

SESSION II.
1906.
NEW ZEALAND.

OCEAN MAIL-SERVICES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.-6A, presented on the 4th October, 1905.]

Presented to both Houses of the General Assembly by Command of His Excellency.

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SAN FRANCISCO SERVICE.

CONTRACT WITH THE OCEANIC COMPANY, ETC.

No. 1.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department,
Melbourne, 31st July, 1905.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 21st instant [No. 3, F.—6A, 1905] relative to one addressed by Sir Joseph Ward, on the 13th May last [No. 1 idem], to the Commonwealth Postmaster-General, in which it was suggested that this Administration should pay a fixed contribution towards the San Francisco mail-service; also to your letter of the 10th ultimo [No. 34, F.—6A, 1905] asking for information as to the rates payable by your Administration for the use of the Peninsular and Oriental and Orient Companies' services, and to inform you that these matters are receiving attention. You will be further advised in due course.

I have, &c.,

The Secretary, General Post Office, Wellington.

ROBT. T. SCOTT, Secretary.

Suez. Conn. 05/59.]

No. 2.

The SECRETARY, General Post Office, Wellington, to Messrs. HENDERSON AND MACFARLANE, Auckland.

(Telegram.)

Wellington, 7th November, 1905.

UNDERSTAND that the time-tables furnished by Messrs. Spreckels to the captains of the steamers show that the due date of arrival in Auckland is Tuesday, although our time-tables show Monday [No. 35, F.—6, 1900]. What is explanation? Mr. Spreckels originally submitted and this accepted by Postmaster-General, and there has been no official change. This confusion must be removed.

[Agr. 05/51.]

No. 3.

Messrs. HENDERSON AND MACFARLANE, Auckland, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 8th November, 1905.

WE have never been advised by Messrs. Spreckels that time-table to captains makes Tuesday arrival day, Auckland. On the contrary every effort is made to reach here Mondays, except when steamers have been detained San Francisco waiting mail. They have invariably reached here Monday. The "Sonoma" arrived Tuesday, 31st ultimo, being detained at Honolulu and Pago Pago much longer than usual.

No. 4.

The SECRETARY, General Post Office, Wellington, to Messrs. HENDERSON AND MACFARLANE, Auckland.

(Telegram.)

Wellington, 8th November, 1905.

You should urge Mr. Spreckels to have his captains properly instructed *re* correct date of steamers arriving in Auckland. Present instructions probably tend to prolong voyages at times. Important steamers should reach Auckland as early as possible on Monday.

No. 5.

Messrs. HENDERSON AND MACFARLANE, Auckland, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 8th November, 1905.

IN accordance your suggestion requesting Messrs. Spreckels instruct captains *re* arrival Auckland,

No. 6.

Messrs. HENDERSON AND MACFARLANE, Auckland, to the SECRETARY, General Post Office, Wellington.

Oceanic Steamship Company (American and Australian Line),
Auckland, 5th January, 1906.

SIR,—

We have the honour to refer you to your telegram of 8th November and ours in reply, and now beg to inform you that we are in receipt of a letter from our principals in San Francisco on the same subject, reading as follows:—

“ We are in receipt of your favour of 16th November, enclosing copies of telegrams which you have received from and sent to the Secretary of the General Post Office in regard to the day on which our steamers are due to arrive at Auckland. In reply, we would say that Mr. Gray has evidently been misinformed as to the instructions given by us to the captains. Our time-tables for some years have shown Monday as the day of arrival at Auckland, and the captains of our steamers have instructions to get there as early as possible on that day.”

We have, &c.,

HENDERSON AND MACFARLANE,
General Agents for New Zealand.

The Secretary, General Post Office, Wellington.

[Agr. 06/1.]

No. 7.

The ACTING-SECRETARY, General Post Office, Wellington, to Messrs. HENDERSON AND MACFARLANE, Auckland.

GENTLEMEN,— General Post Office, Wellington, 12th March, 1906.

I have the honour to inform you that the great increase of work in the Marine Post Office will render it necessary to send a second Assistant Mail-agent by the San Francisco steamers. Provision for this exists in clause 20 of the contract. I shall therefore be obliged if you will be good enough to reserve accommodation for the additional officer, beginning with the steamer which leaves Auckland on the 25th May.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

Messrs. Henderson and Macfarlane, Auckland.

[Staff 05/79.]

No. 8.

Messrs. HENDERSON AND MACFARLANE, Auckland, to the ACTING-SECRETARY, General Post Office, Wellington.

Oceanic Steamship Company (American and Australian Line),
Auckland, 16th March, 1906.

SIR,—

We have the honour to acknowledge the receipt of your communication of the 12th instant, advising us that commencing with the R.M.S. “ Sonoma,” leaving this port on the 25th May next, you will be sending a second Assistant Mail-agent by our steamers on account of the increase of work in the Marine Post Office rendering the extra help necessary. We are passing this information on to our Head Office in San Francisco, and have the honour to remain, &c.,

HENDERSON AND MACFARLANE,

General Agents for New Zealand.

The Acting-Secretary, General Post Office, Wellington.

[P.O. 06/109(7).]

No. 9.

COPY OF A PAMPHLET ENTITLED “ THE COMMONWEALTH OF AUSTRALIA AND THE SAN FRANCISCO MAIL-SERVICE,” ISSUED BY MESSRS. BURNS, PHILP, AND CO. (LIMITED), SYDNEY, MANAGING AGENTS FOR AUSTRALASIA OF THE OCEANIC STEAMSHIP COMPANY.

THE Commonwealth Post and Telegraph Department demand that the Oceanic Company’s (United States) mail-steamers running from Sydney to San Francisco shall carry Australian mails from the former to the latter port, a distance of seven thousand miles, and that the company shall render this service on the terms dictated by the Department. The company claims to have power of independent action, and that it is entitled to a voice in regard to the payment to be made for such service. As a matter of fact, the company carried Australian mails to San Francisco under mutual agreements from 1884 right up to 1900.

The rates which the Postal Department of the Commonwealth wish to compel the Oceanic Company to accept, as from the end of 1900, are only about one-seventh of the rates previously paid. The difference is all the more remarkable because the service has been accelerated, and in every other respect greatly improved.

A certain number of payments for 1900 to 1902 were made by some of the States, at the full rates previously paid, but the Commonwealth has asked for a refund of these sums. The company objects to make any such refund, and asks that payment for the whole period, and for all the States, may be brought up to these full rates previously paid.

The dispute has formed the subject of much correspondence and negotiation, as well as of many interviews. Unfortunately the period covered by the dispute has been one of many political changes, the office of Postmaster-General having been held by five successive Ministers—viz., Senator Drake, Sir Philip Fysh, Mr. Mahon, Mr. Sydney Smith, and Mr. Chapman. These changes have made the work of negotiation very difficult, for each Minister has to master all that previous Ministers have done in connection with any matter waiting settlement.

With a view, however, to put on record, and to make easy of access, the salient points of the dispute, the correspondence, &c., following is put into print. The documents now printed constitute only a small portion of the total, but they suffice for the purpose. It will be observed that Sir Joseph Ward, the Postmaster-General of New Zealand, emphatically indorses the claims of the company on the Commonwealth. The two tables herewith make the position very clear.

THE OCEANIC STEAMSHIP COMPANY.—SYDNEY TO SAN FRANCISCO.

(1.) *The Old and the New Service compared.*

	The Old, 1890-1900.	The New, 1901-1906.	Increase per Cent.	Decrease per Cent.
Service	Four-weekly	Three-weekly	33	...
Steamers—Tons, average	3,408	6,165	81	...
" Speed, knots	13½	15	11	...
Poundage—Letters, per pound	12/-	2/-	...	83
" Papers, per hundredweight	56/-	4/-	...	93

(2.) *Five-year Aggregates compared.*

	The Old, 1896-1900.	The New, 1901-1905.	Increase per Cent.	Decrease per Cent.
Total tons, in and out	443,040	1,072,710	142	...
" weight mails carried	(?)	(?)	80	...
" expenditure in Australia	£182,000	£375,000	106	...
" poundage money	£30,000	£4,000	...	87
Poundage to £1,000 Australian expenditure	£185	£11	...	94

The figures are not available for a close comparison of the weights of the mails carried, but the increase probably considerably exceeds 80 per cent. The expenditure on "the old" service is approximate; that for "the new" is exact. Poundage money: the figures are fairly exact; the £4,000 (average £800 per year) represents approximately the yield of the Commonwealth "prescribed rates," and does not include the £3,000 or £4,000 received during this period under the old rates.

Some approach to a settlement was made in the first half of 1905. The Minister of the day (Mr. Sydney Smith) proposed to pay "Postal Union" rates, which would yield about three times the poundage money now being paid, but less than half of what the company claim, and less than half of what New Zealand is paying. The Ministry of which Mr. Sydney Smith was a member went out of office, however, before the *Gazette* notice was issued. The present Minister, Mr. Austin Chapman, has devoted much personal attention to the subject, but Parliament having been sitting most of the time since he took office, he has been handicapped by his public duties, and nothing further has been done. This explanation, however, does little to lessen the surprise felt in San Francisco that the managing agents have not yet succeeded in securing a fair adjustment.

SIR,—

Sydney, 12th September, 1905.

We have the honour herewith to enclose the *précis* of the Oceanic Company's dispute with your Department, prepared, as arranged with yourself, specially for presentation to the Cabinet.

It is fairly exhaustive, but the length of it has been kept down as much as possible in view of the time of Ministers being very valuable.

We take this opportunity of pointing out that last year we asked for a reference to the Judges of the High Court of all the matters in dispute; and that last year we also suggested the appointment of a Select Committee of the House of Representatives to consider and report.

We feel that it is due to the company, and, if we may be pardoned for saying so, also in the best interests of the Government, that the whole subject should be dealt with as openly as possible.

We are, &c.,

The Hon. Austin Chapman, Postmaster-General,
Commonwealth of Australia, Melbourne.

FOR BURNS, PHILP, AND CO. (LIMITED),
A. FORSYTH, Director.

Précis.

The Oceanic Steamship Company has a grave and genuine claim on the Commonwealth, and the proprietors consider themselves to have been very badly treated in having had to wait such a prolonged period for a settlement of this claim.

The company began to carry mails between Australia and San Francisco in 1885. Up to nearly the close of 1900 the service was a four-weekly one, carried on by 3,000-ton steamers, spending in Australia about £35,000 yearly. From November, 1900, the service has been a greatly accelerated—a three-weekly—one, carried on by 6,000-ton steamers, spending in Australia about £75,000 yearly. Some idea of the value of the mail-service now rendered can be learnt from the fact that of the mails sent across the Pacific, 70 per cent. is taken by the San Francisco line against 30 per cent. by the Vancouver line.

From 1885 to 1890, a subsidy of £37,000 was paid by New Zealand and New South Wales, of which, generally, one-third was paid by New South Wales, the other Australian States paying poundage to New South Wales. This contract was terminated in 1890. In May of that year a Conference of State Postmasters-General was held in Adelaide, when the following resolution was carried: "That in any future mail-contract across the Pacific Ocean, if arranged for by New Zealand, the other colonies shall pay similar poundage rates to New Zealand to those paid by the non-contracting colonies for the mail-service *via* Suez, each despatching country or colony paying all charges to destination." Under this resolution the following rates were paid: Letters, 12s. per pound; books, 1s. 6d. per pound; newspapers, 6d. per pound.

During the next ten years, 1890–1900, these rates were regularly paid by the States—State by State—to New Zealand, and the money was as regularly paid over by New Zealand to the agents of the company. New South Wales, however, for most of this period, voluntarily paid nearly twice these rates on her own mails in the form of a fixed sum of £4,000, the aggregate payments by the six Australian States, inclusive of this fixed sum, being about £6,000. Last year, for the accelerated and more frequent service, carrying probably at least twice the weight of mails, the Commonwealth tendered a total of £890, which the company declined to accept. Sydney to San Francisco is one of the very longest mail trips in the world, and it is quite safe to say that there is no lengthy or even moderately lengthy mail trip on which remuneration is paid on the microscopic scale tendered by the Commonwealth to the Oceanic Company.

It is contended on behalf of the company that the Postal Department of the Commonwealth has been working under an entire misapprehension. During the fifteen years, 1885 to 1900, this mail-service was always dealt with by the State Parliaments, and the Commonwealth Parliament never authorised the Postal Department, nor expected it, to assume control in the way it has done. The debate on the Postal Bill proves this.

It is easy to show that the "prescribed rates" which the Department tenders were never intended, when originally fixed, to apply to a service such as this. These "prescribed rates" originated in connection with the New South Wales Postal Amendment Act of 1893. Mr. (now Justice) O'Connor of the High Court, in moving the second reading of the Bill in the Legislative Council, made it clear that it was a Bill dealing with coastwise and intercolonial vessels. After the Bill was passed, the following "prescribed rates" were gazetted thereunder:—

	Letters per		Other Articles	
	Pound.		per Hundredweight.	
	s.	d.	s.	d.
For conveyance in harbours and rivers	0	8	1	6
Between places on New South Wales coast	1	4	3	0
Beyond New South Wales	2	0	4	6

Under this scale the gradation is significant: letters, 8d., 1s. 4d., 2s.; first, within a river or harbour; second, on the New South Wales coast; third, "beyond New South Wales." This clearly provided for inter-State mails. The same relative gradation is fixed for newspapers, and they are "per hundredweight," whilst oversea mail-steamers are invariably paid "per pound." In fact, so bulky in proportion to weight are sacks of newspapers that the highest of the three rates would not yield 20s. per measurement ton, or half of the ordinary freight on measurement cargo, Australia to San Francisco, so that the absurdity of it as a rate for a real oversea mail-line is transparent.

The mails paid for by these "prescribed rates" are almost invariably carried by cargo steamers—*viz.*, vessels paying their way, quite apart from mails; therefore, if mails are so taken, even to South Africa, the conveying vessel, reckoning letters and papers together, is not badly paid. But a real mail-line—steamers running at a high speed, and keeping to a time-table—is in an entirely different position. The Oceanic Company is under contract with the United States to carry mails to New Zealand and Australia; it is also under contract with New Zealand to carry mails to San Francisco, and it is carrying out its contracts to the entire satisfaction of the two Governments. The subsidies paid by these Governments, aggregating £70,000, have not, however, sufficed to make the service a paying one; in fact, they do not quite reach the amount disbursed by the company in Australia alone.

It is true that the company has no contract with Australia, but it is also true that the company had no contract with the six States during 1890 to 1900 (save to some extent with New South Wales), and yet the poundage rates agreed to by the Adelaide Conference of 1890 were regularly paid by the States during the whole ten years.

The resolution of 1890 was never rescinded, and the company had no reason to suppose, and never anticipated, that the rates paid thereunder could or would be discontinued. In fact, the company most distinctly looked forward to a continuance of these payments as part of the justification for their enterprise, for the risk they were running in doubling their expenditure on the route.

It is quite clear that in New Zealand there was no thought of these Australian poundage rates being discontinued. Indeed, after the new service had been running some time, Mr. Scott, the Federal Postal Under-Secretary, wrote from Brisbane, in his then capacity of Postal Under-Secretary for Queensland, to the New Zealand authorities to ask whether previous rates were to be continued. The reply he received, dated Wellington, 31st January, 1901, was that "the existing rate of payment is to continue to be paid for the time being." Not only did New Zealand expect these payments to continue, but New Zealand herself continued to pay to Australia the same rates as before on all the mails she sent through Australia for the Suez route. Sir Joseph Ward, the Postmaster-General of New Zealand, himself points out that his office has regularly continued to pay the old rates for its use of the Suez service, whilst Australia has refused to pay the old rates for her use of the San Francisco service. Here it may be pointed out that the existing trouble would probably never have arisen had it not been for a simple business rearrangement made by Sir Joseph Ward himself. In 1900, in making the new contract, he left it to the company to arrange and collect the Australian poundage moneys. The letter to Mr. Scott, already quoted, apart from Sir Joseph Ward's letters and public utterances this year, shows distinctly that but for that rearrangement New Zealand would have continued to collect, and that at the old rates.

In this connection it may be pointed out that the Colony of Fiji was made an exception of in this rearrangement. New Zealand has continued, and still continues, to collect for the company for the Colony of Fiji, and as a result that colony has regularly paid during the currency of this service poundage rates many times as much as those paid or tendered by the Commonwealth of Australia.

Several causes tended to bring about the existing trouble. After running for about ten years without any change, several changes took place in rapid succession. In November, 1900, the present improved service began. In March, 1901, the Commonwealth took over the State Post Offices. In April, 1901, Messrs. Burns, Philp, and Co. (Limited), took over the agency of the company. These changes gave opportunities for, and, indeed, created, misunderstandings. At the time the new service began, a change of agency was impending, and probably to this was due the fact that the Australian mail arrangements were not put on a distinctly proper business basis in black and white, whilst when Messrs. Burns, Philp, and Co. (Limited) assumed the agency it was naturally taken for granted by them that the arrangements for mail payments were in working-order. Messrs. Burns, Philp, and Co. (Limited) had been agents for two years when, in May, 1903, the Commonwealth authorities suddenly demanded the return of several thousand pounds which had been paid on behalf of Victoria at the old rates for some two years. Then the whole matter was investigated, with the result that it appeared clear not only that the money paid on behalf of Victoria had been rightly paid, but that payments at the same—the old—rates were due in other directions. Strange to say the Commonwealth paid the old rates for nine months, ending June, 1901, for the States of Queensland, South Australia, Tasmania, and Western Australia, and has not claimed any refund in the case of such States—in fact, apparently knew nothing of these payments until informed of them by Messrs. Burns, Philp, and Co. (Limited).

The only basis on which the Commonwealth Postal authorities can support their attitude is that a letter was written by the New South Wales Under-Secretary shortly after the new service began to the retiring agents that payment would be made at the New South Wales "prescribed rates" for non-contract vessels. This letter was sent, and its receipt acknowledged, but the new agents, Messrs. Burns, Philp, and Co., knew nothing of it till some time in 1904, and they were afterwards advised from San Francisco that nothing was known of it there. What seems to have happened was this: The company in starting the new service had asked for £30,000 subsidy jointly from New Zealand and New South Wales, but New South Wales had declined to be a party to such subsidy, and New Zealand arranged alone at a smaller sum. The Under-Secretary of New South Wales then, forgetting the 1890 Conference agreement, on which all the other five States were paying, concluded that payment could only be made on the "non-contract prescribed rates." After this, the Commonwealth for each of the other five States continued for a longer or a shorter period to pay the old rates, whilst the Commonwealth for New South Wales paid on New South Wales "prescribed rates," and paid such rates not only on New South Wales mails, but also on those from the other five States. With regard to the other five States, the company, therefore, were for certain periods paid at the old rates and also at the New South Wales prescribed rates, a fact of which the company was ignorant at the time. As the extra amounts paid under the New South Wales "prescribed rates" were so small as to be relatively invisible, the fact is not surprising nor important. As moneys were received, they were transmitted to San Francisco, and the company only looked at the total so credited. The total was so small that the directors wrote inquiring about it, when the agents were suddenly asked by the Federal Postal authorities to refund a large proportion of the small total. If the Commonwealth had paid anything in error, then, the directors pointed out, such payments had hidden the extreme smallness of the remuneration proposed, and delayed the opportunity of asking for redress.

If the notice sent to the retiring agents by New South Wales in 1900 ought to be considered as having any force, which under the circumstances the company denies, it could not possibly have any force as regards the other five States—then unfederated—and still paying as they had been doing for ten years.

It is claimed by the Commonwealth Postal authorities that under the Postal Act they have power to compel the company to carry mails at any payment they choose to "prescribe." The company denies the existence of this power, in which denial they are supported by counsel's opinion. In Great Britain, the power is undoubtedly held by the British authorities as regards British vessels; whether it is claimed as regards foreign vessels is not known. In the United States the Congress distinctly limited this power to United States vessels, and some years ago passed an amending Act repealing this power even as regards United States vessels. It should be remembered the Oceanic vessels fly the United States flag.

In the Senate it was distinctly denied by the Postmaster-General (Senator Drake), in discussing the Postal Act, that it could be applied to foreign vessels, and in the House of Representatives, Sir Philip Fysh, equally distinctly, denied that the Act would destroy the right of mail ships to be a party to the fixing of the terms. The Oceanic Company claim that Parliament never intended to take from them their right to carry or to decline to carry mails, nor intended to refuse them their right to be parties to the fixing of the terms on which mails should be carried on their vessels. So keenly do the directors of the company feel that they have been unfairly treated that they, last year, authorised Messrs. Burns, Philp, and Co. (Limited) to refuse the mails, and risk the arrest of a steamer.

The position with regard to New Zealand is most awkward for the company. In addition to paying poundage rates realising £20,000 a year, New Zealand grants the company remission of harbour dues representing £2,700, this remission of dues alone representing three times the total money the Commonwealth offers to pay. If the company can carry Australian mails practically free, why should New Zealand pay? Happily New Zealand recognises that the company is earning the money which it pays, and takes the view that Australia ought to pay correspondingly.

COMPARISON OF POUNDAGE RATES WITH MERE CARGO RATES.

SIR,—

Sydney, 1st June, 1905.

We have the honour to enclose for your information a statement showing how the Commonwealth non-contract rates compare with ordinary cargo rates of freight in the case of the last two vessels for San Francisco. We think you will admit that they do not support in any way the contention that the rates proffered to the Oceanic Company are reasonable; that mails on swift mail-steamers should be carried at even anything like cargo rates is, of course, a thing not to be dreamt of.

We regret to be still without any communication from you with regard to the proposals made three months ago.

We have, &c.,

BURNS, PHILP, AND CO.

The Hon. Sydney Smith, M.H.R., Postmaster-General, Melbourne.

(A. FORSYTH).

S.S. "Sonoma," 8th May: 497 bags of Mails.

These mails occupied a space of 2,040 cubic feet, or 51 tons measurement. Cargo rates by this vessel were £1 5s. to £2 per ton of 20 cwt. weight, or 40 cubic feet measurement. At £1 12s. 6d., the average rate, the 51 tons measurement would equal £82 17s. 6d., whereas the "prescribed poundage rates" on the weights as given equal only £68 0s. 9d.

S.S. "Ventura," 29th May: 217 bags of Mails.

35 tons measurement—equal, at £1 12s. 6d. per ton, £57 7s. 6d., against £61 12s. 6d. given by the "prescribed rates."

[This memorandum was based on the actual measurement of the bags, and not on the measurement of the mail-rooms, which were given up entirely to the Australian mails. A statement on the latter basis would make the "prescribed poundage rates" look still more meagre.]

THE POWERS OF THE DEPARTMENT.

There is little doubt but that the Postal Department has assumed the attitude it takes under a complete misapprehension, and that not only has the Federal Parliament not claimed the powers claimed by the Department, but has, in fact, repudiated—in both Chambers—the construction of the law made by the Department. In dealing with the Post and Telegraph Bill in the Senate, Senator Drake (then P.M.G.) admitted that he did not think the Department had power to compel foreign vessels to carry mails; and in the House of Representatives, Sir Philip Fysh, who was in charge of the Bill, said that the matter of arranging about mails was left to mutual contract. Both these Ministerial explanations are repudiated by the Department.

LETTER FROM SIR JOSEPH WARD, THE POSTMASTER-GENERAL OF NEW ZEALAND, TO THE POSTMASTER GENERAL OF THE COMMONWEALTH OF AUSTRALIA.

[Taken from the Wellington (N.Z.) *Evening Post* of 26th May, 1905.]

In the course of an address at Eltham to-night, Sir Joseph Ward announced important proposals regarding mail-services. He read the following communication:—

"Postmaster-General, Commonwealth.

"Adverting to our late discussions respecting the payment made by the Commonwealth for the conveyance of Australian mails by the San Francisco service and the rates paid by New Zealand for the carriage of its outward correspondence by the Peninsular and Oriental and Orient steamers, I would again urge you to extend more liberal treatment to the San Francisco service than is represented by the present payment of 2s. per pound for letters and 4s. per hundredweight for other matter, a contribution, in my opinion, entirely out of keeping with the value of the service to the Commonwealth.

"It may be convenient if I briefly refer to the history of the payments as applied to ocean mail-services so far as they have obtained between New Zealand and Australia. In connection with the Panama service, established in 1866, the London Post Office calculated that £1 5s. 4d. per pound was the equivalent of the postage on letters, 1s. 6d. on books, and 1s. on newspapers. These amounts were paid to New Zealand and New South Wales by the London Post Office for their providing the service between Sydney, Wellington, and Panama. Non-contracting colonies also paid the same rates. On the other hand, New Zealand paid the Australian Colonies similar poundage rates for the use it made of the Peninsular and Oriental service. The Panama service ceased in 1869, and

was replaced by the San Francisco service in March of the following year, and for a time these payments were mutually continued. In 1891 it was agreed that the poundage rates in respect of both services should be reduced to 12s. per pound for letters, 1s. for books, and 6d. for newspapers. The contributions from non-contracting colonies to the San Francisco service were paid over to the contractors instead of being retained by this office, as had been the practice previously. In contracting with Messrs. Spreckels in November, 1900, for the renewal of the San Francisco service, it was decided that New Zealand should no longer collect the non-contracting colonies' contributions, but leave the contractors to make their own arrangements with the colonies.

"It should be mentioned that for some time previous to 1900, and until Messrs. Spreckels took over the service in that year, New South Wales made a fixed contribution of £4,000 a year to the San Francisco service. New Zealand entered the Postal Union in 1891, and reduced the letter postage to Great Britain to 2½d. The Sydney Post Office was advised of this, and also informed, as already mentioned, that the rates for the use of the San Francisco service by non-contracting colonies had been reduced to 12s. per pound for letters, 1s. for books, and 6d. for newspapers. As New Zealand would probably make regular use of the Peninsular and Oriental and Orient services—the direct service not having been renewed—the Sydney Post Office was asked whether the Australian Colonies would not agree to allow this colony the use of the Peninsular and Oriental and Orient services for the equivalent of the bare postages. At the same time the Sydney Post Office was also reminded that all recoveries from non-contracting colonies were paid over by us to the contractors. The reply was that the 'Postmaster-General thinks the fairest arrangement is to follow the recommendations of the heads of Departments at the Sydney Conference, and charge 12s. on letters by both San Francisco and Suez routes.'

"It will thus be seen that New Zealand has been paying 12s. per pound for letters, 1s. for books, and 6d. for newspapers for sea-carriage by the Peninsular and Oriental and Orient services since 1891. It was only during the short break between the termination of the late Peninsular and Oriental and Orient contracts and the new one made in March last with the Orient Company that the Commonwealth intimated we could have the use of the services at the reduced poundage rates of 2s. per pound for letters, and 4s. per hundredweight for other matter. Since then it is understood that we may make use of the services on payment of Postal Union rates. Our payment for sea-carriage of our outward mails in 1904 from Adelaide by the Peninsular and Oriental and Orient services was £4,031. At Postal Union rates the payment would not have exceeded £1,400.

"The Commonwealth, however, does not even pay Postal Union rates to the San Francisco service, but the local rate of 2s. per pound for letters, and 4s. per hundredweight for books and newspapers, a payment, as already indicated, entirely inadequate to the value of the service to the Commonwealth, and especially to Sydney, which is the terminal port, and benefits to the extent of over £62,500 a year spent in coal and victualling ships. I am not clearly acquainted with the reasons which led to the abandonment by Australia of the long-standing arrangement under which a mutual support by the contracting colonies was to be given, as far as practicable, to the eastern and western services. The reduction from a rate of 12s. per pound for letters, 1s. for books, and 6d. for newspapers to the Commonwealth rate of 2s. per pound for letters, and 4s. per hundredweight for books and newspapers, took place on 1st December, 1900, but the Commonwealth did not suggest any corresponding reduction in the rates payable by New Zealand for the use of the Peninsular and Oriental and Orient services. While I am now aware that New Zealand is at liberty to reduce the payment towards the eastern services to Postal Union rates, the point requires further consideration whether this arrangement should not be retrospective from at least the date on which the Commonwealth reduced its payment for conveyance of mails by the San Francisco service. At the same time, it is difficult to understand why the Commonwealth should not, failing a more equitable arrangement, pay at least the Postal Union rates for matter conveyed by the San Francisco steamers. The point is one which has been brought before my Department by the contractors' representatives in more than one form, but I have hitherto refrained from expressing an opinion as to the merits of the case. Taking a broad view of the question, I would venture to suggest that the value of the San Francisco service to the Commonwealth might be moderately estimated at £10,000 per annum, while the value to New Zealand of regular communication by the Peninsular and Oriental and Orient services is about £5,000. I have not at hand the amount actually paid over by the Commonwealth for the use of the San Francisco service, but, of course, it is considerably less than £10,000 per annum, and although New Zealand has up to the present been paying about £4,000 a year for the use of the eastern steamers, the payment of Postal Union rates will reduce our contribution to about £1,500 per annum. At the present stage of this correspondence I will not enter into the merits of the poundage and fixed contribution systems, beyond remarking that, in my opinion, the interests of New Zealand are at present best served by granting, as far as practicable, liberal payments to ocean mail-steamers, and that, as a matter of reciprocity, I am prepared to recommend my Government to favourably consider the payment of a fixed contribution to the Peninsular and Oriental and Orient steamers, provided the Commonwealth will adopt a similar policy in regard to the San Francisco service. I may add that unless some such arrangement is adopted, there will be great difficulty in obtaining a renewal of the San Francisco service. I shall be glad if you will give these suggestions your earnest and favourable consideration.

J. G. WARD.

[It is understood that though eight months and more have passed since this letter was sent, no reply has yet been received by Sir Joseph Ward.]

EXTRACT FROM THE REPORT FOR 1905 OF THE NEW ZEALAND POST AND TELEGRAPH DEPARTMENT.

"As the result of personal discussions in Melbourne in April last between the Postmaster-General of New Zealand and the Commonwealth Postmaster-General, there is a probability of the Commonwealth making increased payments to the San Francisco service, and this colony securing

the use of the Federal services at Postal Union rates. New Zealand paid the Commonwealth 12s. per pound for letters, 1s. 6d. per pound for books, and 6d. per pound for newspapers; while the Commonwealth refused to pay the San Francisco contractors more than 2s. per pound for letters and 4s. 6d. per hundredweight for other matter—a payment wholly inadequate to the value of the service to Australia.”

THE UNITED STATES FLAG.

In the New Zealand House of Representatives on the 13th November, 1903, a debate took place—the report of which extends to forty-six pages of *Hansard*—on the subject of the renewal for a further three years of the contract with the Oceanic Company. On that occasion the following remarks were made by the Premier of New Zealand, Mr. Seddon, with reference to the fact that the Oceanic is a United States company: “Ask the question broadly: Who are our nearest friends? and has America given proof of friendship? I say she has unmistakably, on more than one occasion. When Kruger appealed to the various nations for support, members will recollect the answer he received from America. There was no dragging of the British flag in the mud. I undertake to say there was not a New-Zealander but rejoiced to think that blood was thicker than water, and if we wanted a friend to keep the peace, as we did then, and say, ‘Let our kindred alone,’ it was America. She spoke out then, and she has spoken out since, with no uncertain sound; and when sons of New Zealand were imprisoned at Pretoria, wounded and sick, who was it we publicly in this House thanked for the services he performed? The Consul-General of America, who fed and sheltered them, and acted towards them as New Zealand would to America. It pains me, when dealing with a simple question of business as to whether we should pay £20,000 for good and efficient services rendered—especially when we cannot find any one else to do the business—that the question of the flag should be raised. It cannot be said I would do anything to drag our flag in the mud or to sully the honour of the nation. It shows the weakness of the case of those who use such arguments.”

Sir Joseph Ward, the Postmaster-General of New Zealand, on the same occasion, dealing with the same point, said, “I take exception to the objection that in maintaining this service we are supporting an alien flag. It is quite true the Americans are a cosmopolitan nation, yet they are closely allied to us in ties of blood and friendship. They are a white people, and we know that in their day of trouble, when the war with Spain broke out and a hostile spirit was manifested towards them on the Continent of Europe, our own people in the Old Country were prepared, if the necessity arose, to come to their assistance and fight side by side with them. Has not America since then shown a similar spirit towards the Old Land? When things in South Africa looked dark, and the stirrers-up of strife and animosity against our own country were appealing to various Powers to help them, they did not exclude America from their field of operations. We know, however, that they got no consideration whatever from the country of the Stars and Stripes. Factors of this nature should weigh with those who are prepared to say things of an unfriendly nature towards the American people. We have also to recognise there are millions of people in the United States of America who have gone there from Great Britain to settle down and take part in the building-up of a cosmopolitan nation. It is far and away the most powerful nation among the neighbours of New Zealand. We are, so to speak, in the shadow of a country peopled by some eighty millions of people. This cannot be altered. They are there for all time, and so are we. Let us realise that besides being near to us it is the earnest hope of millions of people in the United States, and also in our own Empire, that there may be a closer union between the Stars and Stripes of America and the Union Jack of England for the purposes of mutual progress, defence and assistance between our own country and theirs. I, for one, take a very decided objection therefore to doing or saying anything against the flag under which millions of our own kith and kin live, and to whom they look for the freedom and protection which they enjoy. I say that in giving our support to the Frisco mail-service we are not assisting a foreign country, but in every sense of the word a friendly ally—an ally which would, I believe, if the necessity arose, fight to help England; and we in turn know that those responsible for the control of our own country would unmistakably fight to assist America against any foreign foe should necessity arise.” In the same speech Sir Joseph Ward read a letter from the New Zealand branch of the Australasian Federated Seamen’s Union, urging the Government to support the Oceanic Company, whose sailors, said the union, were the highest paid in the world.

It will be observed, by the paragraph that follows this one, that the establishment of a first-class line, substantially supported by the United States, was officially suggested in Australia in 1891.

THE UNITED STATES INVITED BY AUSTRALASIA TO “SUBSIDISE” THE ROUTE.

The following resolution was passed at the Conference of Australasian Postmasters-General held in Sydney in 1891: “That, seeing the advantages to be derived by the United States from a mail-service to Australasia, the United States Government be urged to substantially subsidise any main line between San Francisco, New Zealand, and Australia.” It is singular that the very moment when the United States did “substantially subsidise” the line that Australia should reduce its support to the vanishing point.

Sydney, 1st February, 1906.

INCIDENTS OF UNITED STATES AND ATLANTIC TRANSIT, ETC.

No. 10.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,— Resident Agency for New Zealand, San Francisco, 30th August, 1905.

I have the honour to report that the R.M.S. "Ventura," with the homeward mails, arrived at this port at 5 p.m. on Monday, the 21st instant. As the arrival was too late to effect a connection with the evening train under ordinary circumstances, Messrs. Spreckels Bros. arranged for a tug to proceed to the quarantine ground and take off the mails, which were conveyed to the Oakland Wharf and put on the 7 p.m. train, which overtook the overland train at Reno, Nevada, resulting in a connection with the s.s. "Campania" at New York at 12 noon on Saturday.

The performance of the "Ventura" and the experience with the other vessels during the past few years would seem to favour the impression that these vessels cannot under the present running-schedule arrive at this port sufficiently early to insure a connection that will result in an unfailing connection with the Saturday's Atlantic steamer, especially during the winter.

I am given to understand that the hour for sailing from Auckland at present is 3 p.m., which enables the steamer to visit Pago Pago during daylight on the fifth day, but does not permit of an arrival at Honolulu during daylight of the next Monday. Consequently slow time is made between these points, which enables coal to be saved, and the vessel arrives at Honolulu first thing on Tuesday morning, which, of course, delays the arrival here by many hours. Now, if an arrangement could be made whereby the steamer could leave the port of Auckland at 10 a.m. it would be possible, so I am informed, to arrive at Honolulu on Monday in time to leave there the same night, which would insure a Monday morning (if not a Sunday night) arrival here, and such a result would be very desirable during winter. This arrangement would, of course, necessitate some alteration of the coasting service; but the advantages to the through time probably would be considered of sufficient importance to justify the rearrangement of the local time-table.

I should be pleased to hear from you upon this proposal, and hope there are not circumstances that will prevent such an alteration of the local connections at Auckland.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

The Secretary, General Post Office, Wellington.

[Agr. 05/44.]

No. 11.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,— Resident Agency for New Zealand, San Francisco, 1st September, 1905.

I have the honour to report that I am advised by the Railway mail-service that seventy-six bags of letter mail, consisting of sixty-two bags London to Australia (? New Zealand), six bags of American letters and eight bags London to Honolulu, were left by train No. 1 on the Southern Pacific Railroad at Ogden, on the 29th August, and will not arrive at this city until midday of the 1st September.

Upon receipt of this information I requested the agents of the Oceanic Steamship Company to hold the steamer "Ventura," appointed to leave at 8 p.m. on the 31st August, until the arrival of these mails, and at once waited on the manager of the Southern Pacific Railroad and asked that every endeavour be made to accelerate the arrival of the train due here at 12.50 p.m. The manager agreed to switch the mail-car at Sacramento so as to arrive here at 11.20 a.m., and the "Ventura" will depart as soon after that hour as possible.

This unfortunate occurrence is most annoying, and I have asked the Superintendent of the United States Mail-service, located in this city, to furnish an explanation of the occurrence.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

The Secretary, General Post Office, Wellington.

[Inc. 05/38.]

No. 12.

Messrs. HENDERSON AND MACFARLANE, Auckland, to the SECRETARY, General Post Office, Wellington.

Oceanic Steamship Company (American and Australian Line),

SIR,— Auckland, 12th September, 1905.

Adverting to your request [No. 13, F.-6A, 1905] for the reason of the R.M.S. "Sonoma" not leaving San Francisco on her contract date, 8th June last, we have now the honour to inform

you that the delay was caused by the dry-docking of the steamer for the purpose of undergoing Lloyd's periodical survey, when it was found that the ordinary time in port was not sufficient to meet requirements. Work was carried on both night and day, and everything done to give the steamer the quickest possible despatch.

We have, &c.,
 HENDERSON AND MACFARLANE,
 The Secretary, General Post Office, Wellington. General Agents for New Zealand.

No. 13.

The SECRETARY, General Post Office, Wellington, to Messrs. HENDERSON AND MACFARLANE, Auckland.

GENTLEMEN,— General Post Office, Wellington, 16th September, 1905.

I have the honour to acknowledge the receipt of your letter of the 12th instant, on the subject of the late departure from San Francisco of the R.M.S. "Sonoma" on the voyage due to commence on the 8th June last, and stating the reason for the detention of the vessel.

I have, &c.,
 Messrs. Henderson and Macfarlane, W. GRAY, Secretary.
 General Agents, Oceanic Steamship Company, Auckland,
 [P.O. 05/1412.]

No. 14.

The SECRETARY, General Post Office, Wellington, to the RESIDENT AGENT FOR NEW ZEALAND, San Francisco.

SIR,— General Post Office, Wellington, 26th September, 1905.

I have the honour to acknowledge the receipt of your letter of the 30th ultimo, on the subject of the late arrival of the mail-steamers from New Zealand at San Francisco.

I note that the contractors were successful in making a connection with the "Campania" for the "Ventura's" homeward mails, and that you consider the performance of the mail-steamers is such that an unfailling connection with the Saturday Atlantic steamer cannot be relied upon.

It would not be possible to put forward the departure from Auckland by four or five hours, as this would necessitate an earlier sailing from Sydney to allow sufficient time for the discharge and shipping of cargo at Auckland. Moreover, it would not be always possible to insure the arrival of the coastal steamer with mails from the south in time to admit of a much earlier departure than heretofore. If the steamers were pushed whenever it was found that arrival in time was doubtful, I am of opinion it would be possible to make due connection at San Francisco.

A question was recently asked in the House of Representatives on the subject, copy of which, with the reply, I enclose for your information.

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

H. Stephenson Smith, Esq., Resident Agent for New Zealand, San Francisco.

[Agr. 05/47.]

Enclosure in No. 14.

ORDER PAPER, HOUSE OF REPRESENTATIVES, 5TH JULY, 1905.

66. Mr. DUTHIE asked the Postmaster-General, Whether, in view of the frequent delay in the arrival at London of the homeward mails *via* San Francisco, and the attendant inconvenience to business, it would not be better to despatch the mails a day earlier from the colony?

The Hon. Sir J. G. WARD (Postmaster-General), replied, The departure from Auckland has already been put forward a day—Saturday to Friday—a change which the contractors were very reluctant to adopt, as it reduced the lay-days in Sydney to ten days, barely sufficient, it was alleged, to discharge and ship cargo, overhaul, clean, coal, and provision the steamers. Moreover, a Thursday departure from Auckland would mean a Sunday sailing from Sydney and a Sunday arrival in San Francisco. I do not think it would be advisable to make a further change. There is now every reason to believe that the delivery of the mails in London will be more regular than it has been of late. The delays in the arrival of the mails, it should be stated, have not been altogether due to the late arrivals of the steamers at San Francisco from Auckland.

No. 15.

The SECRETARY, General Post Office, Wellington, to the RESIDENT AGENT FOR NEW ZEALAND, San Francisco.

SIR,— General Post Office, Wellington, 29th September, 1905.

I have the honour to acknowledge the receipt of your letter of the 1st instant, reporting that seventy-six bags of mail have been delayed in transit across the United States, and that arrangements had been made to postpone the departure of the R.M.S. "Ventura" until their arrival.

I await your further report in the matter. I have, &c.,
 W. GRAY, Secretary.

H. Stephenson Smith, Esq., Resident Agent for New Zealand, San Francisco.

[Inc. 05/39.]

No. 16.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,— Resident Agency for New Zealand, San Francisco, 1st November, 1905.

I have the honour to acknowledge the receipt of your communications of the 26th and 29th September last [29th, two—one not printed].

I note that it is not considered feasible to put forward the departures of the steamers from Auckland for five hours in order to effect a Monday's arrival at and departure from the port of Honolulu, for the reason that it would not be possible to make the coastal connection so early. As regards the earlier departure from Sydney, the contractors do not seem to anticipate any difficulty in that respect. In respect to the pushing of the steamers when it is found that a late arrival at this port is probable, I am of the opinion that it will be futile to expect that method of insuring an early arrival.

As regards the explanation of the serious delay occasioned to the through mails destined to the colonies upon the occasion of the detention of the "Ventura" last trip, I am not at present in possession of any report from the United States postal officials regarding the matter.

I have, &c.,

H. STEPHENSON SMITH,

Resident Agent for New Zealand.

To the Secretary, General Post Office, Wellington.

[Agr. 05/53.]

No. 17.

MESSRS. HENDERSON AND MACFARLANE, Auckland, to the SECRETARY, General Post Office, Wellington.

Oceanic Steamship Company (American and Australian Line),
Auckland, 8th December, 1905.

SIR,—

Referring to the mails which left here by the "Ventura," voyage 27, on the 6th October, our General Passenger Agent at San Francisco writes me under date of the 2nd November, as follows:—

"The mails of the 'Ventura' caught the Tuesday morning's train, and although delay was made in reaching Omaha of four hours and Chicago about three hours, the letter mail was forwarded by the 'Umbria' on Saturday last. The letter mail went from Chicago on the Twentieth Century Limited, and reached New York at 9 a.m., the 'Umbria' sailing at 2 p.m. The newspaper mail was taken by the 'Kaiser Wilhelm der Grosse,' which would get to London on the Monday evening instead of the previous Saturday evening. If the New Zealand people had an agent in Chicago to see to the transfer, no doubt all the newspaper mails, as well as the letter mails, could have been transferred at Chicago."

The above speaks for itself, and I pass it on to you, thinking the last sentence in the paragraph may be of interest.

Yours, &c.,

V. A. SPROUL, for General Agents for New Zealand

The Secretary, General Post Office, Wellington.

[Inc. 05/40.]

No. 18.

The SECRETARY, General Post Office, Wellington, to Mr. V. A. SPROUL, Oceanic Steamship Company, Auckland.

SIR,—

General Post Office, Wellington, 13th December, 1905.

I am in receipt of your letter of the 8th instant, covering extract from a communication sent by your company's General Passenger Agent at San Francisco, in which he expresses the opinion that if this Department had had an agent at Chicago the onward transit to New York of the newspaper portion of the Colonial mails *ex* "Ventura" would have been expedited.

In reply, I beg to thank you for your letter. I question, however, whether the appointment of an agent at Chicago would be helpful, as the railway authorities would without doubt not brook any interference with the conveyance of the mails.

Yours, &c.,

W. GRAY, Secretary.

V. A. Sproul, Esq., Oceanic Steamship Company, Auckland.

No. 19.

The HIGH COMMISSIONER to the Hon. the PRIME MINISTER.

(Telegram.)

London, 13th December, 1905.

REPORTED three hundred bags Australian mails *via* San Francisco burnt. Imperial Post Office, however, informs me no British mails destroyed.

[Inc. 06/21.]

No. 20.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.)

Wellington, 14th December, 1905.

OUR High Commissioner cables that it is reported three hundred bags Australian mails *via* San Francisco burnt. London Post Office, however, informs him no British mails destroyed. This cable not sufficiently clear to indicate what mails referred to. Presumably American mails on way from New York to San Francisco. Have you any information?

No. 21.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Melbourne, 14th December, 1905.

YOUR wire to-day. We have no information *re* destruction mails.

No. 22.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

Resident Agency for New Zealand, San Francisco, 4th January, 1906.

Considerable changes are now being made in the train schedules this year, and in future the mails will cross the Continent at something a little over three days instead of over four as hitherto, so the Tuesday's arrivals will now unfailingly catch the Saturday's steamers, bar accidents. The mails leaving New York last Monday morning will catch the 2 p.m. Thursday departure here, or at least would if on time; but the train is reported three hours late, so the "Ventura" will probably get off by 5 p.m. instead of 2 p.m. The last mails which went forward by the "Umbria" got home on the 17th December, one day late.

As soon as I get the official memorandum of the change in the running-time under the new schedule I will forward you the information; but as it has only been two days in effect, the railroad mail-service people are not yet in receipt of the details.

Yours, &c.,

H. STEPHENSON SMITH.

The Secretary, General Post Office, Wellington.

[Inc. 06/4.]

No. 23.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.)

Wellington, 5th January, 1906.

MY telegram fourteenth. Mail Agent now reports that "Overland Limited" train, which left San Francisco fifth ultimo, collided with heavy freight train at Ah Say, Wyoming, when mail-car and other vans were thrown from track and completely burnt. All United States mails were destroyed, including correspondence from Australia and New Zealand for points between Wyoming and New York State, except registered mails, which had missed despatch from San Francisco. Information not very definite, but total number of bags from Australia by "Sonoma" was one hundred and thirty-one, of which fifty-six were despatched from San Francisco fourth December with New Zealand eastern and English mails, which went through without mishap. Remaining seventy-five bags from Australia were sorted San Francisco during night fourth December, forward correspondence being amalgamated with San Francisco mail and despatched east next morning, and subsequently destroyed. Probably about fifty bags of your mail destroyed. Mail Agent could not get exact figures, as San Francisco forwarded correspondence bulked with New Zealand and Australian.

[Inc. 06/25.]

No. 24.

The SECRETARY, General Post Office, Wellington, to all CHIEF POSTMASTERS.

(Memorandum.)

General Post Office, Wellington, 8th January, 1906.

IN connection with the San Francisco mail from Auckland of the 17th November last, of which a portion was burnt in America, please note that the mails for the following places are understood not to have been destroyed: San Francisco and California, Oregon, Washington State, Nevada, Utah, Arizona, Montana, part of Colorado.

The mails for the following places were safe, not having been sent by the train that suffered mishap: Alabama, Florida, Georgia, Illinois and Chicago City, Indiana, Kentucky, Louisiana, Maine, Massachusetts and Boston City, Michigan, Minnesota, Mississippi, New Hampshire, North Carolina, Ohio, South Carolina, Tennessee, Vermont, Wisconsin, New York City, Connecticut, Rhode Island, New Jersey.

The registered letters for all places in the United States escaped destruction.

W. GRAY, Secretary.

[Inc. 06/3.]

No. 25.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

Westminster Chambers, 13 Victoria Street, London, S.W.,

9th January, 1906.

SIR,—

I beg to transmit herewith copy of letter from the General Post Office, London, and in reference thereto to state that I have in reply requested that in case the mail from New Zealand comes in two portions the arrival of both be cabled to the Post Office in New Zealand.

I shall be glad, however, to have instructions in case the Postmaster-General decides that the cabling of the first portion only will be sufficient.

The Right Hon. the Prime Minister, Wellington.

I have, &c.,

W. P. REEVES.

[Inc. 06/13.]

Enclosure in No. 25.

The SECRETARY, General Post Office, London, to the HIGH COMMISSIONER.

SIR,—

General Post Office, London, 2nd January, 1906.

With reference to the correspondence ending with your letter of the 9th July, 1904, concerning the despatch to Wellington of a telegram advising the receipt of the mails for this office sent from New Zealand by way of San Francisco, I am directed by the Postmaster-General to inform you that the mails despatched from Auckland on the 6th October last by way of San Francisco reached this office in two portions, one conveyed by the British packet "Umbria," which left New York on the 28th of that month, and the other by the German packet "Kaiser Wilhelm der Grosse," which left New York on the 31st. The mails from New Zealand and Australia conveyed by the "Umbria" consisted of thirty-three bags, and reached this office at 9.59 p.m. on the 5th November; and those brought by the German packet, consisting of 126 bags, arrived here at 2.55 p.m. on the 6th of that month.

In this instance only the time of arrival at this office of the first portion of the mails—namely, that conveyed by the "Umbria"—was notified by telegraph to the Post Office of New Zealand; and the Postmaster-General will be glad to learn whether, in the event of the mail being similarly divided on a future occasion, the notification of the arrival of the first portion will suffice.

I am, &c.,

The High Commissioner for New Zealand.

H. BUXTON FORMAN.

No. 26.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Melbourne, 13th January, 1906.

HAVE you any more precise information or particulars *re* burning Australian mails at Ah Say? Inquiries made whether mails for Chicago, Boston, Guelph, Ontario, New York City were amongst those destroyed.

[Inc. 06/36.]

No. 27.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.)

Wellington, 13th January, 1906.

ALL closed mails for such places as Chicago, Boston, Guelph, New York City went forward by previous night's train and escaped destruction. Correspondence destroyed was that usually sorted at San Francisco and incorporated in mails from that city. Registered letters for all places missed despatch and escaped destruction.

No. 28.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

Resident Agency for New Zealand, San Francisco, 25th January, 1906.

The "Sierra" got in after midday; but the improvement in the overland service (schedule of which I enclose you) now permits a Tuesday departure to catch, unless serious disaster befalls the overland transit. The "Sierra" should leave nearly on time to-day. The last homeward mails per "Columbia" arrived Glasgow 8th January, so probably were three days late in London. This time the mails left New York by the "Lucania," and therefore should arrive on time.

Yours, &c.,

The Secretary, General Post Office, Wellington.

H. STEPHENSON SMITH.

[Inc. 06/11.]

Enclosure in No. 28.

CHANGE IN TIME OF OVERLAND EXPRESS EAST AND WEST.

Eastbound.

Leave San Francisco (say) Monday by Southern Pacific ...	6 p.m.
Arrive at Ogden Tuesday by Southern Pacific ...	6.30 p.m.
Arrive at Omaha Wednesday by Union Pacific...	11.45 p.m.
Arrive at Chicago Thursday by Burlington ...	10.30 a.m.
Leave Chicago Thursday by Lake Shore and New York Central and Hudson River (letters only) ...	2.30 p.m.
Arrive New York Friday by Central and Hudson River (letters only)	9.30 a.m.
Leave Chicago Friday by Lake Shore and Hudson River (news-papers, books) ...	10.30 a.m.
Arrive New York Friday by Lake Shore and Hudson River (news-papers, books) ...	2.55 p.m.

NOTE.—Twentieth Century Express will not carry anything but letters.

Westbound.

Leave New York (say) Monday by Hudson River and Lake Shore...	3.15 a.m.
Arrive Chicago Tuesday by Hudson River and Lake Shore ...	1.20 a.m.
Arrive Omaha Tuesday by Burlington ...	1.57 p.m.
Arrive Ogden Wednesday by Union Pacific ...	2.56 p.m.
Arrive San Francisco Thursday by Southern Pacific ...	12.29 p.m.

This is the new fast route, but scarcely likely that the time can be kept in winter.

No. 29.

The SECRETARY, General Post Office, Wellington, to the RESIDENT AGENT FOR NEW ZEALAND, San Francisco.

SIR,—

General Post Office, Wellington, 31st January, 1906.

I have the honour to inform you that in a cablegram to the Prime Minister of the 13th ultimo, the High Commissioner reported that three hundred bags of Australian mail-matter sent *via* San Francisco had been destroyed by fire, and, from further particulars furnished by the Mail Agent of the R.M.S. "Sonoma" on the 5th instant after his arrival in this colony, it appears that the "Overland Limited" train which left San Francisco on the 5th December collided with a freight train at Ah Say, Wyoming, with the result that all the United States mails were destroyed, including correspondence from Australia and New Zealand for points between Wyoming and New York State, except registered letters which had missed despatch from San Francisco.

No report from you on the subject has yet reached me, either by cable or by post. I should be glad if you would inform me whether or not you were in a position to advise me of the incident. The cablegram from the High Commissioner was very indefinite. Even now it is not positively known here what Australian and New Zealand mail-matter was actually destroyed.

I have, &c.,

W. GRAY, Secretary.

H. Stephenson Smith, Esq., Resident Agent for New Zealand, San Francisco.

[P.O. 06/40.]

No. 30.

The MAIL AGENT, R.M.S. "Sierra," to the SECRETARY, General Post Office, Wellington.

SIR,—

New Zealand Marine Post Office, R.M.S. "Sierra," 12th February, 1906.

The 6 p.m. passenger train formerly leaving San Francisco daily for New York has been taken off, and a fast mail-train substituted.

The following is the time-table for the "Fast Mail":—

Leave San Francisco.	Arrive Chicago.	Arrive New York.
Monday, 6 p.m.	Thursday, 10.30 a.m.	Friday, 9.30 a.m.
Tuesday, "	Friday, "	Saturday, "
Wednesday, "	Saturday, "	Sunday, "
Thursday, "	Sunday, "	Monday, "
Friday, "	Monday, "	Tuesday, "
Saturday, "	Tuesday, "	Thursday, "
Sunday, "	Wednesday, "	Thursday, "
Leave New York.	Due San Francisco.	
Monday, 3.15 a.m.	Thursday, 12.28 p.m.	
Tuesday, "	Friday, "	
Wednesday, "	Saturday, "	
Thursday, "	Sunday, "	
Friday, "	Monday, "	
Saturday, "	Tuesday, "	
Sunday, "	Wednesday, "	

This reduces the actual time between San Francisco and New York to three days twelve hours thirty minutes, and between New York and San Francisco to three days twelve hours thirteen minutes.

I have, &c.,

The Secretary, General Post Office, Wellington,

W. ISBISTER, Mail-agent.

[P.O. 06/504.]

No. 31.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 20th February, 1906.

I have the honour to acknowledge the receipt of your letter of the 9th ultimo, concerning the telegraphic advice furnished by the London Post Office of the arrival at that office of colonial mails forwarded *via* San Francisco.

In reply, I have to inform you that I approve of your action in asking that when the mail reaches London in two portions the times of arrival of both be cabled to the New Zealand Post Office.

I have, &c.,

ALBERT PITT, for the Prime Minister.

The Hon W. P. Reeves, High Commissioner for New Zealand, London.

[Inc. 06/15.]

No. 32.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the ACTING-SECRETARY, General Post Office, Wellington.

SIR,—

Resident Agency for New Zealand, San Francisco, 8th March, 1906.

I regret to report that the s.s. "Ventura" did not get here until late on Tuesday night, the mails not leaving until Wednesday, which caused the Atlantic steamer to be missed, and the mails only left New York on Tuesday by the "Kaiser Wilhelm Der Grosse," which I fear means a two or three days late delivery in London. From what Mr. Rudd informs me it would appear that there was not any reason for the late arrival here, as the weather was very good and sea smooth, but it seems that the steamer only came along at barely 13 knots.

Yours, &c.,

H. STEPHENSON SMITH, Resident Agent.

[S.F. Agr. 06/10.]

No. 33.

The ACTING-SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,—

General Post Office, Wellington, 30th March, 1906.

Adverting to my letter of the 31st January last, and your reply of the 2nd ultimo, I have now the honour to forward herewith for your information copy of a letter from the Resident Agent for New Zealand in San Francisco containing further particulars of the destruction of Australian mails at Ah Say, U.S.A.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

The Secretary, Postmaster-General's Department, Melbourne.

[U.S. Inc. 06/19.]

Enclosure in No. 33.

The RESIDENT AGENT FOR NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

Resident Agency for New Zealand, San Francisco, 7th March, 1906.

I have the honour to acknowledge the receipt of your communication of the 31st January, having reference to the absence of a report from me of the destruction of mails in transit through this country reported by the Agent-General in London, as having occurred on the 5th December, 1905.

In reply, I would state that, upon the occasion of the burning of the mail-car following the collision in Nevada in December last, I made inquiry of the Postal Department in this city, and was assured that the New Zealand and Australian mails had gone through the day prior to the accident, and therefore we were not concerned in the reported burning. Upon receipt of the communication now under reply, I have again interviewed the Postal authorities located in this city, and am informed that the information given me in December was correct at the time given, but that since it has been reported that a small portion of the colonial mails that were sent forward upon the San Francisco Office, destined to Pennsylvania and points south thereof, was destroyed with the other American mail at the time of the disaster. This information, however, was never given me until now, and therefore I presumed that the information given me at the time, to the effect that our mails were not involved in this wreck, was correct.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

The Secretary, General Post Office, Wellington.

[U.S. Inc. 06/18.]

No. 34.

The ACTING-SECRETARY, General Post Office, Wellington, to the J. D. SPRECKELS AND BROTHERS COMPANY, San Francisco.

GENTLEMEN,—

General Post Office, Wellington, 11th April, 1906.

I have the honour to forward herewith, for your information, a schedule showing the dates of arrival of the mail-steamers at Auckland and San Francisco for the six months ended March, 1906, and to point out that the proportion of late arrivals, particularly those at Auckland, is altogether too great. I should be glad if you would look into the matter, and see whether it is not possible to improve the present running. I am informed that the late arrivals are not always due to stress of weather.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

Messrs. the J. D. Spreckels and Brothers Company, San Francisco.

[S.F. Agt. 06/15.]

Enclosure in No. 34.

ARRIVALS OF SAN FRANCISCO STEAMERS AT SAN FRANCISCO AND AUCKLAND DURING THE SIX MONTHS ENDED MARCH, 1906.

Auckland to San Francisco.

Leave Auckland.		Arrive San Francisco.	
Due.	Actual (Pilot).	Due.	Actual (Pilot).
1905.	1905.	1905.	1905.
15 Sept., 3 p.m.	15 Sept., 4.7 p.m.	2 Oct., 6 a.m.	2 Oct., 11.29 a.m.
6 Oct., "	6 Oct., 4.10 "	23 " "	24 " 2.35 "
27 " "	27 " 4.21 "	13 Nov., "	13 Nov., noon.
17 Nov., "	17 Nov., 4.7 "	4 Dec., "	4 Dec., 2.7 p.m.
8 Dec., "	8 Dec., 4.20 "	25 " "	25 " 3.27 "
29 " "	29 " 6.49 "	1906.	1906.
1906.	1906.	15 Jan., "	15 Jan., 11.40 a.m.
19 Jan., "	19 Jan., 11.55 "	5 Feb., "	6 Feb., 10.25 "
9 Feb., "	10 Feb., 7.10 a.m.	26 " "	27 " 6.15 p.m.
2 March, "	2 March, 4.20 p.m.*	19 March, "	19 March, noon.*
23 " "	25 " 5.30 a.m.*	9 April, "	...

San Francisco to Auckland.

Leave San Francisco.		Arrive Auckland.	
Due.	Actual (Pilot).	Due.	Actual (Pilot).
1905.	1905.	1905.	1905.
21 Sept., 2 p.m.	21 Sept., 3.14 p.m.	9 Oct., 6 a.m.	9 Oct., 4.30 p.m.
12 Oct., "	12 Oct., 3.50 "	30 " "	31 " 10.13 a.m.
2 Nov., "	2 Nov., 3.42 "	20 Nov., "	21 Nov., 6.31 "
23 " "	24 " 7.45 a.m.	11 Dec., "	12 Dec., 2.40 p.m.
14 Dec., "	16 Dec., 8.14 "	1906.	1906.
1906.	1906.	1 Jan., "	4 Jan., 2.35 p.m.
4 Jan., "	4 Jan., 8.29 p.m.	22 " "	23 " 3.45 a.m.
25 " "	25 " 4.22 "	12 Feb., "	12 Feb., 6.10 p.m.
15 Feb., "	15 Feb., 3.24 "	5 March, "	6 March, 2 "
8 March, "	8 March, 5.3 " "	26 " "	27 " 11.53 a.m.
29 " "	29 " 2 " *	16 April, "	...

* Pilot time not yet available.

VANCOUVER SERVICE.

No. 35.

The SUPERINTENDENT OF FOREIGN MAILS, Washington, D.C., to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Washington, D.C., 16th April, 1903.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your reply, under date of the 14th January [not printed], to this Department's letter of the 22nd May last [No. 98, F.—6, 1903] relative to the transhipment at Honolulu, for forwarding thence to San Francisco, of mails for the United States despatched from New Zealand by means of steamers sailing for Vancouver, whenever the delivery of the mails will be thereby expedited; in which reply you suggest that it would be well if articles for certain north-western States were enclosed in sacks addressed to the office of Seattle, to be carried on to Vancouver instead of being forwarded with the rest of the mails from Honolulu to San Francisco.

In reply, I have to inform you that your suggestion is approved by this Department, and to request that you will cause articles destined for delivery in the States of Washington, Idaho, Montana, and North Dakota to be included in the sacks addressed to the office of Seattle.

I am, &c.,

N. M. BROOKS, Superintendent of Foreign Mails.

The Postmaster-General, Wellington.

[P.O. 02/3091.]

No. 36.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT OF FOREIGN MAILS, Washington, D.C.

SIR,—

General Post Office, Wellington, 27th May, 1903.

I have the honour to acknowledge the receipt of your letter of the 16th ultimo on the subject of the transhipment at Honolulu of mails for the United States despatched hence for conveyance by steamer to Vancouver.

In reply, I have to inform you that, as requested, arrangements have been made for New Zealand mail-matter destined for delivery in the States of Washington, Idaho, Montana, and North Dakota to be included in mails addressed to Seattle on occasions when mails for the United States are forwarded by steamer to Vancouver. The balance of the mails for your country will, as at present, be labelled "United States: To be landed at Honolulu."

I have, &c.,

W. GRAY, Secretary.

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

No. 37.

THE VANCOUVER MAIL-SERVICE.—THE NEW CONTRACT.

ARRANGEMENTS (says the *Argus* of the 7th June [1905]) have been made for a continuation of the present Vancouver mail-service. The Postmaster-General said yesterday: "The contract which the Barton Government made with the Union Steam Ship Company for a mail-service between Australia and Canada expired on the 31st May [having been extended for three months on expiry, 28th February]. When seeking a renewal of the contract, the Union Steam Ship Company asked the contracting countries—Canada, Fiji, and the Commonwealth—to increase the old subsidy (£60,000) to £80,000 for a term of three years, for a service much the same as that which had been run for the last three years—three steamers maintaining a monthly service. On the 11th May, I, on behalf of the Cabinet, offered to enter into a new contract at the old rate of subsidy for twelve months, to date from the 1st August, the contract to extend for a further period of twelve months—that is, two years altogether—unless three months' notice of termination should be given prior to the 31st July, 1906. I had already received a communication from the Canadian Government on the subject, but at the time I made this proposal I had not heard finally from Fiji. Mr. D. Mills, the Melbourne manager of the company, asked for time to enable him to cable to his Head Office in London. I agreed to this, and on the 1st instant I received a reply from him, saying that the Union Steam Ship Company were prepared to carry on the service under the old conditions, providing that the subsidy was increased by £6,000, Canada paying £3,000 of this amount, the Commonwealth £2,700, and Fiji £300. I tried to get a faster service, but I could not obtain this concession, and after further consultation with the other colonies, I have agreed to these terms. The Union Steam Ship Company will therefore carry on the present monthly service, and it will receive an additional subsidy of £6,000. Mr. D. Mills informed me to-day that these conditions are acceptable to his company, and our final arrangements will be put into proper form in the morning. To-morrow I will be able to explain at greater length the course of the negotiations and the reasons for the increase of subsidy. The steamers will adhere to the present route. That is to say, Brisbane will be one of the ports of call. The New Zealand Government wanted the steamers to call at Auckland, instead of Brisbane; but this change will not be made."

[Van. News 05/07.]

No. 38.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,—

General Post Office, Wellington, 16th June, 1905.

I should be glad if you would kindly favour me at your convenience with copies of the agreement for the renewal of the contract for the carriage of mails between Australia, Fiji, and Canada.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Postmaster-General's Department, Melbourne.

[Van. Agr. 05/14.]

No. 39.

The SUPERINTENDENT OF FOREIGN MAILS, Washington, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Post Office Department, Office of Foreign Mails,
Washington, D.C., 18th July, 1905.

Referring to the correspondence, closing with your reply under date of the 27th May, 1903, to this Department's letter of the 16th of the preceding month, relative to the transshipment at Honolulu of mails for the United States despatched from New Zealand per steamers sailing for Vancouver, such mails to be labelled "United States: To be landed at Honolulu," I have the honour, by direction of the Postmaster-General, to inform you that, under date of the 3rd instant, the office of Honolulu reports that on the arrival at Honolulu on the 27th ultimo of the steamer "Miowera" the master of that steamer refused to deliver there forty-one sacks made up in Australia and nine sacks made up in New Zealand, destined for the United States, except for direct transfer from the "Miowera" to the steamer "Alameda," to sail for San Francisco on the 28th ultimo, just prior to the sailing of the "Miowera" on the same day, the master of the "Miowera" claiming that his instructions from his company required him to pursue that course.

A copy of the instructions in question (which please return to this Department) is herewith enclosed. In forwarding which to this Department the office of Honolulu states as follows: "In accordance with these instructions the Canadian-Australian steamers on arrival at Honolulu from the colonies will not deliver the mails in question into the custody of our service at Honolulu unless there is a San Francisco steamer to leave during the interval between the arrival at, and departure from, Honolulu of the Australian steamer *en route* to Vancouver."

As compliance with these instructions would, in some instances, delay the arrival of the mails in question in this country, I am to request that you will cause to be carried out the arrangement mentioned in your letter of the 14th January, 1903, under which certain mails were to be labelled "United States: To be landed at Honolulu," and to be transhipped at Honolulu for despatch to San Francisco "whenever the delivery of correspondence at destination would be accelerated thereby." It may be well to add that an investigation has shown that, as a rule, the delivery of the articles will be expedited if they are despatched from Honolulu by means of a steamer sailing thence within forty-eight hours after the arrival of the Australian steamer.

I am, &c.,

N. M. BROOKS, Superintendent of Foreign Mails.

The Postmaster-General, Wellington.

[P.O. 05/829(3).]

Enclosure in No. 39.

The MANAGER, Canadian-Australian Royal Mail Line, Sydney, to the COMMANDER, R.M.S. "Miowera."

DEAR SIR,—

Canadian-Australian Royal Mail Line, Sydney, 23rd February, 1905.

We have been requested by the Postal authorities in New Zealand to point out that bags of letters, &c., from steamers of the Canadian-Australian line which may be landed at Honolulu for delivery on board a San Francisco mail-steamer should be addressed to the Mail-agent of the vessel, in order to obviate the possibility of the correspondence reaching Honolulu Post-office, and being surcharged in consequence; we shall be glad therefore if you will give the necessary instructions to insure that the request of the Postal authorities is given effect to.

Yours, &c.,

The Commander, R.M.S. "Miowera."

F. BURGESS, for Manager.

No. 40.

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

SIR,—

General Post Office, Wellington, 8th September, 1905.

I have the honour to inform you that the Superintendent of Foreign Mails, Washington, has written to this Department advising that the office at Honolulu reports that on the arrival at that port on the 27th June last of the steamer "Miowera" the master refused to deliver there forty-one bags of mail made up in Australia, and nine bags made up in New Zealand, destined for the United States, except for direct transfer from the "Miowera" to the "Alameda," to sail for San

San Francisco mail-steamer should be addressed to the Mail Agent of the vessel, in order to obviate the his company required him to pursue that course.

I attach a copy of the instructions referred to, from which you will observe that the manager of the Canadian-Australian Royal Mail line in Sydney states that his company has been requested by the Postal authorities in New Zealand to point out that bags of letters, &c., from steamers of the Canadian-Australian line which may be landed at Honolulu for delivery on board a San Francisco mail-steamer should be addressed to the Mail Agent of the vessel, in order to obviate the possibility of the correspondence reaching the Honolulu Post-office, and being surcharged in consequence.

No trace can be found of the issue of any such instructions by this office, and I think there must be some misapprehension on the part of the manager of the Canadian-Australian Royal Mail line in Sydney.

Under Postal Union regulations, an intermediary office like Honolulu is entitled, and compelled by international agreement, to take charge of mails for transshipment as in this case. What is most likely referred to by the manager in Sydney is that loose letters posted by passengers should be made up in a bag addressed to the New Zealand Mail Agent.

I shall be obliged if you will look into the matter, and let me know as early as possible what gave rise to the instruction, in order that I may reply to Washington.

I have, &c.,

W. GRAY, Secretary.

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

No. 41.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT OF FOREIGN MAILS, Washington.

SIR,— General Post Office, Wellington, 2nd October, 1905.

I have the honour to acknowledge the receipt of your letter of the 18th July last, stating that the office of Honolulu had reported that on the arrival at Honolulu on the 27th June of the steamer "Miowera" the master of that steamer, claiming to be acting under instructions from his company, refused to deliver there certain Australian and New Zealand mails destined for the United States, except for direct transfer from the "Miowera" to the steamer "Alameda."

In reply, I beg to inform you that the General Manager of the Union Steam Ship Company was written to in the matter, and has sent me in reply a letter, copy of which is attached, from which it appears that the irregular action of the master of the "Miowera" was the result of a misunderstanding on the part of the company.

Your enclosure is returned herewith.

I have, &c.,

W. GRAY, Secretary.

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

Enclosure in No. 41.

The GENERAL MANAGER, Union Steam Ship Company, Dunedin, to the SECRETARY, General Post Office, Wellington.

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 28th September, 1905.

SIR,—

With reference to your favour of the 8th instant regarding the transfer of letters from "Miowera" to the San Francisco mail steamer at Honolulu, I am sorry to observe that there was apparently a misunderstanding of the instructions we sent to our Sydney manager on the 15th February, in response to your letter of the 6th idem. It appears that they read the requirement to apply to all mails instead of to ship's loose letters only. We have rectified this, so that there shall be no recurrence of the incident reported to you.

I have, &c.,

R. MCK. McLENNAN, for General Manager.

The Secretary, General Post Office, Wellington.

No. 42.

The ACTING-SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,— General Post Office, Wellington, 20th February, 1906.

Referring to my letter of the 16th June last, asking for copies of the agreement for the renewal of the contract for the carriage of mails between Australia, Fiji, and Canada, and to your reply of the 28th idem [not printed], I have the honour to inquire whether you are yet in a position to send the promised copies.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

The Secretary to the Postmaster-General's Department, Melbourne.

No. 43.

[Press Extract.]

VANCOUVER MAIL CONTRACT.

Sydney, 25th February [1906].

It having been asserted that arrangements had been made to renew the Vancouver mail contract with New Zealand as a partner, Mr. James Mills, managing director of the Union Company, states that, taking Sir Joseph Ward's presence in Melbourne as opportune, he (Mr. Mills) interviewed Mr. Deakin and the Federal Postmaster-General on the subject, but nothing resulted to lead to the anticipation that New Zealand would be joined as a partner. The matter, however, is still receiving the consideration of the Federal Government.

[Van. News 06/3.]

No. 44.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department, Melbourne,

SIR,—

9th March, 1906.

With reference to your letter of the 20th ultimo, further respecting your desire that you be furnished with copies of the agreement for the renewal of the contract for the carriage of mails between Australia, Fiji, and Canada, I have the honour to inform you that a copy of the agreement in question is not yet available, but so soon as the agreement is printed copies thereof will be forwarded to you.

I have, &c.,

ROBT. T. SCOTT, Secretary.

The Secretary, General Post Office, Wellington, New Zealand.

[Van. Inc. 06/2.]

AUSTRALIA-SUEZ SERVICES.

No. 45.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.)

Wellington, 20th September, 1905.

POSTMASTER-GENERAL very anxious receive reply to his letter thirteenth May Postmaster-General Commonwealth [No. 1, F.-6A, 1905]. Also reply my letter tenth June [No. 34 idem] *re* rates payable for conveyance of mails by Peninsular Oriental and Orient steamers.

[Suez Conn. 05/63.]

No. 46.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

Commonwealth of Australia (Postmaster-General's Department),

SIR,—

Melbourne, 3rd October, 1905.

I have the honour to acknowledge the receipt of your letter of the 20th ultimo, confirming your telegram of the same date, respecting the desire of the Postmaster-General, New Zealand, to be furnished with a reply to the letter dated the 13th May last, addressed by him to the Postmaster-General of the Commonwealth, and yours of the 10th June last, regarding the rates payable by your Administration for the conveyance of mails by steamers of the Peninsular and Oriental and Orient Companies, and to inform you that the matter is receiving attention. You will be further advised in due course.

I have, &c.,

ROBT. T. SCOTT, Secretary.

The Secretary, General Post Office, Wellington.

No. 47.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,— General Post Office, Wellington, 10th February, 1906.

I have the honour to inform you that it is observed from a cablegram from Melbourne of the 31st ultimo that the Federal Cabinet had finished the consideration of the conditions of tenders to be called for a new European mail contract. I shall be obliged if you will favour me with a few copies of the public advertisements to be issued on this matter.

I have, &c.,

THOMAS ROSE, for Secretary.

The Secretary to the Postmaster-General's Department, Melbourne.

[Suez Conn. 06/4.]

No. 48.

The SECRETARY, General Post Office, Wellington (at Melbourne), to the ACTING-SECRETARY, General Post Office, Wellington.

(Telegram.) Melbourne, 20th February, 1906.

CABLE immediately difference between old rates paid Australian Government our homeward Suez mails and Postal Union rates from commencement Spreckels's service until we began paying Union rates.

[Suez Conn. 06/7.]

No. 49.

The ACTING-SECRETARY, General Post Office, Wellington, to the SECRETARY, General Post Office, Wellington (at Melbourne).

(Telegram.) Wellington, 20th February, 1906.

DIFFERENCE between old rates paid Australian Government homeward Suez mails from November, nineteen hundred, when Spreckels's service commenced, and Postal Union rates, £11,077, as follows: Totals at present rates, £16,311; totals at Postal Union rates, £5,234. This is to end of 1904, since when nothing paid. For 1905, on same basis add £2,576, giving total difference £13,653. The old rates were twelve shillings letters, one shilling sixpence books, sixpence news. Postal Union rates would be, for letters, 3s. 1.7d.; for other articles, 3.76d.

No. 50.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department,
Melbourne, 21st February, 1906.

SIR,—

In compliance with the request contained in your letter of the 10th instant, I have the honour to forward herewith four copies of the advertisement inviting tenders in connection with the new ocean mail-service; also a supply of tender forms, with general conditions attached.

I have, &c.,

The Secretary, General Post Office, Wellington.

ROBT. T. SCOTT, Secretary.

[Suez Conn. 06/12.]

No. 51.

The SECRETARY, Postmaster-General's Department, Melbourne, to the ACTING-SECRETARY, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department, Melbourne,
30th March, 1906.

SIR,—

With reference to the arrangement under which (without payment of gratuity by the Sydney office of this Department) vessels of the Union and Huddart Parker lines may be utilised for the onward transmission of the closed mails for New Zealand received at Sydney, *via* Suez, I have the honour to ask if you will kindly inform me whether it has been extended so as to embrace the steamers of the Oceanic Steamship Company, as it may occasionally happen that the New Zealand portion of the mail brought by a P. and O. packet will arrive in Sydney in time to go forward from there by a vessel of the Oceanic line.

I shall be glad if you will also advise me as to the action it is desired should be taken by the Sydney office with respect to the adjustment of any gratuity which it might be found necessary, in order to secure an advantage in the time of transit, to pay for the onward conveyance of the mail matter in question by a packet not belonging to any one of the three companies mentioned.

I have, &c.,

ROBT. T. SCOTT, Secretary.

The Acting-Secretary, General Post Office, Wellington.

[P.O. 06/1259.]

No. 52.

The ACTING-SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

(Telegram.)

Wellington, 5th April, 1906.

REFERRING letter thirteenth May last [No. 1, F.-6A, 1905] *re* poundage rates payable by New Zealand for conveyance mails by P. and O. and Orient: Much obliged if reply could be sent in order that accounts may be prepared.

[P.O. 06/630.]

No. 53.

The SECRETARY, Postmaster-General's Department, Melbourne, to the ACTING-SECRETARY, General Post Office, Wellington.

(Telegram.)

Melbourne, 6th April, 1906.

YOUR wire yesterday: Reply letter thirteenth May *re* poundage rates being posted to-day.

[P.O. 06/630.]

No. 54.

The ACTING-SECRETARY, General Post Office, Wellington, to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,—

General Post Office, Wellington, 20th April, 1906.

I have the honour to acknowledge the receipt of your letter of the 30th ultimo, asking whether the arrangement under which (without payment of gratuity by the Sydney office of your Department) vessels of the Union and Huddart Parker lines may be utilised for the onward transmission of the closed mails for New Zealand received at Sydney, *via* Suez, has been extended so as to embrace the steamers of the Oceanic Steamship Company, and, in reply, to inform you that arrangements already exist whereby amounts due for transit of English and foreign mails from Australia to New Zealand are paid to the Oceanic Steamship Company.

Such mails conveyed by vessels not belonging to the Huddart Parker and Company Proprietary (Limited), Union Steam Ship Company (Limited), and Oceanic Steamship Company, are also paid for on claims being submitted by the masters or the agents. Should it, however, be considered necessary for the Sydney office to pay gratuities to such steamers, it would be necessary to advise this Department by the same mail, to obviate the risk of making the payment twice.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

The Secretary, Postmaster-General's Department, Melbourne.

INTERPROVINCIAL SERVICES.

No. 55.

The SECRETARY, Chamber of Commerce, Christchurch, to the Hon. the POSTMASTER-GENERAL, Wellington.

Canterbury Chamber of Commerce (Incorporated),

Christchurch, 29th August, 1905.

SIR,—

I am directed to bring under your notice the delay which occurred in the delivery in Christchurch of the Brindisi mail per "Wimmera." This vessel arrived at the Bluff at 7 a.m. on the 22nd instant, but no preparation was made to forward mails to Invercargill, consequently no connection was made with the 8 a.m. express. The result was that the mail did not reach here until the first express on the 23rd, too late to reply by the supplementary San Francisco mail.

When the matter of the speedy delivery of this mail was brought under your notice some time ago, it was understood that instructions had been given to make the connection with the express when the steamer arrived early in the morning. It is stated by a passenger that when they reached Invercargill and inquired why the connection had not been made, the answer was given that the steamer was not expected to arrive so early. This hardly seems satisfactory, as the arrival of the steamer must have been known before she reached the wharf.

It is hoped that the matter having been brought under your notice, this serious delay will be obviated in the future.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

H. ANTILL ADLEY, Secretary.

[P.O. 05/331(3).]

No. 56.

The SECRETARY, Chamber of Commerce, Christchurch, to the Hon. the POSTMASTER-GENERAL, Wellington.

Canterbury Chamber of Commerce (Incorporated),
Christchurch, 31st August, 1905.

SIR,—

Following upon my letter of 29th August on the subject of the delay in forwarding Brindisi mails from the Bluff, I am directed to call your attention to the enclosed paragraph from the *Lyttelton Times* of the 30th August.

With regard to the latter portion of the paragraph, business men can hardly think that this explanation is the correct one, as a delay of say ten minutes would have enabled the whole mail to be put on board the train, which would easily have made up the loss of time on the road.

The matter is of great importance to business people, and I trust that the circumstances will be carefully inquired into.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

H. ANTILL ADLEY, Secretary.

Enclosure in No. 56.

[Extract.]

A TELEGRAM from Invercargill states that in receiving and despatching the Australian mail by the "Waikare" yesterday morning a mistake was made which will cause disappointment in the north. A special train was waiting to receive the whole mail when the boat arrived, but only the Southland parcel was placed thereon. The missing portion arrived at Invercargill an hour too late for the express, and therefore did not reach Dunedin until seven o'clock last night, and will not reach Christchurch till to-day. A telegram from Wellington says: "The statement made in the Press Association telegram from Invercargill that a mistake was made in transmitting the 'Waikare's' mail at the Bluff this morning is contradicted by the Postal Department. The official explanation is that the steamer did not reach the Bluff until 7.5 a.m., and the Invercargill mail was the only portion landed in time to connect with the special train, which would not wait for the northern mail-bags."

No. 57.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Chamber of Commerce, Christchurch.

SIR,—

General Post Office, Wellington, 5th September, 1905.

I have been directed to refer to your letters of the 29th and 31st ultimo, in connection with the failure of the Australian and Brindisi mails for Christchurch to connect with the first express trains from Invercargill on the 22nd and 29th idem, and, in reply, to inform you that the matter had already been taken up by the Department, which is alive to the importance of the mails by steamers from Australia being promptly forwarded from the Bluff. I am to assure you that everything practicable is being done to this end. The failures mentioned by you can scarcely be charged against the Post Office.

In the case of the "Wimmera's" mails, the company's agents had advised the Invercargill Post-office that the steamer was not expected to reach the Bluff until about midday, therefore an early special to connect with the 8 a.m. express from Invercargill was not arranged for. The vessel, however, made an unusually fast passage.

In respect of the "Waikare's" mails, the steamer made fast to the wharf at 7.9 a.m., and the first sling of mails was landed at 7.12. The special train was timed to leave Bluff at 7.5 a.m., but was detained ten minutes, and could not be held longer. There were about 170 bags to land, and it was not possible to land the whole of the mails in time for the special. It was 7.30 before the last of the mails was landed, and to have held the special train meant detaining the Invercargill express, which was not favoured by the Railway Department, and also delaying the second express from Dunedin for Christchurch.

I am to express regret that the circumstances were unfavourable to the earlier despatch of the mails in question.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Canterbury Chamber of Commerce, Christchurch.

No. 58.

The SECRETARY, General Post Office, Wellington, to the GENERAL MANAGER, Railway Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 13th September, 1905.

I BEG to bring under your notice the frequent complaints made from Christchurch owing to the mails by the Melbourne steamer missing connection with the first express from Invercargill while passengers are able to catch the train.

A case in point is that of the mails received at the Bluff by the "Waikare" on the 29th ultimo. The steamer was made fast to the wharf at 7.9 a.m., and the first sling of mails landed at 7.12. The special train was timed to leave the Bluff at 7.5 a.m., but was detained until 7.15, later than which it could not be held. The last of the mails was landed at 7.30 a.m., and if the express from Invercargill had been held for fifteen minutes the special would have been enabled to wait longer.

I have already had some communication with your office by telephone on the matter, and have been informed that it would not be possible to detain the express from Invercargill. I should, however, be much obliged if you would give the matter further consideration, with a view to making some arrangement by which a delay up to fifteen minutes could be arranged when absolutely necessary. Now that the summer months are approaching it is not likely that the detention of the express would often be required.

W. GRAY, Secretary.

The General Manager, Railway Department, Wellington.

No. 59.

The Hon. the POSTMASTER-GENERAL to Mr. J. GRAHAM, M.H.R., Wellington.

SIR,—

General Post Office, Wellington, 26th September, 1905.

Referring to your letter of the 12th instant [not printed], forwarding one returned herewith from the Chamber of Commerce, Nelson, in connection with the delivery at Nelson of the San Francisco mail which arrived at Wellington on the 29th ultimo, I have the honour to inform you that I find the s.s. "Mapourika" left Wellington for Nelson on the date in question at 6.30 p.m. The Union Steam Ship Company were asked whether they could hold the vessel until 7.45 p.m., to enable the Nelson mails to be sent by her; but after the captain had been seen and the matter discussed with him the company expressed regret at not being able to meet the wishes of the Department, as to do so would mean the loss of a tide at each port on the West Coast. Under the circumstances there was no option but to keep the mails for the "Tasman."

I have, &c.,

J. G. WARD, Postmaster-General.

J. Graham, Esq., M.H.R., Parliament Buildings, Wellington.

[P.O. 05/2699(2).]

Enclosure in No. 59.

The SECRETARY, Chamber of Commerce, Nelson, to Mr. J. GRAHAM, M.H.R., Wellington.

DEAR SIR,—

Chamber of Commerce, Nelson, 8th September, 1905.

I have been instructed to forward you the following copy of a resolution that was passed by the committee of this Chamber at a recent date, and to ask your usual attention to the matter referred to therein: "That the member of the district be requested to call the attention of the authorities to the fact that the arrival of the last San Francisco mail in Nelson was delayed a day through the departure of the Union Steam Ship Company's steamer about half an hour before the arrival of the mail train at Wellington. Had the steamer been delayed even an hour she would have had ample time to catch the tide."

Yours, &c.,

John Graham, Esq., M.H.R., Wellington.

J. PORTER HARRIS, Secretary.

No. 60.

Mr. J. GRAHAM, M.H.R., Wellington, to the Hon. the POSTMASTER-GENERAL.

Wellington, 16th October, 1905.

SIR,—

Re *Fr'isco Mail*.

I have the honour to forward you herewith a letter containing a resolution passed by the Nelson Chamber of Commerce in reply to your letter to me dated 26th ultimo, and which was forwarded by me for the information of the Chamber of Commerce at Nelson.

I am, &c.,

Hon. Sir J. G. Ward, Postmaster-General, Wellington.

JOHN GRAHAM.

Enclosure in No. 60.

The SECRETARY, Chamber of Commerce, Nelson, to Mr. J. GRAHAM, M.H.R., Wellington.

DEAR SIR,—

Chamber of Commerce, Nelson, 13th October, 1905.

Referring to the Hon. the Postmaster-General's letter of the 26th ultimo that you were good enough to forward for perusal of this Chamber, I have been instructed to forward you the following copy of a resolution passed by the committee of the Chamber at a meeting of that body held yesterday: "That the secretary be instructed to write to the member for the district regarding the delay in the despatch from Wellington of the San Francisco mail referred to in the Postmaster-General's letter of the 26th ultimo, pointing out that the steamer that left Wellington without the mail was detained at the outer anchorage for an hour after she reached Nelson, thus disproving the assertion that the vessel was unable to wait an hour in Wellington for the mail in question. The committee is of opinion that a judicious expenditure by the Postal Department of a comparatively trifling sum would prevent a recurrence of a similar cause of complaint."

Yours, &c.,

John Graham, Esq., M.H.R., Wellington.

J. PORTER HARRIS, Secretary.

No. 61.

The GENERAL MANAGER, Railway Department, Wellington, to the SECRETARY, General Post Office, Wellington.

New Zealand Government Railways (Head Office), Wellington, 21st October, 1905.

Forwarding Mails ex Melbourne Steamer by First Express from Invercargill.

(Memorandum.)

THE delaying of the express is not the only difficulty attendant on the later departure from Bluff of the special with the Australian mails. The special from Bluff to Invercargill must cross the 7 a.m. Invercargill to Bluff train at Awarua, and any delay to the latter train entails a corresponding delay to the train leaving Bluff for Invercargill at 8.5 a.m.; and, as this train conveys an important suburban traffic, any irregularity in the running would result in serious dissatisfaction to the general public.

On the special occasion mentioned by you—viz., 29th August—the last of the mails was landed at 7.30 a.m., and had the train been detained for these it could not have left the Bluff before 7.35, and would not have reached Invercargill before 8.10 a.m., and a ten minutes' delay to the mail train from Invercargill would not have sufficed. The detention of the principal passenger trains for a steamer is always liable to disorganize the train services, and the experience of the Department goes to show that if a margin of ten minutes for delays to steamer is allowed it is extremely liable to extend to a much longer period, and that the steamers, knowing the train will wait, take full advantage of the extra time allowed. I regret that, while being desirous of assisting you as far as possible, the circumstances of the case are such as to entirely preclude compliance with your request.

T. RONAYNE, General Manager.

The Secretary, General Post Office, Wellington.

[P.O. 05/331.]

No. 62.

The Hon. the POSTMASTER-GENERAL to Mr. J. GRAHAM, M.H.R., Nelson.

SIR,—

General Post Office, Wellington, 15th November, 1905.

I have the honour to refer to your letter of the 16th ultimo, covering one from the secretary of the Chamber of Commerce, Nelson, forwarding copy of a resolution of the Chamber pointing out that the "Mapourika," which left Wellington without waiting for the Nelson portion of the San Francisco mail at the end of August last, was detained for an hour at the outer anchorage at Nelson, and to inform you that, as already stated, the Department was unable to control the sailing of the vessel. The Union Steam Ship Company was asked whether they could hold the steamer, but could not do so, giving as the reason that it would involve the loss of a tide at each port on the West Coast.

I should add that the Department frequently pays small sums in order to arrange for the detention of steamers for Nelson, so that the San Francisco mail for that place may have speedy transmission, and any increased payment in this direction would not be justified, particularly as with the present running of the steamers there can be but a few hours' delay. It should also be pointed out that the existing San Francisco time-table provides for an interval of about two weeks in which to send replies to letters.

John Graham, Esq., M.H.R., Nelson.

I have, &c.,

J. G. WARD, Postmaster-General.

[P.O. 05/2899(2).]

PARCEL MAILS.

No. 63.

The POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 2nd July, 1904.

I have the honour to acknowledge the receipt of your letter of the 12th May last [not printed] on the subject of weighing parcel mails for this colony, and to inform you that the inquiries which have been made render it necessary to raise a question which it is desirable to settle before the present system is altered.

You remark that the information obtained by the process of weighing is of no value to your office, and that the labour has increased concurrently with the growth in the parcel post. As you are aware, under the present system of accounts, this office pays the shipping companies for the conveyance of parcel mails at the rate of 2d. per pound on the net weight of parcels in bulk carried in both directions. Under the old rates of postage this, of course, resulted in an equitable division

of the shipping charges. When it was proposed to bring the present three-step rate into force, a calculation made at the time showed that the payment to this colony by your office of the fixed rates of 4d., 8d., and 1s. for each parcel of the weight of 3 lb., 7 lb., and 11 lb. respectively would warrant the continuance of the 2d. per pound payment to the shipping companies; that is to say, such a payment was estimated to increase the cost to this Department to such a trifling extent as to be of no serious moment.

It could not at the time be foreseen that the introduction of the three-step rate would encourage the senders of parcels to bring the parcels as nearly up to 3 lb., 7 lb., and 11 lb. weights as possible. Apparently this has been one result of the more liberal rates, and it is found that since 1901 this office has paid away to the shipping companies £532 4s. 8d. more than has been received from your office as an equivalent to the sea rate. The table attached hereto [not printed] shows the position in detail.

This being the case, it is obvious that New Zealand cannot continue to pay the shipping companies on behalf of your office without some revision of the present arrangement. The 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 under notice would have fallen on your office. Probably you would prefer to make your own arrangements with the shipping companies for the conveyance of parcels to this colony; and if you agree to this course, I should be obliged if you would inform me of particulars of any contract entered into.

As to the ascertained loss of £532 4s. 8d., it would appear to be reasonable that this colony should be reimbursed with the amount, and I shall be glad to hear that you will favourably consider this.

I have, &c.,

W. GRAY, for the Postmaster-General.

The Secretary, General Post Office, London.

[P.O. 05/3062.]

No. 64.

The SECRETARY, General Post Office, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

General Post Office, London, 14th July, 1905.

The Postmaster-General has carefully considered the questions raised in your letters of the 2nd July, 1904, and the 14th April last [not printed], concerning the payment by your office for the conveyance of parcels from the United Kingdom to New Zealand.

It is regretted that the suggestion of discontinuing the weighing of the parcel mails sent from London was irregularly raised by the London Office in the form of an inquiry by verification note. There is, of course, no desire to disturb arrangements mutually agreed upon.

With regard to your observations concerning the cost of conveyance, I am to explain that, in the case of all shipping companies which were formerly paid at a rate per pound by this Department for the conveyance of parcels, arrangements were made prior to the introduction of the 1s., 2s., 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 is assigned to the sea service. Steamship companies which have been receiving 3d. per pound accepted 4d., 8d., and 1s. per 3 lb., 7 lb., and 11 lb. parcel without demur. The Postmaster-General does not think that there would have been any difficulty originally, or would be now, in making the same arrangement with the New Zealand Shipping Company and the Shaw, Savill, and Albion Company; and possibly you may feel disposed to endeavour to make arrangements for the conveyance of the outward parcel mails at these rates in future. When the scale of postage was under revision, provision would have been made to charge a higher rate had the necessity for such a course been brought before this Department; but as matters stand, the Postmaster-General regrets that he would not be warranted in making good a past loss of which he had no knowledge.

I am, &c.,

The Postmaster-General, Wellington.

ARTHUR G. FERARD, for the Secretary.

No. 65.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 19th October, 1905.

I have the honour to acknowledge the receipt of your letter of the 14th July last concerning the payment by this office for the conveyance of parcels from the United Kingdom to New Zealand.

I learn with some surprise that, after holding the matter over for about twelve months—no reply having been received to my letter of the 2nd July, 1904, until August last—during which time the overpayment to the shipping companies has been going on, your office should now decline to relieve this Department of the loss sustained on account of the sea-carriage of parcels from London to New Zealand. Under all the circumstances, and particularly on account of the long delay in dealing with the question, it is thought that this office may fairly ask for reconsideration in respect of the parcels conveyed during the years 1901, 1902, and 1903; but if this will not be agreed to, it is considered there should be no hesitation in admitting that our request shall date from July of last year.

The position has been explained to the shipping companies, who are being asked to accept the reduced rates, and when the replies are received they will be communicated to you. In any case, it has been decided that as from the 1st instant this office shall be relieved from paying the companies for the conveyance of inward parcels, your office being left to make its own arrangements.

I have, &c.,

W. GRAY, for the Postmaster-General.

The Secretary, General Post Office, London.

[P.O. 05/3062.]

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.

We think that this matter may have to be referred to London, but we will communicate with you on the point before the next San Francisco mail goes out. In the meantime we may say that we are a little surprised to find that it is intended to make the new scale apply to parcels carried for quarter ended 30th September; but perhaps these are special instructions from the London office.

Yours, &c.,

LEVIN AND CO. (LIMITED),

A. E. PEARCE, Managing Director.

The Secretary, General Post Office, Wellington.

[P.O. 05/3062.]

No. 69.

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

SIR,—

Wellington, 21st November, 1905.

Referring again to our letter of the 8th instant, regarding the parcels carried by Shaw-Savill's steamers between New Zealand and London and *vice versa*, we placed the matter before our principals in London by the last outgoing San Francisco mail, and will leave them to deal with the London Post Office.

Yours, &c.,

LEVIN AND CO. (LIMITED),

A. E. PEARCE, Managing Director.

The Secretary, General Post Office, Wellington.

No. 70.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.

SIR,—

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

Adverting to my letter of the 19th ultimo, on the above subject, I have now the honour to inform you that the General Manager of the New Zealand Shipping Company states that he is forwarding copy of the letter to him from this office to his London office, with a request that arrangements be made with your office for the carriage in future of parcels from London to New Zealand by vessels of that company.

The agents of the Shaw, Savill, and Albion Company here have placed the matter before their principals in London, leaving them to communicate with you.

Both companies consider that the new scale should not apply to parcels conveyed during the quarter ended the 30th September last, and they have been informed that should your office agree to pay the 2d. per pound rate to this colony it will be handed over to the companies instead of the reduced rates being applied.

I have, &c.,

THOMAS ROSE, for the Postmaster-General.

The Secretary, General Post Office, London.

[P.O. 05/3062.]

No. 71.

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

SIR,—

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

I have to acknowledge receipt of your letters of the 8th and 21st instant, on the subject of the rate of payment for parcels conveyed by the Shaw, Savill, and Albion Company's steamers between London and New Zealand.

I note that you consider that the new scale should not apply to parcels carried during the quarter ended the 30th September, and have to inform you that the matter will be brought under the notice of the London Post Office. Should that office agree to pay the former rate to this colony for the September quarter this will be paid over to your company instead of the reduced rates being applied.

Yours, &c.,

THOMAS ROSE, for Secretary.

The Managing Director, Messrs. Levin and Co. (Limited),

Agents Shaw, Savill, and Albion Company (Limited), Wellington.

No. 72.

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

SIR,—

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

I have to acknowledge the receipt of your letter of the 26th ultimo, on the subject of the rate of payment for parcels conveyed by your company's steamers between London and New Zealand.

I note that you consider that the new scale should not apply to parcels carried during the quarter ended the 30th September, and have to inform you that the matter will be brought under the notice of the London Post Office. Should that office agree to pay the former rate to this colony for the September quarter, this will be paid over to your company instead of the reduced rates being applied.

Yours, &c.,

THOMAS ROSE, for Secretary.

The General Manager, New Zealand Shipping Company (Limited), Christchurch.

No. 73.

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

General Post Office, London, 29th January, 1906.

With reference to your letter of the 25th November last, I am directed by the Postmaster-General to inform you that arrangements have now been made with the Shaw, Savill, and Albion Company and the New Zealand Shipping Company for the conveyance of the parcel mails from this country to New Zealand. Payment for the service, as from the 1st October last, will be made by this Department to the companies at the rate of 4d. for each parcel not exceeding 3 lb. in weight, 8d. for each parcel exceeding 3 lb. but not exceeding 7 lb., and 1s. for each parcel exceeding 7 lb. but not exceeding 11 lb.

With regard to your letter of the 19th October last, concerning the payments made by your office to the shipping companies in excess of the proportion of the postage credited to you in respect of the sea conveyance of parcels from this country, I am to state that the question of reimbursing your office, so far as the amounts paid to the companies for the period from the 1st July, 1904, to the 30th September, 1905, are concerned, is now under the consideration of the Postmaster-General, and that a further letter on the subject will be sent to you as early as possible.

I am, &c.,

H. BUXTON FORMAN.

The Postmaster-General, Wellington.

No. 74.

The ACTING-SECRETARY, General Post Office, Wellington, to Messrs. LEVIN AND Co., Wellington.

GENTLEMEN,—

General Post Office, Wellington, 26th February, 1906.

I beg to return, with thanks, copy of the letter from the Shaw, Savill, and Albion Company (Limited), London, to the Secretary, General Post Office, London, in connection with the charges for postal parcels to and from New Zealand, despatched by steamers of that company.

Yours, &c.,

THOMAS ROSE, Acting-Secretary.

Messrs. Levin and Co. (Limited), Wellington.

[P.O. 05/3062.]

Enclosure in No. 74.

The GENERAL MANAGER, Shaw, Savill, and Albion Company, London, to the SECRETARY, General Post Office, London.

Shaw, Savill, and Albion Company (Limited), 34 Leadenhall Street,
London, E.C., 30th December, 1905.

SIR,—

Parcels Post to and from New Zealand.

Referring to your letter of 18th instant and to our representative's interview with your Mr. Arthur G. Ferard on 28th instant, we have as desired given full consideration to your request for the continuance of the existing service, but at reduced rates of payment to the carrying vessel.

We beg to point out that in many cases the vessels receiving similar remuneration are also in receipt of mail subsidies, that the packages are very bulky in relation to their weight, and that a corresponding bulk of empty packages has to be brought back freight free, and often at times when space homewards is very valuable.

Considerations of this nature and others to which we need not allude lead us to the conclusion that the rate hitherto paid us is by no means in excess of fair remuneration for services rendered, and that we should hardly have been asked to reduce it.

We understand from you, however, that if the present rate is to be paid us the postage on parcels must be increased, and, although New Zealand is specially favoured in this respect, we recognise the advantage to the colony of the present low rates. We are therefore willing to bear our share of what this involves, and will accede to your request.

We understand the arrangement is to be,—

(1.) We are to be paid postage at the following rates: 4d. for each parcel not exceeding 3 lb. in weight; 8d. for each parcel exceeding 3 lb. but not exceeding 7 lb.; 1s. for each parcel exceeding 7 lb. but not exceeding 11 lb.

(2.) These rates are to be also applicable to homeward parcels.

(3.) The payment for outward parcels to be made by you; for homeward parcels in New Zealand.

We understand the New Zealand Shipping Company are intimating their willingness to act similarly, and we understand that they and we are to share the work.

We are, &c.,

SHAW, SAVILL, AND ALBION COMPANY (LIMITED),

J. A. POTTER, General Manager.

The Secretary, General Post Office, London.

No. 75.

The ACTING-SECRETARY, General Post Office, Wellington, to the AGENTS, Shaw, Savill, and Albion Company, Wellington, and the GENERAL MANAGER, New Zealand Shipping Company (Limited), Christchurch.

SIR,—

General Post Office, Wellington, 29th March, 1906.

Adverting to Mr. Gray's letter of the 25th October last, and to subsequent correspondence on the subject of the payment for the conveyance of parcel mails by your company's steamers, I have the honour to inform you that I am now in receipt of a letter from the London Post Office advising that arrangements have been made with the shipping companies concerned for the conveyance of parcel mails from the United Kingdom to this colony, payment for the service, as from the 1st October last, to be at the rate of 4d. for each parcel not exceeding 3 lb. in weight, 8d. for each parcel exceeding 3 lb. but not exceeding 7 lb., and 1s. for each parcel exceeding 7 lb. but not exceeding 11 lb. The understanding is that similar rates of payment shall apply to homeward parcels.

For the quarter ended the 31st December last the accounts for parcels conveyed from New Zealand to London have been prepared on the basis of the new rates of payment.

With regard to the suggestion that the new rates should apply for the quarter ended the 30th September last, I beg to inform you that under the circumstances accounts for the conveyance of parcel mails both outward and inward for that quarter have been prepared at the old rates.

Vouchers have been made out and payment will be arranged forthwith.

I have, &c.,

THOMAS ROSE, Acting-Secretary.

The General Manager,

The New Zealand Shipping Company (Limited), Christchurch.

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

No. 76.

The Hon. the ACTING POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 29th March, 1906.

I have the honour to acknowledge the receipt of your letter of the 29th January last, in which you inform me that arrangements have been made with the Shaw, Savill, and Albion Company and the New Zealand Shipping Company for the conveyance of the parcel mails from your country to New Zealand, and that payment for the service as from the 1st October last would be made by your Department to the companies at the rate of 4d. for each parcel not exceeding 3 lb. in weight, 8d. for each parcel exceeding 3 lb. but not exceeding 7 lb., and 1s. for each parcel exceeding 7 lb. but not exceeding 11 lb.

I gather from a copy of a letter from the Shaw, Savill, and Albion Company to you that the question of the rates on homeward parcels has been discussed at the same time, and that the Shaw, Savill, and Albion Company has agreed to the same rates for homeward parcels. I should be obliged if you would inform me whether the New Zealand Shipping Company has also agreed to the new rates for homeward parcels. It is, of course, understood that this office will continue to pay for the conveyance of parcels despatched from this colony, but it is desirable that a formal agreement should be entered into with the companies unless a provision is contained in the agreement with your office. It would be a convenience if you could see your way to supply me with a copy of the agreement made between your Department and the shipping companies.

I have, &c.,

THOMAS ROSE,

For the Acting Postmaster-General.

The Secretary, General Post Office, London.

No. 77.

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

The New Zealand Shipping Company (Limited), Christchurch,
2nd April, 1906.

SIR,—

I have the honour to acknowledge receipt of your letter of 29th ultimo, and note the arrangement entered into in London regarding conveyance of parcel-post mail matter between this colony and the United Kingdom. We note that vouchers for payment of mail money to 31st December last have been made out, and payment will be arranged forthwith.

I have, &c.,

ISAAC GIBBS, General Manager.

The Secretary, General Post Office, Wellington.

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