

send this copy in view of the possibility of the original having miscarried, and because the subject is of importance to the Oceanic Steamship Company, who are anxious for us to bring the matter to a conclusion as early as possible.

We much regret having to trouble you in the matter.

We are, &c.,

BURNS, PHILP, AND COMPANY (LIMITED).

The Hon. the Postmaster-General, Wellington.

### No. 12.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.  
SIR,— General Post Office, Wellington, 9th July, 1904.

I have the honour to acknowledge the receipt of your letter of the 3rd ultimo [not printed] on the subject of the San Francisco mail-service, and to forward herewith, in satisfaction of your request, three copies of the memorandum of agreement between this Administration and Messrs. the J. D. Spreckels and Brothers Company to continue the mail-service for a period of three years from the 10th November last, and also three copies of the contract for the service.

I have, &c.,

THOMAS ROSE, for the Postmaster-General.

The Secretary, General Post Office, London.

### No. 13.

The SECRETARY, General Post Office, Wellington, to MESSRS. BURNS, PHILP, AND Co., Sydney.  
GENTLEMEN,— General Post Office, Wellington, 15th July, 1904.

I have the honour to acknowledge the receipt of your letter of the 8th instant, forwarding copy of one of the 6th ultimo, on the subject of the poundage rates payable to the Oceanic Steamship Company for the conveyance of Australian mails from Sydney to San Francisco, and, in reply, to inform you that the original letter was duly received. I hope a reply may be forwarded by next week's mail.

I have, &c.,

W. GRAY, Secretary.

Messrs. Burns, Philp, and Company (Limited), Sydney.

### No. 14.

The SECRETARY, General Post Office, Wellington, to MESSRS. BURNS, PHILP, AND Co., Sydney.  
GENTLEMEN,— General Post Office, Wellington, 23rd July, 1904.

I have the honour, by direction of the Postmaster-General, to reply to your letter of the 6th ultimo, advising that a dispute had arisen between the Commonwealth Government and the Oceanic Steamship Company as to the rates of poundage payable to the company for the conveyance of the mails from Sydney to San Francisco, a dispute which affected the whole period since the inauguration of Messrs. Spreckels's present thrice-weekly service in November, 1900. You state that the company claims to be entitled to the same rates as were paid prior to that date for the four-weekly service; that the Commonwealth Postal Department denies that the company is entitled to such payment; and that it goes still further, by even refusing to pay Postal Union rates, holding that all the company is entitled to is payment at the rates gazetted by the Commonwealth to non-contract vessels. For the Postmaster-General's information, you enclose copy of a report furnished by Senator Pulsford on the position.

In view of the foregoing facts you ask the Postmaster-General, after perusing the report, to express his opinion on the following points, and I am directed to reply as follows:—

(1.) Did your Department expect that the new service necessarily involved a reduction in the poundage rates paid by Australian States, unless an agreement to the contrary were first obtained? *Reply:* The Department did not contemplate this when negotiating with Messrs. Spreckels, but it was made clear from the outset to the Oceanic Company that it was free to make its own arrangements with the Australian States.

(2.) When you communicated with the Australian States about the new service, are we not justified in believing that you only indicated a change in the quarter to which in future Australian payments were to be remitted? *Reply:* No; the intention was that the Commonwealth States should be free to make such arrangements with Messrs. Spreckels as they saw fit, and in this connection I would refer you to printed letters Nos. 38 and 39, published in Parliamentary Paper F.-6, 1901, copy of which I am sending herewith. Messrs. Spreckels's Auckland agents were also advised of the position. It was understood that the special visit made to the colonies by Mr. Spreckels in 1901 for the purpose, amongst other things, of negotiating with the Australian States for the conveyance of mails by his service on such terms as might be agreed upon. The question, I understand, was discussed with the Government of New South Wales.

(3.) Supposing there to be any portion of the time during the three years and a half in which the old rates could be held not to apply, would not Postal Union rates be the lowest that could legally be tendered for such period? *Reply:* I am not prepared to say, as it is scarcely