

It is not unlikely that a direct service to Wellington and southern ports would lead to development in the fruit trade, and yield fair freights during a few months of the year; but at the best this would not go far towards paying the amount necessary to support a suitable steamer. For the carriage of fruit a fair speed is required—certainly not less than ten to eleven knots per hour; and for this at least £1,500 a month would be required, fully half of which would need to be provided by subsidy, say, £10,000 a year.

I regret I cannot regard this proposal in a more favourable light, as the company is anxious to do all it can towards the development of the Cook Islands trade, and will gladly provide a second service so soon as there is a reasonable prospect of its being self-supporting.

I am, &c.,

JAMES MILLS,
Managing Director.

No. 212.

Cook and other Islands Administration, Wellington,

17th June, 1904.

SIR,—

I have to acknowledge the receipt of your letter of the 13th instant, and to thank you for No. 212. the information conveyed therein.

Authority has been given to the Resident Commissioner at Rarotonga to commence the erection of an accommodation-house there for the convenience of the travelling public. When this is completed, is it probable that your company would be willing to arrange a trial service for the best months during the fruit season, and so ascertain, by a practical experiment, what the passenger traffic is likely to mean? I think the busiest fruit months will also be the most favourable for tourist traffic.

I have, &c.,

C. H. MILLS.

The Managing Director, Union Steamship Company (Limited), Dunedin.

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