

- (1.) Our present means of obtaining payments from the United States Government is by special appropriations by Congress. Our arguments have been that we could not operate under the existing postal law because our steamships are of too low a class to receive enough compensation under that law, and that we needed special legislation to enable us to maintain the service. But our new steamships will enable us to enter into a contract with our Government, and we shall no longer be able to solicit Congress for special appropriations. Hence we *must* contract, and the law provides that the service shall be exclusively American. There is thus no option allowed us: we cannot share a contract with a vessel or vessels of foreign register.
- (2.) A twenty-one-days service requires three steamships, and, as we have that number under construction, we must use them.
- (3.) The application of our coasting laws to the Hawaiian Islands, not unlikely in the near future, would upset the service, if a foreign vessel was used.

If the foregoing reasons are sufficient to persuade you to withdraw the stipulation as to British registry in the service, we are prepared to negotiate at once for a twenty-one-days service *via* Auckland, to commence before the expiration of 1900, for a term of not less than five years from date of inauguration of the service, the colonies to act jointly in the matter of subsidy arrangements.

In regard to negotiations, I would respectfully suggest that, if contemplated at all by you, they should be taken up at once. We shall require all the time possible in which to prepare the public and ourselves for the new conditions, and having the matter settled at an early date will enable us to greatly advance necessary preliminary arrangements.

I might mention that I expect to start our first new steamer from here in June next, to be followed by the second steamer in August or September, thus replacing the "Mariposa" and the "Alameda." Our third vessel would probably enable us to take up the new service in November, 1900.

With assurances of my best regards,
The Right Hon. R. J. Seddon, Premier, Wellington.

I remain, &c.,
JOHN D. SPRECKELS.

Enclosure in No. 9.

SCHEDULE.

SAILING EVERY TWENTY-ONE DAYS.

Outward.

Leaves San Francisco, Wednesday, 10.15 p.m.	At Auckland, nine hours, leaving 5 p.m.
Arrives Auckland, Saturday, 8 a.m.	Arrives Sydney, Wednesday, 5 a.m.

Or, say, 15 days and 19 hours from San Francisco to Auckland, and 3 days and 12 hours from Auckland to Sydney.

Homeward.

Leaves Sydney, Wednesday, 10 a.m.	Leaves Auckland, Saturday evening.
Arrives Auckland, Saturday, 2 p.m.	Arrives San Francisco, Monday, 6 a.m.

Or, say, 3 days and 4 hours from Sydney to Auckland, and 16½ days from Auckland to San Francisco. Interval at Auckland between up and down steamships, 14 days and 10 hours; interval at Sydney for replies, 7 days and 5 hours; interval at San Francisco for replies, 16 days and 16 hours.

No. 10.

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

(Telegram.)

WHAT is gross tonnage of "Alameda" and "Mariposa"?

Wellington, 5th October, 1899.

No. 11.

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

(Telegram.)

3,158 each, according to Lloyd's Register.

Dunedin, 5th October, 1899.

No. 12.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER and COLONIAL TREASURER, Sydney.

(Telegram.)

I PURPOSE asking House of Representatives to authorise Government to extend San Francisco service for twelve months from April, 1900, and to negotiate for fast service, four-weekly or fortnightly, for a period of five or seven years, from April, 1901. Shall be glad to hear that you are prepared to renew present service for twelve months, and to favourably consider negotiating for the faster service, reducing the time between Sydney and San Francisco to twenty or twenty-one days.

Wellington, 5th October, 1899.