

Mr. MacEwan remarked that an important point to be remembered was that New Zealand was competing with other parts of the world. If therefore the company could be induced to carry produce at a reasonable flat rate shippers would be placed on a more satisfactory basis in competition with outsiders. It behoved them to get as firm a hold of the markets of the west coast of America as possible.

The Postmaster-General thought the Argentine would be a competitor when the canal was opened.

Mr. Gray replied that the butter shipments of the Argentine were small.

Mr. MacEwan inquired as to the volume of trade by the San Francisco and Vancouver services, inwards and outwards.

The Postmaster-General replied that he was unable to give the information.

Mr. MacEwan thought that if they could get that information it would give them some idea of the value of the trade.

The Postmaster-General said that there was a considerable trade between San Francisco and Tahiti.

Mr. Gray said that according to the contract all the space was to be available for New Zealand shippers after the 1st September. He applied on that date, but was informed that the space had been taken up. It had been ascertained from Australian manifests that a good many thousand cargoes of mutton had been carried on those boats; in fact, Australian shippers got practically what they wanted, which was most unfair to New Zealand shippers, in view of the terms of the contract.

Mr. Harkness thought that if the Vancouver service was annulled and another entered into for five or seven years, provision should be made in both contracts that New Zealand should be treated equally with Australia in the matter of rates. He apprehended that the company wanted to carry the Commonwealth with it.

The Postmaster-General remarked that the company said that they could not carry on without the Commonwealth.

Mr. Harkness emphasized the importance of not having a differential rate.

The Postmaster-General said that if the contract was extended for only three years the company would not make provision of the kind suggested, but if a contract were proposed for seven years the Government would be in a position to command better terms.

In reply to the Postmaster-General's inquiry, the deputation said that they approved of the proposed conference, consisting of the Prime Minister, the Postmaster-General, one or two representatives of the Chamber of Commerce, and a representative of the Union Company.

The Postmaster-General promised to confer with the Prime Minister to ascertain whether he approved of his convening such a conference, and said that if he could arrange to continue payment to the Union Company beyond the end of the current month on the terms of the old contract he would do so.

The Hon. Mr. Fisher said that his view of the matter was that in a few years' time there would be a bigger market in the United States than with Canada. If they were to continue the present agreement until the other terminated the essence of the contract would be lost, but if the Vancouver service could be terminated now with the view of entering into a five or seven years' agreement at the most favoured nation's rate New Zealand shippers would be given a chance of getting into that market on more advantageous terms than were possible to Australia at present. He thought that if New Zealand were given the same minimum rate with Australia they could not go far wrong.

Mr. MacEwan remarked that the gates had been opened in the United States, and New Zealand exporters wanted to anticipate things a bit.

[P. & T. 36/20.]

No. 29.

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

SIR,—

General Post Office, Wellington, 1st November, 1913.

I have the honour to request to be informed whether it is to be understood that your company is prepared to continue the San Francisco mail-service on the terms of the expired contract from month to month pending a settlement of the question of the renewal of the service. If so, I shall be glad to receive your company's formal agreement and formal expression of the undertaking that the dates are to be determined by the regular extension, without break, of the periods prescribed for the late contract service.

I have, &c.,

W. R. MORRIS, Secretary.

The General Manager, Union Steam Ship Company of New Zealand (Limited), Dunedin.

No. 30.

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

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 6th November, 1913.

SIR,—

I have the honour to acknowledge receipt of your letter of the 1st instant regarding the question of the extension of the San Francisco mail-contract. Your communication reached us at the same time as the matter was being discussed with our representative in Wellington, and the result will no doubt be placed on record later on.

I have, &c.,

C. HUGHES, Secretary.

The Secretary, General Post Office, Wellington.