

No. 20.

The Right Hon. the PRIME MINISTER to the J. D. SPRECKELS AND BROS. COMPANY,
San Francisco.

(Telegram.)

Wellington, 26th September, 1910.

It would be satisfactory to me if private is removed from your two letters, so that I may inform Parliament their contents.

[Wn.—S.F. 10/117.]

No. 21.

The ASSISTANT TO PRESIDENT, Oceanic Steamship Company, San Francisco, to the Right Hon. the PRIME MINISTER.

(Telegram.)

San Francisco. 26th September, 1910.

PRIVACY removed.

No. 22.

The ASSISTANT TO PRESIDENT, Oceanic Steamship Company, San Francisco, to the Right Hon. the PRIME MINISTER.

(Received at Wellington, 2nd September, 1910.)

DEAR SIR JOSEPH,—

San Francisco, 25th July, 1910.

I am sure that you will be interested in knowing what a difference the use of oil-fuel has made in the performance of the steamer "Sierra." In fact, it opens up possibilities for the future that I did not dare dream of a few months ago.

To begin with, we overhauled the "Sierra" from her masthead to her keel, particularly in her motive department, and we installed oil-tanks with a capacity of 8,300 barrels. We put her in commission on the regular run between Honolulu and San Francisco, and she has now performed five voyages with such success in comparison with her previous records under coal that I class it as almost phenomenal. The reduction in her crew amounts to about forty-five in number, and, of course, even at the high price of one dollar a barrel, we have made an immense saving in the cost of fuel. We widened the bilge-keels on the ship, and for comfort in travelling, including absence of smoke and cinders, one would hardly know her to be the same vessel. Her schedule speed is fifteen knots, and she arrives at her destination right on the minute. While she might under coal have been classed as a good fourteen-knot ship, she can be classed now as an absolute fifteen-knot boat for any distance. In brief, I may say that if her oil-tankage was increased from 8,000 to 17,000 barrels, which is practicable, she would be able to go over the old route, *via* Auckland to Sydney, with absolute certainty of making the contract-time without difficulty. One of our great troubles was the priming of the boilers. We are now able to get all the steam we want to obtain, even as high as sixteen and a half knots per hour, without the boilers priming, and this is largely due to a new system of dry-piping which we installed in the boiler, and to the further fact that, through the use of oil, steam is maintained with the utmost regularity at full boiler pressure.

Further than this, we have a better class of men in the engine and fire room, and I can assure you that I feel that the "Sierra" is a much better boat to-day than she was when she was launched.

What has been done with the "Sierra" can be accomplished with the other two, though, of course, it takes considerable money to do the overhauling and make the improvements. My personal, but unofficial, view of the situation, now that we have a practical demonstration of what can be accomplished with oil, is that the time is not far distant when there can be an American line established by some one over the old route, and under the same conditions as to schedule and speed as the former contract, and with absolute fulfilment, barring extraordinary circumstances, of the terms of the contract.

Provided New Zealand would grant a subsidy for such a service of £35,000 per annum, the possibilities of starting a new line would be greatly enhanced. It goes without saying that we both understand that this means for thoroughly efficient 100 A1 vessels.

I would like to say further that the overhauling which it would be necessary to give to our three vessels would occupy six months' time.

The "Sierra" has now made six round voyages to Honolulu, covering over 25,000 knots, a considerably greater distance than she would have been required to travel on the voyage from San Francisco to Sydney and return. We are therefore able to compare her steaming abilities, and her expenses, &c., with her previous performances under coal, with considerable certainty.

I hand you herewith a copy of a letter [not printed] from the Supervising Inspector-General of the Steamboat Inspection Service of the United States—the highest authority possible—who has lately made a trip to Honolulu and return, which letter gives his impressions in regard to the steamer.

Since 1906 the railroads have improved their service throughout the country, particularly on the overland divisions. Trans-Atlantic boats are now larger and faster than before, and the Fish-guard connection for London alone means a saving of six hours' time. With the ships on the Pacific making their proper schedule time, there is no doubt that the New Zealand mail would be delivered with the utmost regularity in the minimum number of days ever accomplished.

Matters will have to move very fast after being once started, and one of the first questions to be settled will be: what will New Zealand promise? Probably this inquiry would reach you by cable.

I have, &c.,

The Right Hon. Sir J. G. Ward, Wellington.

FRED. S. SAMUELS.

[Wn.—S.F. 10/108.]