

Mr. MacEwan said the deputation was there as a scouting party, as the Chamber had very little information as to the inside view of the Government.

The Postmaster-General remarked that what he had just said was the view of the Government.

The Hon. Mr. Fisher suggested that it might be feasible to endeavour to induce the Union Company to cancel the Vancouver agreement, with the view of entering into a fresh one at once.

The Postmaster-General was doubtful about that, as it was impossible to foretell how the trade would develop. It would be difficult to adjust the service from time to time.

The Hon. Mr. Duthie said that as he had to attend another meeting he would have to leave, but before doing so he desired to say that he was in entire sympathy with Mr. MacEwan's views. The service was already sufficiently rapid.

The Postmaster-General inquired of Mr. Duthie whether he favoured granting an increased subsidy for freight-carrying vessels.

Mr. Duthie replied that he did to get reasonably low rates.

The Postmaster-General said that he had received many divergent views about ocean mail-services. Some advocated the stopping of payment for the Suez service and the granting of increased subsidies for the Vancouver and the San Francisco services for mail purposes.

Mr. Gray said that business people were quite satisfied with the Suez service for their correspondence, but when they wanted space in the boats trading to San Francisco they were unable to get it. At present the space was all booked up as far as March.

Mr. Harkness asked whether it would be possible to enter into a contract with the Union Company for a three-years service to San Francisco, so that the contract would terminate simultaneously with the Vancouver one. The whole position could then be reviewed. He also desired to know whether it would be possible to have a proviso in the contract that the space was to be reviewed by the Department in twelve months. He agreed with Mr. MacEwan that there would be a considerable development in the trade with the western coast of the United States.

The Postmaster-General said the cargo-capacity of the steamers at present employed in the trade was limited.

Mr. Harkness agreed that their capacity was not sufficient. The result was that produce was shut out.

The Hon. Mr. Fisher remarked that in five years the trade with Canada jumped from £5,000 to £550,000.

Mr. MacEwan said that their difficulty was that they had never been able to get additional cold-storage space from the Union Company. Mr. Holdsworth had told them that he had the interests of his shareholders to study. He (Mr. MacEwan) suggested that the Postmaster-General or the Minister of Agriculture might, when the contract was being discussed with the company, have their position weakened by a lack of practical experience. He mentioned, therefore, that it might be in the best interests of every one to have a conference attended by the Postmaster-General, the Minister of Trade and Commerce, and representatives of the Union Company and Chamber of Commerce. There appeared to be doubt in the mind of the company, and they were consequently holding back. Mr. McLennan had said that if they could get a Government subsidy for five years they would bring all the boats up to the standard of the "Tahiti."

The Postmaster-General remarked that it would be the end of 1915 before they could put on one such boat, and the end of 1916 before the other could be ready.

Mr. MacEwan said that that emphasized the importance of their suggestion that an effort be made to lay down a basis of a more permanent nature for the Pacific trade. The company must have a definite assurance of support to warrant them in improving their vessels and providing adequate refrigerating space.

The Postmaster-General was quite willing to ask the company if they would be represented at the proposed conference. He himself represented only the postal side of the business. The Union Company claimed to have lost £50,000 on the San Francisco service, though they admitted having made a profit on the Vancouver service.

Mr. Gray said that, compared with the rate to London, the rate to San Francisco was a high one. They did not object to that so much, however, as that factories in some districts had a preference over those in other districts. Those up the coast had to pay practically  $\frac{1}{4}$ d. per pound extra for freezing. The Chamber's idea was that if a through rate could be arranged for produce from the main ports in New Zealand to the main ports on the Pacific coast it would be a great convenience to the commercial community.

The Postmaster-General said that he had discussed the matter from that point of view with Sir James Mills and Mr. McLennan, but could not induce them to agree. They held that the small cargoes offering for the San Francisco and Vancouver boats would not warrant them in carrying produce free for shipment from Wellington and Auckland.

Mr. MacEwan said that last year the company practically gave them a through rate.

The Postmaster-General said they did that to oblige shippers, otherwise it would have been difficult to obtain freight.

Mr. MacEwan thought that produce should be sent by ordinary steamers to Wellington, and frozen there. The Chamber felt that in the past the terms of the contract were left practically to the company. If the Government subsidized the steamers again, the commercial community would like to be able to use the head of the Industries and Commerce Department as a medium between them and the company. Last year everything was left to individual effort on the part of the exporters, which was very unsatisfactory.

Mr. Harkness expressed the opinion of the Chamber that it would greatly facilitate business with the Pacific coast if there was a general rate for the whole of New Zealand. The only place in the Dominion to-day from which butter could be shipped to San Francisco at 1d. a pound was Wellington; every other place had to pay  $1\frac{1}{4}$ d. Butter could be shipped to Boston via London at a uniform rate of  $1\frac{1}{2}$ d.—1d. to London and  $\frac{1}{2}$ d. to cover the rest of the charges.