

No. 10.

The Right Hon. the PRIME MINISTER to the MANAGING DIRECTOR, Union Steam Ship Company, Dunedin.

SIR,— Prime Minister's Office, Wellington, 25th August, 1910.

Referring to previous correspondence, I have the honour to inform you that Government is willing to enter into a contract with your company for the conveyance of mails from Auckland to San Francisco for one year, calling at Rarotonga and Papeete, and returning from San Francisco to Wellington by way of Papeete and Rarotonga. The following are the principal conditions:—

1. Passenger-steamers with refrigerating machinery to be utilized.
2. Steamers to be of the "Aorangi" or "Maitai" class.
3. Thirteen round voyages per annum to be made.
4. The sum of £1,666 13s. 4d. to be paid to the company for each round voyage.
5. In the event of the Vancouver service being established and calling at Auckland both ways, the Government will, if the service to and from San Francisco is considered by the Government to be satisfactory, extend this arrangement for two years, with Wellington as inward and outward port of call.

This letter is sent as a preliminary only; and it is to be expressly understood that the final arrangement of the contract is to be subject to such reasonable and customary conditions as applied to former contracts for mail-services between New Zealand and San Francisco.

I have, &c.,
J. G. WARD.

The Managing Director, Union Steam Ship Company of New Zealand (Limited), Dunedin.
[Wn.-S.F. 10/24.]

No. 11.

The GENERAL MANAGER, Union Steam Ship Company (at Christchurch), to the Right Hon. the PRIME MINISTER.

SIR,— Christchurch, 26th August, 1910.

I have the honour to acknowledge receipt of your letter of the 25th instant, indicating the conditions under which you are willing to enter into a contract for a twenty-eight-day service between Wellington and San Francisco, calling at Auckland on the outward voyage in the meantime.

I have pleasure, on behalf of the company, in accepting the proposals made. Subject to your approval, we propose to initiate the service with the "Aorangi" on 22nd October from Auckland, followed by the "Maitai" on the 19th November, and from Frisco on the 16th November and at intervals of twenty-eight days thereafter.

With regard to the conditions of the final contract, I would like to add one or two minor points that have been agreed to in the course of the initial negotiations:—

1. The company is to have the option of extending the service to Sydney, as provided in your telegram of 9th August.
2. In view of the exacting nature of the time-table, which may make it necessary to withdraw a steamer for repairs or overhaul, we are to have the option of replacing her with a steamer of the "Mokoia" type, but will endeavour to arrange this when there is no demand for refrigerated space.

We assume that you would wish to announce the service, and shall be glad if you will let us know when we may advertise sailings.

I have, &c.,
C. HOLDSWORTH.

The Right Hon. the Prime Minister, Wellington.
[Wn.-S.F. 10/44.]

No. 12.

The J. D. SPRECKELS AND BROS. COMPANY, San Francisco, to the Right Hon. the PRIME MINISTER.

(Telegram.)

San Francisco, 27th August, 1910.

Will arrangements with Union prevent New Zealand Government subsidizing three-weekly seventeen days' service via Honolulu to Auckland, commencing about next May?

[Wn.-S.F. 10/45.]

No. 13.

The Right Hon. the PRIME MINISTER to the J. D. SPRECKELS AND BROS. COMPANY, San Francisco.

(Telegram.)

Wellington, 30th August, 1910.

It will not be possible for two subsidies for similar services to be current at same time.

[Wn.-S.F. 10/45.]