

deference, suggest that the Australian Postmaster-Generals should request their Ministries to charge the due proportion of such subsidies to general revenue, leaving the post offices to meet only the just rate of freightage. As Mr Ward said, "payments should be on the basis of the weight of mails carried." Lord Carrington's Commission expressly condemned the absurd practice of charging to the post office the whole cost of steamship subsidies. Up to 1860 these subsidies were charged to the Admiralty, and every Postmaster-General condemns the practice of tacking the items to the Post Office expenditure. The amount paid by the British Government for the conveyance of the mails to India exceeds £268,000 per annum; the total postage receipts do not amount to £85,000.

As I have already pointed out, the enormous subsidies are paid for four distinct purposes—1, to encourage ship-building; 2, to uphold the commercial supremacy of England on the seas; 3, to maintain an auxiliary naval power; and 4, to carry the mails. In the case of Australia, if you merely want a rapid delivery of letters, and wish to subsidise steamers for no other purpose, no further comments are necessary, but I have often pointed out that if you want speed you could, by subsidising the cable companies, telegraph the contents of the letters without paying more than at present for steamers. I find that there are six or eight steam services now subsidised, whereas only two carry the bulk of the letters. No one will pretend that the Torres Straits and the San Francisco and Vancouver Services are necessary for the conveyance of letters to and from England, yet the Australian post offices are saddled with the whole cost, together with the whole cost of the P & O and the Orient mail services. I trust that steps will be taken at the forthcoming Conference to charge the Consolidated Revenues of the various Colonies with three-fourths at least of the present subsidies. Your wish to cheapen postal rates will thus be facilitated, for you will no longer have to calculate the loss sustained by carrying mails to England in a manner that shows a heavy balance against the Post Office; further you would be able instantly to extend the present Australian 2*d.* postage rate to Great Britain and Ireland. From whatever point of view the proposal here advanced is regarded, I trust it will appear to you both equitable and expedient; its acceptance would unquestionably gratify the people of the mother country, and I venture with all the earnestness of which I am capable to commend it to the favourable attention of the Conference.

I have &c.

J HENNIKER-HEATON

Postscript.—By the generous courtesy of Sir John Pender I am permitted to cable the foregoing for the consideration of the Conference.—H. H. 1381 "

Mr COOK Mr President: Many of us have been interested in hearing the letter from Mr. Henniker-Heaton which has just been read. With regard to his proposals to reduce the Imperial Postage rates to two pence instead of two pence half-penny as now, there can only be one opinion. As to the desirability of having a cheap postal rate between the Colonies and England we are all agreed. I do not anticipate any Member will object in any way to the proposals for cheaper postage rates, other things being equal. The point I take, Sir, is that the present is a most inopportune moment to make any proposals which would involve the Treasurers of the respective Colonies in any increased contribution for this purpose. According to the figures which have been made out in our office we estimate the loss to be £2000 per annum if the reductions were carried out. At the present time, when all the Colonies are looking round for the best means to balance their accounts, the Treasury could not be burdened further with such an amount as that. While sympathising to the full with the very laudable desire Mr Heaton has in view, I beg to move the following resolution :—

"That, whilst sympathising with the desire expressed by Mr Henniker-Heaton for a cheaper postage rate to and from England and the Colonies, this Conference regards the present time as inopportune for carrying out the proposals, and hereby decides accordingly "

Dr. COCKBURN I do not think, Sir, the conditions have altered materially since this matter was threshed out, discussed, and resolved upon at the Conference at Wellington. A resolution was then carried that we considered it undesirable to adopt the proposals of Mr Henniker-Heaton, which is practically the same proposal as that made to-day. That motion involves, first of all, a reduction of the postage from England to Australia, but it would not stop there. I am quite sure, Sir, the Colonies would never submit to such a state of things by which they could get a letter sent to the other side of the world for a penny, and have to pay two pence to send it into the adjoining street, therefore we should find ourselves compelled to take the remaining steps and submit to a loss, which we are not prepared to incur at the present time. (Hear, hear.) With regard to the reduction of the postage from two pence halfpenny to two pence, I should be very glad to see that accomplished if we were able to do it. The loss would not be very great, I think. It would not only minister to a very legitimate sentiment, but would be of very considerable utility that postage should be reduced to the United Kingdom to this extent. To be able to write to England for the same postage as to New Zealand would lead no doubt to a considerable increase of business. I know very often the fact that a 2½*d.* stamp is required means a letter is not written which would be written if a 2*d.* stamp could be affixed. This concession would mean something under a thousand pounds to our Colony, but this year we certainly cannot afford that amount. I look forward to the time when we shall be able to