

No. 123.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand (Limited),
Dunedin.

SIR,—

General Post Office, Wellington, 22nd May, 1891.

I regret to find from your letter of the 29th ultimo that there has been a misunderstanding in connection with the subsidy-payments in respect of the present renewed San Francisco service. I understood that at our interview on the 18th February last the vouchers would be rendered by your office as usual, the form in which they were to be made out having been settled; but this seems to have been a misapprehension, which I regret.

I have now to advise you that, for the purpose of periodical payments, the annual subsidy has been calculated as under :—

In respect of mails Homeward	£
" from London	5,725
" from non-contracting colonies	4,133
	5,400
Making a total of	£15,258

But from this is to be deducted £1,922, the estimated half-cost of transit of the London Homeward mails from San Francisco to New York, which leaves £13,336 as the net amount payable.

The £15,258 is a minimum amount, and any balance will be paid over so soon as this office is able to adjust the accounts, when you will also be furnished with the weights of the mails conveyed.

Two vouchers, covering payment for twelve voyages, particulars as per accompanying statement [not published], have, as I telegraphed you yesterday, been passed for payment, the "Monowai's" amounts payable at Dunedin, and the "Alameda's" and "Mariposa's," as usual, payable at Auckland. The total amount, as you will observe by the statement, is £6,155 1s., being at the rate of £512 18s. 5d. for each voyage.

Your office will now, I presume, render claims as formerly.

I have also to request you to be good enough to forward the Postmaster-General any reasons you may have to urge why the "Monowai" should not be penalised for late departure from San Francisco, and for her late arrival at Auckland with the London mails of the 24th January last.

I have, &c.,

The Managing Director,

W. GRAY, Secretary.

Union Steamship Company of New Zealand (Limited), Dunedin.

No. 124.

Mr. WHITSON to the SECRETARY, General Post Office, Wellington.

Union Steamship Company of New Zealand (Limited), Dunedin,

28th May, 1891.

SIR,—

I have the pleasure to acknowledge receipt of your favour of the 22nd instant, and thank you for supplying the information which will enable us to render provisional vouchers for mailage payable under the present renewal of the San Francisco service. We must protest, however, against the deduction of £1,922 per annum, the estimated half-cost of transit across America of the London Homeward mails, which you propose to make the contractors liable for in the event of the charge not being borne by the American Government. In considering the renewal of the service, we made a point of objecting to this proviso, and have always maintained that the contractors should not be held liable in any way for the cost of overland carriage. In support of this contention, I might point out the inconsistency of making us pay for the land-transport of newspaper- and book-packets while we do not receive a penny for carrying them over sea. I must earnestly request you, therefore, to reconsider this question, and to pass to our credit the deductions you have made.

This gives me an opportunity of representing how unfair it is, considering the quick service the San Francisco route affords, that we should be asked to carry mail-matter for nothing, while payment is made for the same service to the Direct mail, which takes much longer in transit. It should be remembered, too, that the New Zealand newspapers invariably publish their monthly summaries for transmission by the San Francisco mail, so that the free portion forms a considerable part of the mail-matter carried by our steamers. I hope the Postmaster-General will take this into his favourable consideration.

With regard to your request that we should show cause why the "Monowai" should not be penalised for her late arrival at Auckland with the London mails of the 24th January last, I would only state that the steamer left San Francisco as soon as the mails were put on board, but that, unfortunately, a breakdown in her machinery when two days out compelled her to return to San Francisco for repairs. The accident arose through circumstances over which we had no control. Neither time nor money was spared in repairing the damage, work never ceasing day or night until the steamer was again ready for sea. We trust, therefore, the Postmaster-General will be kind enough to consider that, apart from the cost to us, the circumstances are such as justify us in seeking exemption from the infliction of any penalty for the unavoidable delay.

I have, &c.,

T. W. WHITSON,

The Secretary, General Post Office, Wellington.

For Managing Director.