It was also arranged at the same time that Mr. T. E. Donne should be placed in charge of the new branch of this Department, and he is at the present time in charge of the whole of the shipping and emigration work of the office.

Accordingly, on the 1st November the new branch of this Department was opened, and the undernoted members of Mr. E. A. Smith's staff were taken over from him at the respective salaries named:-

35					± s.	d.	
Mr. A. J. Jackson		•••	•••	•••	 2.16	50	per weel
Mr. James Balfour	•••	•••	•••	•••	 2.18	5 0	· "
Mr. A. W. Palmer			•••	•••	 2 10	0 (	,,
Mr. R. E. Mutton					 2 :	6 0	

In addition to the foregoing an office boy, at 10s. per week, has also been engaged.

The salaries paid by Mr. E. A. Smith to Messrs. Jackson and Balfour were at the rate of £3 5s. per week each, but in consideration of the fact that these salaries were in excess of the salaries paid to many officers of this Department it was agreed that they should be reduced to £2 15s. per week.

As it was also necessary to obtain accommodation for the new shipping work, three rooms were

also taken over from Mr. E. A. Smith, at a rental of £50 per annum.

In order that the Government should, if possible, obtain the usual commissions paid by the shipping companies to agents on passages booked by them, the several shipping companies were approached, and they have all agreed to allow such commissions to the Government, and Mr. Donne has also received authority to issue the contract tickets on Government passengers booked through the Department for conveyance to New Zealand.

I would like to mention here that there will be a very considerable proportion of assisted passengers booked through this Department by various shipping agents throughout the United Kingdom, and upon those passages the commissions will require to be paid over to the agent

introducing them.

Mr. J. A. Mason, who acted as Private Secretary to the Hon. W. P. Reeves during his tenure of office as High Commissioner, has been promoted to assist Mr. Donne in the control of the

shipping work.

I need scarcely say that the most important fact, with respect to the taking-over of the shipping duties, is no doubt the question as to whether financial results to be derived therefrom will be satisfactory to the Government; but in this respect it is, of course, too early yet to make any forecast. When the working of this branch of the Department has been in existence for a year I propose to forward you a statement setting forth fully the financial results of the undertaking, and which I trust will fulfil anticipation. I have, &c., C. Wray Palliser,

for High Commissioner.

The Right Hon. the Prime Minister, Wellington, New Zealand.

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