F.—6. 10

the United States mails from San Francisco to the Australasian Colonies during the quarter ended the 30th June, 1892, of which allowance you were advised by my letter of the 10th instant, the service in question consisting of four trips—one each by the American steamers "Alameda"

and "Mariposa," and two by the foreign steamer "Monowai.

The second paragraph of your letter under reply is as follows: "I would call your attention to the fact that an apparent error of \$1,000 has been made in the case of the foreign steamer 'Monowai.' This ship made two trips in the June quarter, for one of which only does she receive payment. This entitled her to \$4,000 under the order of the 9th January, 1891, but a deduction of \$2,000 (being \$1,000 for each trip) has been made, which is \$1,000 less than she would receive if she only

made one voyage.'

With reference to the foregoing, I have to inform you that the allowance of \$13,000 for the service in question is in accordance with the Postmaster-General's order dated the 9th January, 1891, a copy of which was transmitted to you with my letter of the same date, which provides for the payment to your company of an annual compensation of \$60,000 for thirteen trips per year in vessels of United States register, less \$1,000 per trip for each trip performed by a vessel of foreign register; payment to be made quarterly, at the rate of \$15,000 per quarter; and, if less than thirteen trips are made during one year, a deduction of one-thirteenth part of \$60,000 shall be made for each trip less than thirteen.

During the fiscal year ended 30th June, 1892, the vessels of your company made thirteen trips, including two trips made by the foreign steamer "Monowai" during the last quarter; so that the amount authorised to be paid for the service is \$60,000, less the deduction on account of the foreign

vessel hereinbefore mentioned.

During the first three quarters of the year three trips were made each quarter, but during the last quarter four trips were made, thus completing the thirteen trips required.

If less than four trips had been made during the June quarter the payment for that quarter

would have been \$15,000, less (one-thirteenth of \$60,000) \$4,615.39 = \$10,384.61.

If all the four trips had been performed by American vessels the payment would have been \$15,000, which would have been an average payment per vessel of \$3,750; but as two of the trips were performed by a foreign vessel, the sum of \$1,000 was deducted for each of the foreign vessel's trips, which left the amount payable for the quarter's service \$13,000, and the average payments per trip to the American vessels \$3,750, and to the foreign vessel \$2,750.

In this connection your attention is invited to my reply, under date 11th September, 1891, to your letter of the 2nd of the same month.

I am, &c.,

N. M. Brooks,

Mr. A. B. Spreckels, Superintendent of Foreign Mails. Vice-President, Oceanic Steamship Company.

No. 30.

The SECRETARY, General Post Office, to the Managing Director, Union Steam Ship Company. Post Office and Telegraph Department, General Post Office, Wellington, 21st October, 1892. Sir,—

I have the honour to acknowledge the receipt of your letter of the 12th instant, in reference

to the renewal of the San Francisco service.

I am obliged to you for the copy of the letter of the 26th August last, from the Superintendent of Foreign Mails to Mr. Spreckels. I note that you understand, on the information there given, that the United States Government is contributing to the cost of the service at the rate of \$60,000 a year. I shall be very pleased to hear that this amount is being paid, but I scarcely think it is the fact.

I have received no definite information from Sydney, and the latest telegrams show a disposition on the part of the Government of New South Wales to recede from a favourable attitude towards

the service, and not to increase the payment in aid.

I have, &c., W. Gray, Secretary.

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

No. 31.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 9th September, 1892.

Sir,-I beg to forward herewith copies of the further correspondence which has passed between myself and the General Post Office, up to date, on the subject of the renewal of the San Francisco service. I have put the case for the colony as forcibly as I could, and the demands made on behalf of the colony appear to me so reasonable, and the attitude now taken by the Post Office so untenable. that I hope that my letter of the 3rd instant will meet with a favourable reply. You will, however, note that the reply letter of the 6th, received by me from Mr. Buxton Forman on behalf of the Secretary of the Post Office, seems to indicate that the decision of the Post Office and Lords Commissioners, announced in the previous letter of the 15th August, will be adhered to. I shall make every effort to have the wishes of your Government carried into effect. I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.