did not see how they could hold the steamer for so long as it appeared necessary at that time. I thereupon wired to Mr. Brooks at Washington explaining the situation and the probable delay, and a reply came to the postal authorities instructing them to ask Messrs. Spreckels to hold the steamer, and at the same time directing that I be informed of their action. In the meantime Messrs. Spreckels notified me—I think, before they could have heard from Washington—that they held the steamer, and at the same time asked me whether the New Zealand Government would not make them an allowance for the expense entailed on them by the detention. That, of course, I declined to give an opinion upon, although I think, considering that they have no contract for outward carriage, the incident might perhaps be a matter for consideration.

The mails per "Ventura," which went across by the "Saxonia" on the 11th January, are reported to have arrived at Liverpool on the 20th, which I presume was some time late. I fancy the "Campania" is undergoing overhaul, hence the use of the slow "Saxonia" on this line.

Very severe weather is now being experienced all over the United States, and even in California it is quite stormy.

It is rumoured that the Canadian Pacific Company is going to considerably accelerate its overland express in the near future—I think, making Montreal in four days. But I do not know how