

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.]