

give a subsidy of £20,000 for one year for a monthly service consisting of thirteen voyages each way during the year, to be carried out by two suitable steamers, passenger and cargo carriers, with refrigerator space for frozen products. Steamers to depart from Auckland, and to arrive at Wellington with the right of going on to Sydney.

[Wn.—S.F. 10/18.]

No. 6.

The GENERAL MANAGER, Union Steam Ship Company, Dunedin, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Dunedin, 10th August, 1910.

REGRET you are unable offer £25,000 for San Francisco service; but we are willing accept sum named for one year provided that if at expiration year Vancouver service calls Auckland an option is given of extending term for San Francisco service for two additional years, subject to satisfying Government that service is being properly performed.

[Wn.—S.F. 10/20.]

No. 7.

NEWS EXTRACT, 16th August, 1910.

(Telegram.)

Sydney, 15th August, 1910.

THE local office of the Union Steam Ship Company has been advised that the agreement entered into some time ago with Messrs. W. [J.] D. Spreckels for a passenger and cargo service from Wellington to San Francisco, *via* Tahiti, has proved so highly encouraging that the service is to be indefinitely continued.

[H.I., Vol. 3, p. 458.]

No. 8.

The GENERAL MANAGER, Union Steam Ship Company, Dunedin, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Dunedin, 16th August, 1910.

PRESS notification from Melbourne indicates view reporter took of announcement "Mokoia" would sail 16th September. The paragraph is, of course, without any foundation in fact, whereas the running to date, as already advised, has not paid, and, if continued, would have to seriously consider placing small and cheap steamer in place of vessels that have been running. We are having almost daily cables from Spreckels and principal Frisco shippers as to what is to be done for future. Would be great convenience if you could give reply *re* proposed contract. "Aorangi's" alterations and overhaul are now well forward, and we should like announce soon as possible service starts October.

[Wn.—S.F. 10/110.]

In Cabinet, 22nd August, 1910.

[Proposed San Francisco Service.] Approved for one year, providing the steamers leave Auckland and arrive Wellington. Twelve trips each way.

J. F. ANDREWS, Secretary.

No. 9.

The GENERAL MANAGER, Union Steam Ship Company (at Wellington), to the Right Hon. the PRIME MINISTER.

SIR,—

Wellington, 23rd August, 1910.

I gather from your communication by telephone yesterday evening that the Government felt there was a necessity to include Auckland as a port of call in the proposed San Francisco running, and in order to give extra time that the service should be twelve trips per annum instead of thirteen.

We have gone very carefully into this matter, but I am afraid that the extra time allowed will not be of much use, while on the other hand it will be detrimental to the best interests of the service as regards mails, passengers, and cargo.

The concession in time is twenty-eight days per annum, or fourteen days per steamer. The extra time in steaming between here and Auckland, and time in port at Auckland, will absorb the fourteen days per annum, while there will be loss of time on account of striking Sundays in port. It will also mean irregular days of departure and arrival, will prevent connection with the fast steamer on the Atlantic, which will be serious as regards mails and passengers, and will necessitate clashing with the Rarotonga-Papeete service from Auckland—a point of considerable importance.

We feel, however, that the initiation of the service is of great importance to New Zealand at this juncture, as well as to the company, and are willing to try to undertake a twenty-eight days' service, including Auckland as a port of call on the outward journey, but subject to some concessions which, I feel sure, you will regard as reasonable.

We confidently expect that the Vancouver steamers will call at Auckland in August next year, when we would ask to have one New Zealand port of call only for the San Francisco service.

As regards the vessels' overhauls and survey, we should like permission to be able to employ a smaller steamer, say, "Mokoia," for relieving purposes, and would endeavour to arrange that this should be when refrigerated cargoes are not shipped—*i.e.*, during the northern summer.