

Subsequently to the above-mentioned division of postage being agreed upon, the London Office, in a circular letter dated the 30th December, 1896, suggested that the Australian Colonies should accept the *same* credit on parcels sent from Foreign Countries to Australia *viâ* England as on those sent direct from the United Kingdom to Australia, viz., 7d. for the first pound, and 3d. for each additional pound, *in lieu* of the credits then received, viz., 9d. up to two pounds, 2s. 3d. between two pounds and seven pounds, 3s. 9d. between seven pounds and eleven pounds. This suggestion, although entailing a loss on the Colonies, was adopted for the sake of uniformity.

On the 18th June, 1897, the London Post Office wrote to the Adelaide Office intimating that it would be necessary for the Australian Post Offices to credit the Imperial Post Office with 1d. per pound rate (for sea postage from Australia to London), in addition to the onward postage from England, on all parcels which they might send to other countries *viâ* the United Kingdom, after the 31st July, 1897. In a reply, forwarded from New South Wales to London (dated 14th September, 1897), attention was drawn to the particulars stated above, and that office was reminded that *at the present time no special payment is made to the Orient and P. & O. Companies for the sea transit of parcels* (those Companies having since the 1st February, 1896, abandoned the special charges made up to that date for such transit); and it was pointed out that *subsidies now allowed cover payment for the conveyance of all mail-matter (including parcels), and the Australian Colonies, as joint parties with the United Kingdom to the contracts with the Companies named, are entitled to the full benefit of the altered arrangement.* It was therefore intimated that, under the circumstances, it was thought that the demand made was unreasonable, and that the London Office was not justified in making a special levy on the Australian Colonies with respect to the sea conveyance of parcels any more than it would be in acting similarly with regard to ordinary correspondence (letters, &c.); and it was added, in conclusion, that as the Colonies had reduced the postages on parcels to and *viâ* the United Kingdom, on the understanding that they were to receive certain credits, it would now be necessary, in order to comply with the request made, either to submit to a loss of revenue, or to increase the postage rates on the parcels. Victoria and South Australia also objected to compliance with the request made.

The London Office, under date the 5th November, 1897, replied, expressing regret that the proposal of that office was considered by Australia to be unreasonable, and asking for a re-consideration of the matter.

It is thought that the particulars furnished the London Office sufficiently demonstrated the unreasonableness of the request made by that office. The discussion on the subject seems to have arisen because of an apparent misapprehension on the part of the London Office, which appears to think that some particular portion of the Colonial share of postage on parcels exchanged with the United Kingdom is allocated for the sea service; but such is not the case, and it must be obvious that (the Orient and P. and O. Companies having two years since abandoned their special charges for the sea transit of parcels) there is no need to allocate any portion of the postage receipts to cover charges which no longer exist.

The London Office has not made, *nor is it entitled to make, any claim for the sea transit of parcels sent from the Colonies addressed to the United Kingdom*, and, as the arrangement made is that the Colonies are to receive the *same share of postage* on parcels exchanged with foreign countries *viâ* the United Kingdom as on parcels exchanged direct with the United Kingdom, and in view of the other strong reasons herein given, it seems sufficiently clear that the London Office has no good claim to the credit asked for; and it is still thought that the request made should not be acceded to.

To sum up the matter, on parcels for Foreign Countries *viâ* the United Kingdom, the London Office receives *its full share of postage at the rates agreed upon, in addition to the onward postage from the United Kingdom to destination*, and it would seem clear that the London Office has no good claim for any further payment.

Were the claim of the London Office admitted, the Colonies would receive (after the first lb.) only 2d. per lb., whilst the United Kingdom would receive 4d. per lb., instead of each receiving as at present, 3d. per lb.

We recommend that the foregoing statement be communicated to the London Post Office, Queensland dissenting, that Colony having already made the necessary charge on parcels in order to meet London demands.

No. 55.—“The practicability or otherwise of introducing the ‘Value payable,’ or ‘Cash’ on delivery of Parcels System into the Australasian Colonies.”

It is thought that there would be strong protests from country storekeepers and others were this system introduced; indeed, when the parcel post was brought into operation there were numerous complaints that people in the country found it cheaper to obtain their goods from the city by parcel post than to (as formerly) patronise their local storekeepers, who suffered in consequence. Were the “value payable,” post inaugurated, it is obvious that the grievance would be intensified. Moreover, were the system to apply, as in India, only between Money Order Offices, it would not be available for use by people in remote districts, by whom it would be most appreciated. Under these circumstances it is thought that it would not be desirable at the present time to bring the system mentioned into operation in the Australasian Colonies.