

I presume that during the interval and suspension of the service, the Canadian Pacific route, *via* Vancouver and Fiji, will be availed of as far as sailing dates are suitable. I am not in possession of Messrs. Spreckels's views upon the condition and probabilities of their resuming at an early date at this writing.

Trusting that the contractors will be enabled to resume in the early future,

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

The Secretary, General Post Office, Wellington.

[U.S. Inc. 07/14.]

No. 125.

The BRANCH MANAGER, Oceanic Steamship Company, Auckland, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 7th March, 1907.

HAVE cabled Spreckels to-night regarding their intention for the future. Cannot say definitely now how long American contract has yet to run, but it is over three years. Hope to hear to-morrow from San Francisco *re* future policy. Is there a hope of English mail going by "Sierra"?

[S.F. Agr. 07/71.]

No. 126.

The BRANCH MANAGER, Oceanic Steamship Company, Auckland, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 7th March, 1907.

THE "Sierra," as Captain Houdlette expected, made a fast passage to Sydney of three days sixteen hours. In view of this, do you think Acting Postmaster-General would consent to the steamer taking British mails on her homeward trip? You could secure independent expert opinion as to state of machinery before leaving Sydney.

[S.F. Agr. 07/75.]

No. 127.

The BRANCH MANAGER, Oceanic Steamship Company, Auckland, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 8th March, 1907.

SYDNEY agents advise that it is now definitely settled that the "Ventura" will leave here Friday, 22nd instant, and will be followed by the "Sierra" on Monday, April 1st. In regard to the "Ventura," she will undertake a trial trip of fifty miles on the 16th instant, provided you can promise an English mail, should a speed of fifteen knots be maintained. The company invites you to be officially represented on board. Kindly say if you agree to this proposition.

[S.F. Agr. 07/81.]

No. 128.

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

SIR,—

General Post Office, Wellington, 8th March, 1907.

I have the honour to refer to my letter of the 17th November last [No. 61], concerning the conveyance of the San Francisco mail from Vancouver to Auckland by the R.M.S. "Moana" on the 28th April last.

The Washington Post Office, which was again written to on the matter, now replies [No. 80] to the effect that it does not see its way clear to make the proposed allowance to your company for the conveyance of the mail between Vancouver and Fiji, as the service was rendered not to the United States Post Office, but to the Canadian Post Office, which, as far as the United States Office is concerned, conveyed the mails in question. The opinion is also expressed that as the exceptional despatch of the San Francisco mail from Vancouver does not come within the scope of section 3 of Article XXXI of the Postal Union Regulations, which specifies the conditions under which special transit statistics may be demanded, the service in question cannot call for any exceptional compensation, but must be regarded as being provided for in the regular settlements made upon the basis of the general transit statistics. It is added that any deviation from the principle laid down in Article XXXI would, it is considered, create an unfortunate precedent.

As already advised, the Canadian Office explained that it could make no claim under the Postal Union Convention for transit charges for the conveyance of mails from Vancouver to Fiji; and the London Post Office suggested that any special claim in respect of the diversion of the mail from the San Francisco route should be addressed to Washington.

Bearing in mind the valuable assistance rendered by your company at a critical time, I much regret that the representations made on your company's behalf by this Department to the Postal Administrations concerned should not have proved successful.

I have, &c.,

D. ROBERTSON, for Secretary

The General Manager,

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

[P.O. 06/1774.]