

will afford very little time for replies from the eastern centres, which has already received criticism from Washington. This matter, however, has probably been contemplated, and such steps as may be necessary taken in order to facilitate the matter.

Referring to that portion of my cable of the 14th announcing the sinking of the "Germanic," of the White Star line, and the consequent delay of the homeward mails, I would say that a most remarkable combination of circumstances occurred whereby no Atlantic steamer was available from New York on that date, the International Company's "Paris" having been detained by the terrific Atlantic weather and having taken eleven days in crossing, the "Germanic" accidentally sunk, and the North German Lloyds boat withdrawn, while a new time-table had been compiled. Our mails had therefore to be sent to Boston, and were fortunate enough to catch the "Canada" from that port on Thursday, she being, I presume, detained from Wednesday (ordinary sailing-day), with little prospect, I fear, of arriving on contract date.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

W. Gray, Esq., Secretary, General Post Office, Wellington.

### No. 61.

The CHIEF POSTMASTER, Christchurch, to the SECRETARY, General Post Office, Wellington.  
(Telegram.) Christchurch, 24th February, 1899.

WILL San Francisco mail arrive in colony two days earlier than hitherto?

### No. 62.

The SECRETARY, General Post Office, Wellington, to the CHIEF POSTMASTER, Christchurch.  
(Telegram.) Wellington, 24th February, 1899.

SAN FRANCISCO mail will arrive as at present advertised.

### No. 63.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 27th February, 1899.

FRISCO service: Your telegram 20th—Monday departure Auckland will be given trial. Past twelve months steamers invariably arrived Frisco several hours before due. Railway-running appears assured.

### No. 64.

The MANAGING DIRECTOR, Union Steam Ship Company, Dunedin, to the Hon. the PREMIER, Wellington.

(Memorandum.)

Dunedin, 28th February, 1899.

IN reference to our interview yesterday *re* mail-services, I gathered from you that you have been advised that the Polynesian Company of San Francisco, which was formed for the purpose of establishing a steam-service between San Francisco and Tahiti, has some intention of entering the lists for the Australian service, either against us or in conjunction with the Oceanic Company, and that, under the circumstances, you are inclined to delay for a time considering any proposals for the improvement of the San Francisco service, either in the direction of an improved monthly service or a fortnightly service.

I would point out that, even if the Hanna-Payne Bill [see No. 113], now before Congress, becomes law, it will be some time before any service can be started under its provisions, as some time will be occupied in advertising and deciding the question, and then the boats have to be built, so that it is not unlikely the best part of two years may pass before such a service can be initiated.

Failing the passage of this Bill, I should like to be able to place our friends, Messrs. Spreckels, in a position to negotiate with their Government for aid of the same character as hitherto to such a service as you would favour; and with this end in view I should be glad if you could indicate how far you would be prepared to go, subject, of course, to the approval of Parliament.

In order to put the matter in a fair way for your consideration, I beg to suggest what in my opinion would be fair lines to go upon. First.—Monthly service: Contract for seven years; the two first years at present speed, and with remuneration something like the present basis; for the remaining five years fifteen- to sixteen-knot steamers at increased subsidy to be arranged. Or, as an alternative, second.—Fortnightly service: Contract for seven years; for the two first years at the present speed, with a subsidy of £10,000 from New South Wales and guaranteed mail payments of not less than £25,000 from New Zealand, which is about twice what the Frisco service earns at present; to be replaced for the balance of five years with new and faster steamers, with increased subsidy as may be arranged.

I would point out that in the Hanna-Payne Shipping Bill a fortnightly service is apparently not contemplated, as payments appear to be limited to sixteen departures during the year.

I would further point out that, even although the Hanna-Payne Bill becomes law, and a service of sixteen- to seventeen-knot steamers is started under it, a substantial subsidy will be required to induce them to call at New Zealand, as the detour is very considerable, and would necessitate the employment of three steamers; whereas for a service *via* Honolulu and Fiji to Sydney two steamers could do the work easily, and the saving of one steamer would represent over £50,000 per annum.

J. MILLS.

The Right Hon. R. J. Seddon, Premier.