

## No. 86.

Mr. FERGUSON to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Wellington, N.Z., 23rd November, 1889.

An application has been made to the Wellington Harbour Board by the New Zealand Shipping Company, seeking that the Board should consent to a subsidiary agreement being entered into between the Government and their company, as contractors for the carriage of mails between the colony and England, by which the steamers carrying the mails from New Zealand should be exempt from all charges for pilotage, port charges, and Harbourmaster's fees at the Port of Wellington when making that port the last port of departure from the colony; and notifying that the Lyttelton Harbour Board has consented to such an arrangement being entered into as regards steamers making Lyttelton the last port of departure. I am instructed by the Wellington Harbour Board to notify you that they are unwilling to agree to any such reduction of their revenue, and to request that you will not enter into any agreement that will have for its nature the imposition of a tax on the local bodies. The Board are of opinion that the exemption of steamships carrying mails under subsection (5) of section 132 of the Act of 1878 is not equitable where such steamers are ordinary trading steamers; and that such exemptions are unjust to the local Harbour Boards, who have to provide accommodation and render services for which they receive no recompense, and that they are unduly taxed for the benefit of the colony at large.

I am also instructed to point out to you that it is the opinion of the Wellington Harbour Board that any agreement made subsidiary to an existing contract entered into in accordance with advertised conditions, setting forth that contractors would have the benefit of certain exemptions only, and which subsidiary agreement gave to the contractors further exemptions, whether generally at all the ports of New Zealand or specifically at certain ports, would be, in spirit, an evasion of sections 110 and 112 of "The Harbours Act, 1878," which require that charges shall be made equally in all respects; and I am directed to convey to you the formal protest of the Board against the Government becoming a party to such an evasion.

I have, &amp;c.,

The Hon. the Postmaster-General, Wellington.

WILLIAM FERGUSON, Secretary.

## No. 87.

Mr. GRAY to the SECRETARY, Wellington Harbour Board.

SIR,—

General Post Office, Wellington, 3rd December, 1889.

I have the honour, by direction of the Hon. the Postmaster-General, to acknowledge the receipt of your letter of the 23rd ultimo, conveying the protest of your Board against the Direct mail-service steamers being exempted from port charges, pilotage fees, &c., in respect of the final port of departure in the colony.

In reply, I am to inform you that the Government had no intention of entering into any agreement with the New Zealand Shipping Company containing such a proviso unless the Harbour Boards first agreed to waive the charges; and I would refer you to the renewed contract with the New Zealand Shipping Company which was signed on the 12th ultimo (copy enclosed herewith). I am also to state that the exemptions would have been set forth in the agreement had it been decided to free the contract vessels from payment of port charges, &c. The Postmaster-General, of course, has no authority to interfere with the arrangement which you say has been entered into between the New Zealand Shipping Company and the Lyttelton Harbour Board.

I have, &amp;c.,

The Secretary, Wellington Harbour Board, Wellington.

W. GRAY, Secretary.

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