

No. 3.

The J. D. SPRECKELS AND BROTHERS COMPANY, San Francisco, to the Hon. the PRIME MINISTER, Wellington.

(Telegram.)

San Francisco, 5th December, 1907.

EXPECT favourable action Congress. Can you indicate possible compensation for us, including Commonwealth contribution, for alternative service with Union? Five years, each thirteen trips. Cabled Mills.

[S.F. Agr. 08/13.]

No. 4.

Mr. J. D. SPRECKELS, President, Oceanic Steamship Company, San Francisco, to the Hon. the PRIME MINISTER, Wellington.

SIR,—

San Francisco, Cal., 6th December, 1907.

We confirm our cablegram of yesterday, as follows :—[No. 3.]

It seems now that the Administration have at last comprehended the importance of necessary legislation for American shipping, and, as you will note from copy of the President's message to Congress, which we enclose herewith [not received], distinct reference is made to the Australasian service. Immediately upon the convening of Congress, a Bill was introduced in the Senate along the lines as recommended by the President, and, from all that we can learn, there will probably be speedy and favourable action taken, in which event the most important of the necessities required for the restoration of our service will have been provided for. We have still to know what support can be obtained from your Government, and have yet the problem before us of dealing with the bondholders for the purpose of effecting a reorganization of the company, and of raising a very considerable sum of money in order to place our steamships in first-class condition, as it would be useless to start the service again unless we are absolutely sure that it can be performed without the difficulties which beset us in the past. About one-quarter of the outstanding bonds of the company are so widely distributed that we will not know until the 1st January who the holders are, at which time they present their interest-coupons for payment. Therefore we are unable to call a meeting and get in communication with all of the interests. We have, however, been preparing specifications for the overhauling of the steamers; but it would be impossible for us to make a start, even though all went well, much before the 1st July, 1908.

In view of the general feeling in New Zealand and Australia that the service should alternate with that of the Union Steam Ship Company—our steamers *via* San Francisco and the Union steamers *via* Vancouver—we think that the service when inaugurated should be along those lines. We have already had an expression of opinion from Mr. Mills, in which he favoured the plan, and we have likewise cabled to him, simultaneously with our message to you, asking him to see you in regard to what possible compensation could be provided by your Government, acting in conjunction with the Federal Government. Our preferences would be to deal entirely through you, and to have our own independent contract to perform thirteen voyages at stipulated dates that would provide an alternate service with the Union Steam Ship Company. Of course we understand that it would be impossible for you to reply to our cable in a definite manner. What we mostly seek is an expression from you indicating, if possible, a sum that your Government might be willing to pay. Having an assurance that we will receive liberal treatment from your Government will place us on a better footing when presenting the situation before the bondholders, and requesting them to fall in with our project for reorganization, and provide finances with which to cover our proposed plans for the expenditure of an aggregate of about £250,000.

We will advise you by cable message of anything of importance that may occur to change the situation.

We have, &c.,

OCEANIC STEAMSHIP COMPANY
(JOHN D. SPRECKELS, President).

The Hon. the Prime Minister, Wellington.

[S.F. Agr. 08/23-25.]

No. 5.

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

(Telegram.)

Wellington, 13th December, 1907.

NEWSPAPER reports Spreckels resuming service by "Sonoma" eleventh February. Is the report true?

[S.F. Agr. 08/6.]

No. 6.

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

(Telegram.)

San Francisco, 13th December, 1907.

SPRECKELS: The report is false.

[S.F. Agr. 08/7.]