

red service, I am strongly of opinion that it is most desirable Commonwealth and New Zealand should work together to put present service on such a satisfactory footing that its substitution by an imperially subsidised scheme will be possible later on without difficulty. The addition to the subsidy as proposed by New Zealand would be a great incentive to the contractors to place two more vessels like the "Makura" in the service, which would then be one of the best-equipped in the Empire. With faster vessels the delay in delivery of American mails at Sydney by Auckland route would not, I think, exceed present time by one day, and would not interfere with commercial advantages of service, which would still, owing to Brisbane being terminal port of call, be entirely in favour of Commonwealth. Principal desire of New Zealand is to secure fast mail-route to England. My Government has been approached by reliable people with a view of establishing a service of our own; but I am very averse to this, as it would probably mean that two services, neither of them of the first class, would be running, whereas by combination a really up-to-date service should be possible. Another factor is that if New Zealand should be compelled to establish a service of her own, attitude of Canada might be very different from what it is at present moment. The time appears to be particularly opportune to secure cordial co-operation of Commonwealth, Canada, and New Zealand, and I trust the opportunity will not be allowed to pass by renewing present contract on present basis for another year.

[Vanc. Misc. 10/38.]

No. 91.

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

(Telegram.)

Wellington, 11th May, 1910.

IN reply to your telegram of the 7th instant: You will readily understand that I really cannot be expected to take part in the controversy between the Auckland and Wellington Chambers of Commerce on the question of mail-service. The port of call I have named in my communication is Auckland. As soon as I am in a position to announce anything definite I will be only too happy to advise you.

No. 92.

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

(Telegram.)

Wellington, 11th May, 1910.

I AM in receipt of your telegram of 9th May, for which I thank you. Much as I value your kind co-operation, it is not possible for me to keep up an official exchange of telegrams upon a matter that is under negotiation. In practice you will recognise that this is scarcely possible. I can only assure you that the matter is receiving the careful attention of the Government.

[Van. Misc. 10/110.]

No. 93.

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

(Telegram.)

Auckland, 11th May, 1910.

MANY thanks for your thoughtful telegrams. I quite understand that you do not wish to be drawn into a controversy with the two Chambers: but, as you have stated that Auckland shall be the port of call—a decision no doubt due to its importance and geographical situation—we were anxious to thwart any move detrimental to the North and to the Dominion generally. We now anxiously await the consummation of the improved Vancouver service as advocated in our several telegrams, which proposals through you are evidently approved by the Federal Postmaster-General—*vide* to-night's cables [not printed].

[Van. Misc. 10/111.]

No. 94.

The SECRETARY, General Post Office, Wellington, to the PRESIDENT, Chamber of Commerce, Wellington.

SIR,—

General Post Office, Wellington, 23rd May, 1910.

I have the honour, by direction of the Postmaster-General, to refer to your letter of the 4th instant, expressing the opinion of your Chamber that the present weekly mail-service from New Zealand to the United Kingdom *via* Sydney and Suez should be continued, and that the direct lines of steamers should be subsidised for the conveyance of mails, the time taken in the journey being accelerated to, say, thirty-six days.

In reply, I am to inform you that the views of your Chamber have been noted. In regard to the acceleration of the service by the direct steamers, it does not appear, however, that a saving in the time of from four to six days is of sufficient importance to warrant the heavy subsidy which would no doubt be required.

I have, &c.,

The President, Wellington Chamber of Commerce, Wellington. D. ROBERTSON, Secretary.

[P.O. 10/490(8).]