

No. 84.

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

(Telegram.)

Wellington, 29th November, 1890.

WIRED Postmaster-General copy of your telegram of yesterday, which he was exceedingly pleased to receive. Mr. Mitchelson agrees to waive penalties in the case of an accident to or loss of steamers conveying the mails. I am indeed glad the matter is settled.

No. 85.

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

(Telegram.)

Christchurch, 1st December, 1890.

THANKS for your telegram. Will you kindly have draft contract prepared and forward to us for signature.

No. 86.

The Hon. the PREMIER to the AGENT-GENERAL, London.

(Telegram.)

Wellington, 1st December, 1890.

RENEWAL Direct service just settled with New Zealand Shipping Company. Present time-table extended. Inform Imperial Post Office.

No. 87.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

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

SIR,—

17th October, 1890.

I received in due course your telegram of the 9th instant, stating that the contractors for the San Francisco mail-service had agreed to a renewal for twelve months at the existing time-table, and that you expected soon to settle a renewal of the Direct service also.

In communicating this to the London Office, I took occasion to ask again for a decision as to the Imperial contribution to the Direct service, but was told, in reply, that none had yet been given by the Treasury. Copy of the correspondence is annexed.

A few days before your telegram arrived, Mr. Strickland, of the New Zealand Shipping Company, came to me respecting a telegram that had been received by the Shaw-Savill and Albion Company to the effect that Government had decided to adopt the basis of payment by weight, and had offered rates of 12s. per pound for letters, 6d. for books, and 3d. for newspapers, but with penalties for late delivery if forty-eight hours beyond time. The London Boards of the companies objected to these rates, especially considering the liability to penalties, and I understood it was proposed to send a cablegram to the colonial Boards recommending the rejection of your offer. I strongly advised them not to reject it, but rather to wait a little, as negotiations were still pending with the London Office as to the contribution of that office to the direct line.

On the 13th instant your message was received stating that the London Board of the New Zealand Shipping Company had advised the Colonial Board not to contract for the service while the negotiations with the London Office were pending, and asking what the position was; to which I replied the same day that the position was unchanged, as the London Office was still awaiting the directions of the Treasury respecting the basis of contribution. Thereupon I sent for Mr. Strickland, who explained that the London Board had only cabled to "delay action"; but my advice to both the companies was not to delay any longer making up their own minds here, but either to accept your offer or say definitely what they wanted instead.

The text of the resolutions in Parliament in regard to both the ocean services has not yet been received here, but will no doubt arrive by the next mail. Meanwhile the delay of the Imperial Treasury in coming to a decision is not likely to do harm, as (unless some new proposal turns up) their choice merely lies between conceding the rates asked for in my letter of the 10th September or contributing half a subsidy of £15,000 as asked by the companies up to the end of August.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

P.S.—I have just received a telegram from Mr. Strickland saying, to my great surprise, that the Shipping Company had cabled to you to-day, to the effect that they would renew the contract for another year on the same terms as the present ones. This is quite contrary to the advice I gave.—F. D. B., 17th October.

Enclosure 1 in No. 87.

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

SIR,—

13, Victoria Street, S.W., 9th October, 1890.

I have received a cablegram from my Government that the contract for the ocean mail-service between New Zealand and San Francisco has been renewed for twelve months, the existing time-table being maintained.