

1910.
NEW ZEALAND.

OCEAN MAIL-SERVICES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.-6, presented to the House of Representatives on the 13th September, 1910, and to the Legislative Council on the 14th September, 1910.]

Presented to both Houses of the General Assembly by Command of His Excellency.

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NEW ZEALAND—RAROTONGA—PAPEETE—SAN FRANCISCO MAIL-SERVICE.

No. 1.

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

(Telegram.)

Wellington, 31st May, 1910.

NEW ZEALAND Government not satisfied with transshipping services at Papeete, and hope you can arrange for through service *via* Papeete.

[Wn.—S.F. 10/8A.]

No. 2.

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

SIR,—

90 Clay Street, San Francisco, 2nd June, 1910.

In reply to your cablegram of 31st May, in regard to your Government not being satisfied with transshipping service at Papeete, we have answered to-day as follows :—

“ Discussed Mills through service either with American vessels or partly British. Impracticable under present conditions. Writing. “ Spreckels.”

Every possible phase of this question has been gone into most fully with Sir James Mills, and we can only briefly give you an idea of the most important reasons why we cannot undertake a through service.

First.—The “ Mariposa ” would be too small, and neither of our large vessels could be placed on the run, as it would be entirely out of the question to consider operating them with coal, while they would require 21,000 barrels of fuel-oil for the round trip, which would reduce their cargo-space to about 2,000 tons.

Second.—The impracticability of making a contract with the United States Government under the present subsidy law for the operation of a line which would consist of one American and one British ship every twenty-eight days. Any vessel subsidized by the United States would require to go *via* Honolulu and Pago Pago to New Zealand and Australia. The pressure from the Hawaiian Islands would be too great to permit of an American subsidized line going by way of Papeete to Australasia. Furthermore, the Government itself desires the connection with Pago Pago.

Third.—The absolute uncertainty attending the prospects for a new Subsidy Bill, in view of the coming Congressional elections. If a democratic majority is sent to Congress a new Subsidy Bill might be out of the question.

Fourth.—Under the present laws the United States could only give a subsidy to an American line of vessels, and would not enter into a contract to give a subsidy to any steamship company that did not employ American vessels exclusively.

Fifth.—The Oceanic Company is under a contract of five years longer with the United States, and three years longer with the French Government of Tahiti for the maintenance of the present service to Papeete; and, no matter what other steamship line operated between Australasia and the United States, it would be necessary for us to continue to carry out our contracts with the United States and the French Government for the Papeete service.

Sixth.—We will concede that the present system of transshipping at Papeete must be unsatisfactory to you; but unless your Government is ready to carry the entire subsidy burden (which would be very heavy) and place in operation a line of British vessels between New Zealand and the United States, there is nothing else better that we can see than to continue the present Papeete service, unsatisfactory though it may be, until such a time as an American line can be established over the old route, and either under the same or better conditions. It is highly desirable from an American point of view that relations should be re-established with Australasia under the American flag, and it might yet be possible to do so with a suitable type of steamship burning oil, under the old basis of two dollars a mile, if Congress failed to act in the matter of establishing a higher rate of subsidy; but until the subsidy question is settled one way or the other there is too much uncertainty to permit American capital to undertake the service.

If such a service was undertaken on the basis of two dollars per mile, with oil as fuel, New Zealand would certainly be called upon to pay a higher subsidy than that which was paid to the Oceanic Steamship Company. If the new United States subsidy was increased to four dollars per mile, about the same subsidy that the New Zealand Government paid to the Oceanic would be ample.

Seventh.—A through service, *via* Tahiti, could only exist in operation until a new line was established over the old route, for the reason that the new line would require all the subsidy that New Zealand could afford to pay, and such new line would of necessity require that the opposition *via* Papeete be withdrawn.

There are so many points to be considered when dealing with this subject that it is impossible to weave them into a letter; but Sir James Mills has now such a complete knowledge of the situation that upon his return he can explain it thoroughly to you.

I have, &c.,

Oceanic Steamship Company,

F. S. SAMUELS,

Assistant to President.

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

[Wn.—S.F. 10/15.]

No. 3.

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

SIR,—

Prime Minister's Office, Wellington, 12th August, 1910.

I beg to acknowledge the receipt of, and to thank you for, your letter of the 2nd June last respecting the mail-service between San Francisco and New Zealand. I note the position as regards matters at your end, and regret that it has not yet been possible for the United States Government to pass the proposed Subsidy Bill. The question of how great a burden New Zealand is prepared to bear in re-establishing direct-mail-service relations with the United States is now under consideration.

I have, &c.,

J. G. WARD.

F. S. Samuels, Esq., Oceanic Steamship Company, 90 Clay Street, San Francisco, Cal.

[Wn.—S.F. 10/16.]

No. 4.

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

Union Steam Ship Company of New Zealand, Limited,

SIR,—

Wellington, 3rd August, 1910.

With reference to our conversation to-day, I beg to bring under your notice the proposal to establish a four-weekly service between Wellington and San Francisco, calling both ways at Rarotonga and Tahiti.

Since January, 1909, we have maintained a service from Wellington to Rarotonga and Papeete, connecting with Spreckels's "Mariposa," thence to San Francisco. This line has met with fair results, though so far as the Union Company is concerned it has not been remunerative. It has been the means of developing a certain amount of trade between San Francisco and New Zealand, both as regards cargo and passengers, but more particularly the latter. It has also provided an extended market for Cook Island produce, and the growers have recently, owing to the failure of the crop in Fiji, made considerable use of it. As you know, it has been of value as a postal route as regards mails for United States and Canada, as well as to Europe. The defects in the service are, however, obvious, transshipment at Papeete being costly and inconvenient; nor is the service frequent enough, being at intervals of thirty-five days.

Recognizing this, we recently endeavoured to arrange for a through service in conjunction with Messrs. Spreckels, of San Francisco, and Sir James Mills devoted considerable time in negotiating in this direction; but it was found impossible to give effect to our proposals, Messrs. Spreckels being bound by their contract with the United States Government and the French colony at Tahiti, and their steamer "Mariposa" being an oil-burner, was not able to carry sufficient for the round voyage.

As indicated, we believe that considerable trade can be developed between New Zealand and the United States. There have been inquiries for the last month or two for refrigerated space from Australia to San Francisco for mutton; and with the largely increasing population of the western side of America it may be expected that our products—mutton, butter, cheese, wool, &c.—will be in demand. As a passenger route it also offers attractions, and quite a number of American tourists who have undergone the inconvenience of transshipment have indicated that if a through and more regular service was established it would be largely availed of.

As a postal route it would be considerably faster than *via* Suez, and about equal in time to the C. and A. service.

Without subsidy the service could not be entertained. The Tahiti Government, having contracted with Spreckels for three years, cannot assist us, while America is by law debarred from subsidizing a foreign flag.

We have made very careful estimates of the cost of operating the service, and, in calculating for a New Zealand service of £25,000, estimate that two steamers will about cover running expenses, without leaving a margin for the standing charges of depreciation and overhauls. This is not encouraging, but if a contract for three years was entered into, we should endeavour to build up a trade. The proposal is to use two steamers only in the service, which, steaming at thirteen knots, would have only six days in San Francisco and eight days in Wellington. This is really inadequate for coaling, overhauls, inspection, &c., and considerable relief would be afforded if it were found possible to extend to Australia and include a third steamer.

The steamers we propose to employ are the "Aorangi," 4,268 tons, at present undergoing an extensive overhaul, and the "Maitai," 3,393 tons. Both these ships can be relied upon maintaining thirteen knots, and, having refrigerating machinery and chambers for the Vancouver service, are specially suitable for the San Francisco trade.

I would mention that this proposal is in no way intended to interfere with the prospect of the Vancouver steamers calling at Auckland, which in view of the recent negotiations I think may be looked upon as certain, though it may not be possible to commence the call for twelve months.

If we are fortunate in securing the contract for the Vancouver service, we propose to arrange for a fortnightly service between New Zealand and North America, *via* Vancouver and San Francisco alternately.

For your information I append details of the route and mileages, and projected running.

It may be interesting to note that the proposed service is practically the same distance as from Auckland to San Francisco *via* Samoa and Honolulu, and less than the Vancouver service from Auckland, the distances being as follows:—

Wellington to Rarotonga	...	...	...	...	1,800	
Rarotonga to Tahiti	...	...	...	...	630	
Tahiti to San Francisco	...	...	...	...	3,600	
						6,030
Auckland to Samoa	...	...	...	...	1,596	
Samoa to Honolulu	...	...	...	...	2,250	
Honolulu to San Francisco	...	...	...	...	2,100	
						5,946
Auckland to Fiji	...	...	...	...	1,140	
Fiji to Honolulu	...	...	...	...	2,760	
Honolulu to Vancouver	...	...	...	...	2,430	
						6,330

In the event of your taking the proposal into favourable consideration, we propose starting the service from Wellington on 23rd September next or four weeks later. This, with prompt advertising, would cater for the autumn passenger-traffic from America and England.

If there are further points you wish information about, I shall be glad to place myself at your disposal.

I have, &c.,

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

C. HOLDSWORTH.

[Wn.—S.F. 10/17.]

Enclosure in No. 4.

San Francisco Service from Wellington, via Tahiti, at Thirteen Knots.

Port.	Times of Arrival and Departure.	Distance.	Steaming-time.	Time in Port.	Difference in Time (about).
		Miles.	Days. hrs.	Days. hrs.	Hrs. min.
Wellington ...	Depart noon, Friday, 23rd September ...	1,800	5 19	0 3	1 40
Rarotonga ...	Arrive 9 a.m., Wednesday, 28th September ...				
" ...	Depart noon, Wednesday, 28th September ...	630	2 1	1 3	0 40
Papeete ...	Arrive 2 p.m., Friday, 30th September ...				
" ...	Depart 5 p.m., Saturday, 1st October ...	3,600	11 13	...	1 50
San Francisco	Arrive 1 p.m., Thursday, 13th October ...				
		6,030	19 9	1 6	
San Francisco	Depart 2 p.m., Thursday, 20th October ...	3,600	11 13	1 0	1 50
Papeete ...	Arrive 6 a.m., Tuesday, 1st November ...				
" ...	Depart 6 a.m., Wednesday, 2nd November ...	630	2 1	0 12	0 40
Rarotonga ...	Arrive 6 a.m., Friday, 4th November ...				
" ...	Depart 6 p.m., Friday, 4th November ...	1,800	5 19	...	1 40
Wellington ...	Arrive 11 a.m., Friday, 11th November ...				
		6,030	19 9	1 12	

In Cabinet, 8th August, 1910.

Union Company's offer for monthly service to San Francisco, *via* Papeete: Offer £20,000 for one year—steamers to arrive Wellington and depart Auckland.

J. HISLOP, Acting-Secretary.

No. 5.

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

(Telegram.)

Christchurch, 9th August, 1910.

Your letter, 3rd August, *re* proposal for the establishment of service from Wellington *via* Papeete to San Francisco, and return to New Zealand same route: the Government is prepared to

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.

Seeing that the service would involve additional steaming of about 5,000 miles per annum, and considerably increased expense, we think it not unreasonable to ask some compensation in the shape of additional subsidy. Probably the extra cost will run into between £4,000 and £5,000.

I did not specify with regard to port dues, but we took it for granted that the postal contract would carry, as usual, exemption of port and light dues.

I attach draft of proposed running. I am writing to you unofficially, but shall be glad if you will give me an opportunity of explaining any points that have not been made clear, and, if approved, would write officially. I have taken the liberty of showing Mr. Robertson the draft running, and he thinks it will be satisfactory as regards Atlantic connections.

Yours, &c.,

C. HOLDSWORTH.

P.S.—As already pointed out, the time in port at terminals is really less than is necessary to keep the steamers in proper order. This is certain to involve considerable extra cost, and may mean that the steamer would have to be withdrawn and substitution provided at short notice. The unfortunate experience of Messrs. Spreckels' steamers was largely due to a too-exacting timetable. Under all the circumstances, however, we are willing to make the experiment, particularly as it would be limited to eight or nine months, though we should like the contract to be, as indicated, for three years if Vancouver steamers called at Auckland next year.

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

[Wn.—S.F. 10/23.]

Enclosure in No. 9.

Proposed San Francisco Service.

Wellington,	depart	p.m., Wednesday,
Auckland,	arrive	p.m., Friday,
"	depart	p.m., Saturday,
Rarotonga,	arrive	a.m., Thursday,
"	depart	noon, Thursday,
Papeete,	arrive	2 p.m., Saturday,
"	depart	noon, Sunday,
San Francisco,	arrive	7 a.m., Friday,
"	depart	1 p.m., Wednesday,
Papeete,	arrive	a.m., Monday,
"	depart	a.m., Tuesday,
Rarotonga	arrive	a.m., Thursday,
"	depart	5 p.m., Thursday,
Wellington,	arrive	10 a.m., Thursday,

(Minute.)

REFERRED to the Secretary, General Post Office, to report as to postal requirements.

J. G. WARD.
23/8/10.

General Post Office, Wellington, 24th August, 1910.

Memorandum for the Hon. the Postmaster-General.

THE proposed time-table based on a service every four weeks is satisfactory. A service every calendar month would not be suitable, as it would not be possible to insure regular connection with the fast steamers across the Atlantic. As Government has already agreed to pay £20,000 for twelve voyages, and as the company is willing to perform thirteen voyages, I would recommend that the latter frequency be arranged, and suggest that the remuneration for the thirteenth voyage be fixed at one-twelfth of £20,000—namely, £1,666 13s. 4d.

D. ROBERTSON.

[Wn.—S.F. 10/111.]

(Memo. for Cabinet.)

Prime Minister's Office, Wellington, 25th August, 1910.

The Union Steam Ship Company's San Francisco Service.

MR. HOLDSWORTH agrees to the proposal for an alteration that is required by the Post Office of thirteen trips at £1,666 13s. 4d. per trip for one year. In the event of the Vancouver service being established and touching at Auckland within the year, an extension of the San Francisco service for two years, making Wellington only the calling-port, to be arranged, provided the service is carried out to the satisfaction of the Government at the time.

J. G. WARD.

[Wn.—S.F. 10/112.]

IN Cabinet, 25/8/10.—Approved.

J. HISLOP, Acting-Secretary.

No. 10.

The Right Hon. the PRIME MINISTER to the MANAGING DIRECTOR, Union Steam Ship Company, Dunedin.

SIR,— Prime Minister's Office, Wellington, 25th August, 1910.

Referring to previous correspondence, I have the honour to inform you that Government is willing to enter into a contract with your company for the conveyance of mails from Auckland to San Francisco for one year, calling at Rarotonga and Papeete, and returning from San Francisco to Wellington by way of Papeete and Rarotonga. The following are the principal conditions:—

1. Passenger-steamers with refrigerating machinery to be utilized.
2. Steamers to be of the "Aorangi" or "Maitai" class.
3. Thirteen round voyages per annum to be made.
4. The sum of £1,666 13s. 4d. to be paid to the company for each round voyage.
5. In the event of the Vancouver service being established and calling at Auckland both ways, the Government will, if the service to and from San Francisco is considered by the Government to be satisfactory, extend this arrangement for two years, with Wellington as inward and outward port of call.

This letter is sent as a preliminary only; and it is to be expressly understood that the final arrangement of the contract is to be subject to such reasonable and customary conditions as applied to former contracts for mail-services between New Zealand and San Francisco.

I have, &c.,

J. G. WARD.

The Managing Director, Union Steam Ship Company of New Zealand (Limited), Dunedin.
[Wn.-S.F. 10/24.]

No. 11.

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

SIR,— Christchurch, 26th August, 1910.

I have the honour to acknowledge receipt of your letter of the 25th instant, indicating the conditions under which you are willing to enter into a contract for a twenty-eight-day service between Wellington and San Francisco, calling at Auckland on the outward voyage in the meantime.

I have pleasure, on behalf of the company, in accepting the proposals made. Subject to your approval, we propose to initiate the service with the "Aorangi" on 22nd October from Auckland, followed by the "Maitai" on the 19th November, and from Frisco on the 16th November and at intervals of twenty-eight days thereafter.

With regard to the conditions of the final contract, I would like to add one or two minor points that have been agreed to in the course of the initial negotiations:—

1. The company is to have the option of extending the service to Sydney, as provided in your telegram of 9th August.
2. In view of the exacting nature of the time-table, which may make it necessary to withdraw a steamer for repairs or overhaul, we are to have the option of replacing her with a steamer of the "Mokoia" type, but will endeavour to arrange this when there is no demand for refrigerated space.

We assume that you would wish to announce the service, and shall be glad if you will let us know when we may advertise sailings.

I have, &c.,

C. HOLDSWORTH.

The Right Hon. the Prime Minister, Wellington.
[Wn.-S.F. 10/44.]

No. 12.

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

(Telegram.)

San Francisco, 27th August, 1910.

Will arrangements with Union prevent New Zealand Government subsidizing three-weekly seventeen days' service *via* Honolulu to Auckland, commencing about next May?

[Wn.-S.F. 10/45.]

No. 13.

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

(Telegram.)

Wellington, 30th August, 1910.

It will not be possible for two subsidies for similar services to be current at same time.

[Wn.-S.F. 10/45.]

No. 14.

The SECRETARY, General Post Office, Wellington, to the GENERAL MANAGER, Union Steam Ship Company, Dunedin.

(Telegram.) Wellington, 29th August, 1910.
Is departure from San Francisco 16th November correct? 16th November is Wednesday.
[Wn.—S.F. 10/52.]

No. 15.

The GENERAL MANAGER, Union Steam Ship Company, Dunedin, to the SECRETARY, General Post Office, Wellington.

(Telegram.) Dunedin, 29th August, 1910.
YES, 16th November, Wednesday, correct. We calculate fast steamer leaving Southampton Friday, or Cunard leaving Liverpool Saturday, should connect. Latest railway time-tables we have show four days Frisco to New York. Presume same on back running.
[Wn.—S.F. 10/42.]

No. 16.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.) Wellington, 30th August, 1910.
NEW through mail-service by Union Company's steamers, Auckland-Rarotonga-Papeete-San Francisco-Papeete-Rarotonga-Wellington, four-weekly, commences departure Auckland, 22nd October, leaving San Francisco on return, 16th November. Voyage occupies twenty-one days each way. Present Wellington-Papeete service superseded. Advise Imperial Post Office, also Paris.
[Wn.—S.F. 10/41.]

No. 17.

The Right Hon. the PRIME MINISTER to the Hon. the POSTMASTER-GENERAL, Washington.

(Telegram.) Wellington, 30th August, 1910.
FOUR-WEEKLY through service Auckland-Rarotonga-Papeete-San Francisco, returning same ports to Wellington. Steamers: "Aorangi," "Maitai." Commences departure Auckland 22nd October; first departure San Francisco, 16th November. Superseding present Wellington-Papeete service. Time, New Zealand-San Francisco, twenty-one days.
[Wn.—S.F. 10/40.]

[Telegrams in similar terms sent to Deputy Postmaster-General, Melbourne, and H. Stephenson Smith, Esq., Resident Agent for New Zealand, San Francisco.]

No. 18.

The SECRETARY, General Post Office, Wellington, to the ACTING-SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.) Wellington, 30th August, 1910.
NEW through service, Auckland-San Francisco *via* Rarotonga and Papeete, returning same ports to Wellington. Four-weekly. Commences departure Auckland, 22nd October; first departure San Francisco, 16th November. Steamers will arrive Wellington to make close connection with Friday steamer from Wellington every four weeks. Time: New Zealand-San Francisco, twenty-one days.
[Wn.—S.F. 10/39.]

No. 19.

ADJUSTMENT OF TIME.

October, 1910-11.—New Zealand - San Francisco.

MAIL steamer to leave Auckland, Saturday, 2 p.m.; arrive San Francisco, Friday, 7 a.m. Leaves Auckland, Saturday, 2 p.m., New Zealand time; Friday, 6.11 p.m., San Francisco time. Add to San Francisco time 21 days: equal to Friday, 6.11 p.m. To arrive San Francisco, Friday, 7 a.m., add to San Francisco time 20 days 12 hours 49 minutes.

Example: The s.s. "Aorangi," leaves Auckland, Saturday, 22nd October, 1910, at 2 p.m.; arrives San Francisco, Friday, 11th November, 1910, at 7 a.m. Sails in October, 9 days 10 hours; sails in November, 10 days 7 hours: total 19 days 17 hours, equalling 473 hours. Add difference in time, 19 hours 49 minutes; making a grand total of 492 hours 49 minutes, equalling 20 days 12 hours 49 minutes.

[Wn.—S.F. 10/50.]

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.]

No. 23.

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

DEAR SIR JOSEPH,—

San Francisco, 4th August, 1910.

Supplementary to my letter dated 25th July, enclosed herewith, I wish to remark that it is hopeless to expect that our Government will give us any more than we were receiving before, which is 2 dollars per mile; and if we started at all we would have to start on that basis. Later on, if the business developed to such an extent that it was practical to operate a fortnightly service, we are sure that our Government would grant the additional subsidy required for the extra two vessels. There is one thing certain, however, that no service would be practicable over fifteen knots average speed. It would take between seven and nine months to get the service into operation.

Yours, &c.,

F. S. SAMUELS.

P.S.—It would cost us fully 750,000 dollars to make a start, hence we would want to be sure of our contracts for a term long enough to justify this expense.

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

[Wn.—S.F. 10/109.]

No. 24.

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

DEAR MR. SAMUELS,—

Prime Minister's Office, Wellington, 4th October, 1910.

I beg to acknowledge the receipt of your letters of the 25th July and 4th August last, and to thank you for the information which you have afforded me in connection with the performances of the "Sierra" since her overhaul, and the installation of oil fuel. The information you have supplied has been read with interest.

I note what you say in regard to the possibilities of a revival of the old San Francisco—New Zealand—Sydney mail service under improved conditions, provided New Zealand would contribute towards the subsidy. You will, however, have gathered from my telegram of the 30th August last that since it has been decided to accept the offer of the Union Steam Ship Company to run a service between New Zealand, Rarotonga, Papeete, and San Francisco, it would not be possible for Government to agree to any arrangement which would require payment simultaneously of two subsidies for practically the same service.

I have, &c.,

F. S. Samuels, Esq., Assistant to President, Oceanic Steamship Company, San Francisco, Cal.

J. G. WARD.

[Wn.—S.F. 10/118.]

No. 25.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 5th September, 1910.

SAN FRANCISCO Mail-service: Please obtain from Imperial Post Office approximate date departure from London first mail under new contract; also ask the Imperial Post Office to sort mails same subdivision as *via* Suez.

[Wn.—S.F. 10/63.]

No. 26.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 7th September, 1910.

FRISCO mail-service: With reference to your telegram of the 5th September: Imperial Post Office states that first mail will be sent on 5th November to connect Frisco 16th November. Following mails this year from London, 30th November, 28th December. Sorting as requested by you.

[Wn.—S.F. 10/115.]

No. 27.

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

General Post Office, Wellington, 6th September, 1910.

SIR,—

Wellington—San Francisco Mail-service.

I have the honour to confirm my telegram of the 30th ultimo, as under:—[See No. 17.]

A contract is being prepared, and copies of it will be sent you later. It is to be understood that the vessels leave New Zealand from Auckland and return to New Zealand at Wellington. Arrangements are now being made for fitting the steamers for carrying the larger number of mails they will be required to carry in performance of the contract. It is not proposed at present to

carry mail agents on the steamers. By a slightly fuller distribution, to which I have no doubt the United States Post Office will agree, the American mails, like the English mails, may be prepared for sorting in New Zealand so as to be distributed without loss of time. New Zealand already sorts United States correspondence a good deal more elaborately.

I have, &c.,

D. ROBERTSON, Secretary.

H. Stephenson Smith, Esq., Resident Agent for New Zealand,
244 California Street, San Francisco, Cal.

[Wn.—S.F. 10/114.]

No. 28.

HOUSE OF REPRESENTATIVES, 7TH SEPTEMBER, 1910.

MR. STALLWORTHY to ask the Postmaster-General, Whether, seeing that the new San Francisco—New Zealand mail-service is to be established, with Auckland the final port of departure, it may be presumed that this arrangement has been come to for good business reasons; and, if so, what reasons can he give, other than those of a parochial character, for altering the arrangement in the event of a New Zealand—Vancouver service being also arranged?

The Right Hon. Sir J. G. Ward.—The continuance of the service after the first year is dependent upon its performance to the satisfaction of the Government, and due consideration will be given before the expiry of the first term whether the service is to be continued under the present arrangement. Any alteration necessary would be on account of geographical and not parochial interests. The time occupied in steaming on the coast of New Zealand is an important consideration.

[Wn.—S.F. 10/54.]

No. 29.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 8th September, 1910.

I have the honour, in confirmation of my telegram of the 30th, to inform you that a contract is to be entered into with the Union Steam Ship Company of New Zealand (Limited) for a mail-service from New Zealand to San Francisco. The port of departure will be Auckland, and the port of arrival on the return voyage Wellington; and the service in both directions will be by way of Rarotonga and Papeete. The service will consist of thirteen round voyages per annum, and will commence with a departure from Auckland on the 22nd October next. The first departure from San Francisco will be on the 16th November. The time between New Zealand and San Francisco will be twenty-one days. The service supersedes the present Wellington—Papeete service.

No doubt you informed the Imperial and the Paris Post Offices, in accordance with my request.

You will be interested to learn that the contract has been secured by the Union Steam Ship Company of New Zealand. The steamers proposed to be used for the present are the "Aorangi" and the "Maitai." About £20,000 has been expended recently on the improvement of the former vessel. Ample cold-storage space will be provided on both steamers. Although the time—twenty-one days—is fairly long, it should enable mails to be delivered in London in thirty-one days from Auckland. I may add for your information that the prospects of the service as a trade one are very promising. The subsidy payable by New Zealand is £1,666 13s. 4d. for each round voyage.

A contract is being prepared and copies of it will be sent you later.

When the service is inaugurated telegrams in the following form will be sent you from this office: "Auckland—San Francisco, 22nd." This is to be understood to mean that the mail-steamer had left Auckland for San Francisco in performance of the service on the date mentioned. I should be glad if you will give the information to the Imperial Post Office.

The London Post Office has been requested to notify the Post and Telegraph Department by telegram of the arrival in London of mails despatched from Auckland under the new contract.

I have, &c.,

J. G. WARD.

The High Commissioner for New Zealand, London.

[Wn.—S.F. 10/70.]

No. 30.

The SECRETARY, General Post Office, Wellington, to the Hon. the POSTMASTER-GENERAL, Washington.

General Post Office, Wellington, 15th September, 1910.

Wellington—San Francisco Mail-service.

SIR,—

I have the honour to confirm the Postmaster-General's telegram of the 30th ultimo, as under:—[See No. 17.]

A contract is being prepared, and copies of it will be sent you later.

The Postmaster-General has no doubt you will agree with him that this is a service well renewed, and hopes he may ask for your co-operation in order to secure the very best despatch for New Zealand mails each way across the American Continent.

It is intended to avoid, if possible, the expense of carrying mail agents on the steamers in the renewed service, and this proposal will be feasible without loss of time in distributing the mails on arrival in New Zealand if New York will make up separate mails for Auckland, Christchurch, Dunedin, and Wellington, as is done by San Francisco and Seattle. The Postmaster-General accordingly sent you the following cable message on the 5th instant: "Obliged if New York would make same subdivision New Zealand mails as at present done by San Francisco and Seattle." I, therefore, enclose herewith four copies of a circulation list for the guidance of the New York, San Francisco, and Seattle Post Offices in making up mails for Auckland, Christchurch, Dunedin, and Wellington. This is the list which is in use by the British Post Office, and the Postmaster-General trusts that his request will have received your favourable consideration before this letter reaches your hands.

Any correspondence for New Zealand addressed to places not mentioned in the list should be sent forward on Wellington.

The Hon. the Postmaster-General, Washington.

I have, &c.,

D. ROBERTSON, Secretary.

[Wn.—S.F. 10/116.]

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