

## No. 102.

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

SIR,—

General Post Office, Wellington, 28th March, 1904.

I have the honour to acknowledge the receipt of your letter of the 17th instant, in which you consent to a reduction by £500 per annum of the subsidy paid for the interprovincial service performed by your company in the collection and distribution of the San Francisco mails. Payment to your company, therefore, for the performance of the interprovincial service will be made on the basis of a minimum annual payment of £4,000. The conditions of the performance of the service will be,—

1. That the steamers leave the Manukau so soon as the San Francisco mails are shipped, weather, tide, and bar permitting.
2. That the mails conveyed from Manukau by your company's steamers be brought on by them to Wellington; the detention at New Plymouth *en route* not to exceed three hours, weather and tide being suitable.
3. That when the inward mails arrive at Auckland on a Tuesday they be forwarded by the Northern Company's steamer leaving that day for transfer to the train at New Plymouth the following morning—either the ordinary through train or a special.
4. That for detaining the steamer at Manukau, when necessary, for inward mails a demurrage payment of £50 for the first twenty-four hours, and a proportionate payment for any detention over the twenty-four hours, be made.
5. That there be a steamer at Wellington to take on the inward mails to Lyttelton without delay.
6. That the due day of departure from the Manukau with the inward mails be Monday; that the day of departure outward from Lyttelton be Tuesday, after the arrival of the express train from Dunedin; from Wellington, when the mails are not forwarded by train, Wednesday afternoon or evening; and from New Plymouth, Thursday, after the arrival of the express from Wellington; and the arrival at Manukau early on Friday morning.
7. That the service cover seventeen voyages each way within the twelve months, dating from the departure of the steamer from the Manukau on the 16th November last, and from Lyttelton on the 10th November last, and be for a period of three years, unless the existing San Francisco mail contract is annulled meanwhile.
8. Payment, as already stated, to be at the rate of £4,000 a year.

I have, &amp;c.,

W. GRAY, Secretary.

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

## No. 103.

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

Union Steam Ship Company of New Zealand (Limited),  
Dunedin, 20th April, 1904.

SIR,—

I have the honour to acknowledge receipt of your favours of the 28th March and of the 11th April [not printed], the former accepting our offer to continue the agreement for the interprovincial collection and distribution of the San Francisco mails for a subsidy £500 per annum less than that in the agreement which expired in November. I notice that you name £4,000 as the new basis of the minimum annual payment; it should, however, be £4,076. The present basis is thirty-four voyages at £134 12s. 4d., which amounts to £4,576, consequently the reduced subsidy will be £4,076, or £119 17s. 6d. per voyage for thirty-four voyages. We shall be pleased to refund any overpayment made by you for voyages subsequent to the date from which the reduction in subsidy takes effect.

The following we hold to be the conditions of the new agreement, based upon the last contract and its working. Where they differ from the conditions recapitulated in your favour of the 28th ultimo, the difference is mostly in the direction of amplifying details.

1. That the steamer leave the Manukau as soon as the San Francisco mails are shipped—weather, tide, and bar permitting.
2. That the mails conveyed from Manukau by the company's steamers be brought on by them to Wellington, except as hereinafter provided; the detention at New Plymouth *en route* not to exceed three hours, weather and tide being suitable.
3. That the day of departure from the Manukau with the inward mails is Monday; that the day of departure outward from Lyttelton is Tuesday, after the arrival of the express train from Dunedin; from Wellington, when the mails are not forwarded by train, Wednesday afternoon or evening; and from New Plymouth, Thursday, after the arrival of express from Wellington; and the arrival at Manukau early on Friday morning.
4. The daily service between New Plymouth and Onehunga to be resumed during the summer months. While this service continues, should the inward mail arrive on Monday or Wednesday, it is to be conveyed through to Wellington by steamer if not transhipped into train at New Plymouth. Should it arrive on Tuesday or Thursday, it is to be conveyed by Northern Steamship Company's steamer to New Plymouth only, and thence by ordinary or special train.

4—F. 6.