

able to see his way to approve of a lower penalty than one-half of the weekly subsidy on any occasion on which the steamer fails to reach Sydney in time to allow the mails to connect with the express train on the Tuesday.

The Minister is agreeable to an extension of the agreement at the above-named subsidy and penalty for one year, with an extension to two years provided neither side gives one month's notice of withdrawal.

I shall be glad to receive your company's acceptance of these terms as early as possible.

I have, &c.,

D. ROBERTSON, Secretary.

The General Manager, Union Steam Ship Company of New Zealand (Limited), Dunedin.

[Suez Conn. 08/55.]

No. 85.

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

Union Steam Ship Company of New Zealand (Limited),

Dunedin, 10th August, 1908.

SIR,—

I have the honour to acknowledge receipt of your letter of 5th August advising that the Minister is agreeable to an extension for one year of the present agreement for the conveyance of mails weekly between Wellington and Sydney, the subsidy to be the same as now paid—viz., £15,000 per annum, with an extension to two years provided neither side gives one month's notice of withdrawal.

Acting on behalf of this company and Messrs. Huddart, Parker, and Co. Proprietary (Limited), I am instructed to advise acceptance of the terms proposed, but at the same time to express regret that the Postmaster-General cannot see his way to approve a lower penalty than one-half of the weekly subsidy on any occasion on which the steamer fails to reach Sydney in time to allow the mails to connect with the express train on the Tuesday.

We are assuming that, in terms of our letter of the 24th ultimo, it is not intended to arbitrarily enforce the penalty in cases where the connection may be missed through breakdowns in machinery, exceptionally bad weather on the voyage, or such other causes as may appear to the Postmaster-General to be reasonable.

I have, &c.,

D. A. AIKEN, Assistant General Manager.

The Secretary, General Post Office, Wellington.

[Suez Conn. 08/59.]

No. 86.

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

Wellington, 31st August, 1908.

SIR,—

Referring to the attached extract from *Hansard*, I have the honour to ask that you will kindly favour me with your remarks on the proposal made by Mr. Aitken, M.P., that the dates of the Auckland and Wellington sailings from Sydney be reversed.

I have, &c.,

D. ROBERTSON, Secretary.

The General Manager, Union Steam Ship Company of New Zealand (Limited), Dunedin.

[Suez Conn. 08/70.]

Enclosure in No. 86.

HOUSE OF REPRESENTATIVES, 31ST JULY, 1908.

Mr. AIKEN said he thought an improvement might be made in respect of the despatch of the inward Suez mails from Sydney to New Zealand. At present there was always a delay of two days at Sydney, sometimes more. Probably an improvement could be brought about by the payment of a small subsidy to the Union Company and the Huddart-Parker Company.

The Right Hon. Sir J. G. WARD.—The difficulty with regard to the connection with the Suez mails was that there were three steam services from Australia to New Zealand weekly—those from Melbourne to the Bluff, from Sydney to Auckland, and from Sydney to Wellington. The service most convenient for passengers and cargo was that between Sydney and Wellington by the steamer which left Sydney on Saturday. The British mails got to Largs Bay on Saturday, as a rule, and got to Sydney on Monday, and they were sent by the next steamer that left for Auckland. If we had to arrange for steamers to wait till the Tuesday afternoon or the Wednesday, it would disorganize the whole of the weekly services from Australia to New Zealand by the Saturday boats, and would cost a large sum of money. In practice, the mail *via* Auckland only got to Wellington about a day later than it would by the direct route.

Mr. AIKEN.—A day and a half, and sometimes more, because it sometimes misses the mail from Auckland.

The Right Hon. Sir J. G. WARD said that might be so occasionally. He would be glad to arrange what was asked, but it would mean altering the whole of the intercolonial steam services, and in practice it was not workable except at a cost that was beyond what it was worth.

Mr. AIKEN (Wellington East) thought the Union Company might be induced to reverse the dates of the Auckland and Wellington sailings. However, he was content to leave the matter in the hands of the Postmaster-General.