

## No. 67.

The GENERAL MANAGER for the COLONIES, New Zealand Shipping Company, Christchurch, to the SECRETARY, General Post Office, Wellington.

The New Zealand Shipping Company (Limited), Christchurch,  
10th August, 1899.

SIR,—

We have received advice that the s.s. "Warrimoo," leaving Sydney on the 13th instant, will be the last steamer to call at Fiji, as arrangements have now been made for the steamers of the Canadian-Australian line to proceed direct from Brisbane to Honolulu. This will effect a saving of two days on the passage. The sailing-date from Sydney will remain the same as at present—viz., every fourth Tuesday.

I have, &c.,

ISAAC GIBBS, General Manager.

The Secretary, General Post Office, Wellington.

## No. 68.

The GENERAL MANAGER for the COLONIES, New Zealand Shipping Company, Christchurch, to the SECRETARY, General Post Office, Wellington.

The New Zealand Shipping Company (Limited), Christchurch,  
10th August, 1899.

SIR,—

The attention of the directors of this company has been drawn to the following paragraph, which appears in the Annual Report of the Post and Telegraph Department for the year 1898, with reference to the Vancouver mail-service:—

"On the 3rd November last the House of Representatives authorised the Government to extend both services for twelve months ending 31st March, 1900. The extension of the San Francisco service was agreed to by the directors, but the Canadian-Australian Royal Mail Steamship Company did not respond to the invitation to renew the Vancouver service, although repeatedly solicited to do so. The company allowed the service contract to expire before giving notice of the intention not to renew with the colony but to substitute Brisbane for Wellington as a port of call. It would appear that negotiations had been in progress with the Queensland Government for some time, and the failure of the company to extend to this colony ordinary business courtesy seriously embarrassed the department."

I am instructed to say that in charging this company with failure to extend to the colony ordinary business courtesy you appear to have overlooked the telegram forwarded on the 31st October last to the Right Hon. R. J. Seddon, Postmaster-General [No. 136, F.-6, 1899], of which the following is a copy:—

"Supplementary Order Paper, 28th October, indicates the proposal to extend Vancouver mail-service subsidy for one year. From letter just received from London, think it most unlikely that Canadian-Australian Company will agree to continue service on a yearly contract."

It was well known at that time that the Canadian-Australian Royal Mail Steamship Company was in serious financial difficulty, and the fact that the Government proposed to extend the contract for one year only, together with a suggestion that a faster service would be stipulated for under any new contract at the end of that period, necessitating a large outlay of capital to provide steamers of increased speed, served to show that no encouragement was offered to the company to continue to make Wellington the port of call.

Further, the Government deducted the penalties incurred for late departure from the subsidy payable to the company, while the New South Wales Government paid its subsidy in full.

There were no indications that the Government wished to encourage the service in any way—quite the reverse. It can therefore hardly have come as a surprise to you that the company should seek to place the service where it would be better appreciated. The telegram to the Premier, quoted above, was sufficient indication that the Canadian-Australian Company would not be likely to continue the service on a yearly contract, such as that proposed by the Government, and we therefore claim that the Government had ample warning of the withdrawal of the service.

Further, while negotiations were proceeding with the Queensland Government, and before the contract was concluded, the writer, at a personal interview in Wellington, informed you that New Zealand would lose the Vancouver mail-service unless the Government took some steps to prevent it, and I suggested that you should communicate with the Hon. the Postmaster-General, who was then in the South Island, and get some indication of the intention of the Government with regard to the service. I offered to cable to London, and do all in my power to retain the service, if the Government would authorise me to cable that it would recommend Parliament to grant a five-years contract at, say, £10,000 a year subsidy.

You declined to communicate with the Hon. the Postmaster-General, and said any offer must come from the Canadian-Australian Royal Mail Steamship Company. Matters were, however, in such a position at that time that some such action on the part of the Government as that suggested was the only way possible to prevent the diversion of the service from New Zealand.

I have, &c.,

ISAAC GIBBS, General Manager.

The Secretary, General Post Office, Wellington.

## No. 69.

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

(Telegram.)

Dunedin, 10th August, 1899.

MR. MILLS will not return till 26th, and if possible we would like matter kept open till then. Am afraid it is impossible arrange sailings Wellington-Sydney alternate Thursdays without employing