

No. 66.

The SECRETARY, General Post Office, Wellington, to the GENERAL MANAGER, New Zealand Shipping Company, Christchurch.

SIR,*—

General Post Office, Wellington, 25th October, 1905.

In connection with the long-standing arrangement under which this Department pays your company at the rate of 2d. per pound on the net weight of parcels carried in bulk to and from London, I have the honour to inform you that a recent examination of the average weights of parcels as compared with the amounts paid to New Zealand by the London Post Office shows that they do not nearly cover the payment made your company.

As you are perhaps aware, the postage on parcels was until the end of 1900 charged for at a rate per pound; but on the 1st January, 1901, the three-step postage rate was adopted, a fixed rate being charged for parcels not exceeding 3 lb., exceeding 3 lb. and not exceeding 7 lb., and exceeding 7 lb. and not exceeding 11 lb. A calculation made at the time showed that the existing rate of payment to the shipping companies would be slightly in their favour; but the estimated loss to the Post Office was so trivial that it was decided not to disturb the payment. It could not be foreseen that the introduction of the three-step rate would encourage the senders of parcels to bring the weight as nearly up to step limits as possible, but apparently this has been one result of the more liberal postage rates.

The general rule is that the office of despatch should bear the cost of transit, and if New Zealand had not undertaken to pay the shipping companies in both directions the loss would have fallen on the London Post Office. The position has been represented to the British Postal authorities, with a request that the loss sustained by this Department be made good; but this has been declined. It is stated in reply that in the case of all shipping companies which were formerly paid at a rate per pound for the conveyance of parcels, arrangements were made prior to the introduction of the 1s., 2s., and 3s. scale of postage for the simultaneous introduction of a triple scale for sea-carriage at rates corresponding to the share of the postage-collection which was assigned to the sea service. Shipping companies which had been receiving rates as high as 3d. per pound accepted 4d., 8d., and 1s. per 3 lb., 7 lb., and 11 lb. parcels respectively without demur; and the London Office does not anticipate any difficulty in making a similar arrangement with your company.

Under the circumstances that the London office declines to continue to pay the existing rate of 2d. per pound to the shipping companies conveying parcels to New Zealand, I beg to advise you that this Department can no longer be responsible for the payment to your company for parcels from the United Kingdom, unless, of course, you are willing to accept the rates now allowed by the London Post Office. Possibly this course will be more agreeable to you, and, if so, it is intended to apply the new payment to the parcels for the quarter ended the 30th ultimo. In the meantime I have given formal notice to the London office of the cessation of the present arrangement as from the 1st instant. From this date, unless you advise me that you prefer that this office should collect and pay over to you the sea rates on parcels from the United Kingdom to the colony, it will be necessary for you to make your own arrangements with the London Post Office.

I have, &c.,

W. GRAY, Secretary.

The General Manager,

New Zealand Shipping Company (Limited), Christchurch.

[Letter of same date in same terms to MESSRS. LEVIN AND CO. (LIMITED), Agents, Shaw, Savill, and Albion Company (Limited), Wellington.]

No. 67.

The GENERAL MANAGER, New Zealand Shipping Company (Limited), Christchurch, to the SECRETARY, General Post Office, Wellington.

The New Zealand Shipping Company (Limited),
Christchurch, 26th October, 1905.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 25th instant, with reference to the rate of freight to be paid on parcels carried by our steamers to and from London. We are forwarding a copy of your letter to our London office, and will request them to make arrangements with the London Post Office for the carriage in future of these mails.

In the meantime we are entitled to receive mail-money for quarter ended the 30th September at the agreed rates, and we do not consider even your proposal that the arrangement shall cease as from the 1st instant a reasonable notice of the termination of an agreement of this nature.

I have, &c.,

ISAAC GIBBS, General Manager.

The Secretary, General Post Office, Wellington.

No. 68.

The AGENTS, Shaw, Savill, and Albion Company, Wellington, to the SECRETARY, General Post Office, Wellington.

DEAR SIR,—

Wellington, 8th November, 1905.

We have the honour to acknowledge the receipt of your letter of the 25th October, dealing with the rate of pay on parcels carried by Shaw-Savill's steamers from London to New Zealand.