

last port of call for another year from the first July next, after which tenders are to be invited for an accelerated service. You will therefore see that, though asked by me to agree to New Zealand being included, it has been decided to extend the present service, including Brisbane as a port of call, for twelve months. Calling at Brisbane puts New Zealand out of it. This makes it impossible for such a proposal as contained in your wire to be given effect to at present. I note your remarks regarding the Suez service, the cost of which you have inadvertently overstated by about five thousand pounds, having apparently overlooked the fact that the fifteen thousand pounds paid for the Wellington-Sydney service includes about five thousand pounds for mails not sent beyond Australia. For a three-weekly service to Vancouver thirty-four thousand pounds would be cheap, provided the class of steamer was satisfactory; but in any case the establishment of a service would by no means exempt New Zealand from any payment for the Suez service, as the New Zealand people generally, excepting those within a reasonable distance of Auckland, would not be content with an English mail once in three weeks only, and I am of opinion we should still have to provide for a mail *via* Suez between the departure of one Vancouver steamer and another. The cost of that would be about twelve thousand a year; but I do not regard this in any way as too large an amount to pay, or that cost of it would prejudice the carrying-out of a Vancouver service at anything like the amount you state.

No effort has been spared to secure the desired result (which I should very much like to see) of obtaining a mail and passenger service giving a speedy connection between Auckland and London, but, unfortunately, New Zealand does not alone govern the position, as there are two other countries concerned. Should we not succeed in getting a suitable service with Canada and Australia, it may become necessary for us to provide one on our own account, the steamers on their inward voyage remaining in New Zealand.

[Van. Misc. 10/88.]

No. 82.

The PRESIDENT, Chamber of Commerce, Auckland, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Auckland, 29th April, 1910.

I THANK you for your exhaustive telegram, from which I note you say a substantial subsidy from New Zealand would be paid. This to me is rather vague, because if nothing has been offered—and you have not mentioned the subsidy you are willing to pay—it is obvious the Commonwealth would not favourably entertain negotiations. You recognise thirty-four thousand would be cheap; therefore why not make a definite offer for three-weekly up-to-date vessels commencing new contract July first? Time is now particularly opportune, in view expiry contract, and an effort by Sir James Mills, who is now due in Australia, for improved service to Australia *via* New Zealand. At present cost to former and to Canada there should be no insurmountable difficulties in closing the business. New Zealand should not be called upon to submit, whilst Australia and Canada are considering the All-red route, to the present slow services. The same difficulties as exist now will arise then. We quite realise this matter has received your close personal attention, but nevertheless kindly renew the effort to establish service as indicated. If present suggestion finally found to be impossible owing to refusal Commonwealth Government to eliminate Brisbane, we would then make following alternative suggestions:—

(1.) That Brisbane remain terminal and only Australian port, but service run from Fiji to Auckland, thence to Brisbane.

(2.) As we recognise this would entail delay—three days extra for Australian mails—suggest in consideration for this Australian subsidy be reduced five or six thousand pounds, such extra sum to be added to New Zealand subsidy. Australia would further benefit by what would be a more frequent and accelerated service.

Very glad to note concluding paragraph in your telegram; but that would be much more costly (we are advised hundred thousand pounds per annum), and may be left pending result present endeavours. Kindly telegraph further on receipt reply from Australia.

[Van. Misc. 10/94.]

No. 83.

The PRESIDENT, Chamber of Commerce, Auckland, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Auckland, 29th April, 1910.

FURTHER to my wire to-day: Proposal *re* Brisbane-Auckland would provide communication which does not present exist, and which would be very valuable to both.

No. 84.

The Right Hon. the PRIME MINISTER to the PRESIDENT, Chamber of Commerce, Auckland.

(Telegram.)

Wellington, 2nd May, 1910.

YOUR telegram twenty-ninth, Vancouver service: Subsidy definitely offered for a call at Auckland by present steamers was twenty thousand pounds per annum, and strongest representations were made to Canada, Australia, and the Union Company. I have announced this in Parliament over and over again. When the contract which expired in July last year was running, the Australian authorities would not release the contractors from the call at Brisbane. Six months before expiry of contract I strongly urged Canada to allow Auckland to be substituted for Brisbane, and had reason to suppose