

In the Senate it was distinctly denied by the Postmaster-General (Senator Drake), in discussing the Postal Act, that it could be applied to foreign vessels, and in the House of Representatives, Sir Philip Fysh, equally distinctly, denied that the Act would destroy the right of mail ships to be a party to the fixing of the terms. The Oceanic Company claim that Parliament never intended to take from them their right to carry or to decline to carry mails, nor intended to refuse them their right to be parties to the fixing of the terms on which mails should be carried on their vessels. So keenly do the directors of the company feel that they have been unfairly treated that they, last year, authorised Messrs. Burns, Philp, and Co. (Limited) to refuse the mails, and risk the arrest of a steamer.

The position with regard to New Zealand is most awkward for the company. In addition to paying poundage rates realising £20,000 a year, New Zealand grants the company remission of harbour dues representing £2,700, this remission of dues alone representing three times the total money the Commonwealth offers to pay. If the company can carry Australian mails practically free, why should New Zealand pay? Happily New Zealand recognises that the company is earning the money which it pays, and takes the view that Australia ought to pay correspondingly.

COMPARISON OF POUNDAGE RATES WITH MERE CARGO RATES.

SIR,—

Sydney, 1st June, 1905.

We have the honour to enclose for your information a statement showing how the Commonwealth non-contract rates compare with ordinary cargo rates of freight in the case of the last two vessels for San Francisco. We think you will admit that they do not support in any way the contention that the rates proffered to the Oceanic Company are reasonable; that mails on swift mail-steamers should be carried at even anything like cargo rates is, of course, a thing not to be dreamt of.

We regret to be still without any communication from you with regard to the proposals made three months ago.

We have, &c.,

BURNS, PHILP, AND CO.

(A. FORSYTH).

The Hon. Sydney Smith, M.H.R., Postmaster-General, Melbourne.

S.S. "Sonoma," 8th May: 497 bags of Mails.

These mails occupied a space of 2,040 cubic feet, or 51 tons measurement. Cargo rates by this vessel were £1 5s. to £2 per ton of 20 cwt. weight, or 40 cubic feet measurement. At £1 12s. 6d., the average rate, the 51 tons measurement would equal £82 17s. 6d., whereas the "prescribed poundage rates" on the weights as given equal only £68 0s. 9d.

S.S. "Ventura," 29th May: 217 bags of Mails.

35 tons measurement—equal, at £1 12s. 6d. per ton, £57 7s. 6d., against £61 12s. 6d. given by the "prescribed rates."

[This memorandum was based on the actual measurement of the bags, and not on the measurement of the mail-rooms, which were given up entirely to the Australian mails. A statement on the latter basis would make the "prescribed poundage rates" look still more meagre.]

THE POWERS OF THE DEPARTMENT.

There is little doubt but that the Postal Department has assumed the attitude it takes under a complete misapprehension, and that not only has the Federal Parliament not claimed the powers claimed by the Department, but has, in fact, repudiated—in both Chambers—the construction of the law made by the Department. In dealing with the Post and Telegraph Bill in the Senate, Senator Drake (then P.M.G.) admitted that he did not think the Department had power to compel foreign vessels to carry mails; and in the House of Representatives, Sir Philip Fysh, who was in charge of the Bill, said that the matter of arranging about mails was left to mutual contract. Both these Ministerial explanations are repudiated by the Department.

LETTER FROM SIR JOSEPH WARD, THE POSTMASTER-GENERAL OF NEW ZEALAND, TO THE POSTMASTER GENERAL OF THE COMMONWEALTH OF AUSTRALIA.

[Taken from the Wellington (N.Z.) *Evening Post* of 26th May, 1905.]

In the course of an address at Eltham to-night, Sir Joseph Ward announced important proposals regarding mail-services. He read the following communication:—

"Postmaster-General, Commonwealth.

"Adverting to our late discussions respecting the payment made by the Commonwealth for the conveyance of Australian mails by the San Francisco service and the rates paid by New Zealand for the carriage of its outward correspondence by the Peninsular and Oriental and Orient steamers, I would again urge you to extend more liberal treatment to the San Francisco service than is represented by the present payment of 2s. per pound for letters and 4s. per hundredweight for other matter, a contribution, in my opinion, entirely out of keeping with the value of the service to the Commonwealth.

"It may be convenient if I briefly refer to the history of the payments as applied to ocean mail-services so far as they have obtained between New Zealand and Australia. In connection with the Panama service, established in 1866, the London Post Office calculated that £1 5s. 4d. per pound was the equivalent of the postage on letters, 1s. 6d. on books, and 1s. on newspapers. These amounts were paid to New Zealand and New South Wales by the London Post Office for their providing the service between Sydney, Wellington, and Panama. Non-contracting colonies also paid the same rates. On the other hand, New Zealand paid the Australian Colonies similar poundage rates for the use it made of the Peninsular and Oriental service. The Panama service ceased in 1869, and