

9th Day.]

UNIVERSAL PENNY POSTAGE.

[15 June, 1911.]

Sir JOSEPH WARD—*cont.*

you analyse it in that way in sections it implies this: Supposing in any one of our countries we were paying 4,000*l.* a year for a subsidised mail service by coach over which a certain number of letters are sent, unless the total number of letters going over that coach route, for which you pay 4,000*l.* a year, was sufficient to make up the whole 4,000*l.*, or, to put the illustration to convey the impression that I hold with regard to that argument, supposing there was a loss of 3,000*l.* a year upon that as far as the carriage of mails is concerned, to have brought that up as a consequential argument connected with a world-wide system and say upon a particular portion of it the letters that you are carrying at a penny, a huge loss of over a penny a letter was the result, would be to assume that the very sources from which the British Post Office makes up the bulk of its revenue in short distances ought to be excluded altogether from the financial side of that great Department, I do not accept that portion of the argument adduced by Mr. Samuel regarding the mail matter at the inception of the Penny Postal system in New Zealand, if you include only some part of the countries that would be brought under the system of Universal Penny Postage. You must include them all. To sectionise a portion of the outward mail matter from New Zealand, and to say the reduction from 2½*d.* to 1*d.* represented a revenue of only 1,070*l.*, and to suggest that all the other earning powers of the Penny Postage system over the short distances either in our country, or beyond too, were not to be taken into consideration in the matter of making up a loss would be logically to bear out the argument that Mr. Samuel has so forcibly given us to-day. But in my opinion that is not the right way to look at the result from a reform of that kind. You must take all the short distances with the long distances, and deal with your revenue as a whole, and with the expenditure as a whole, if you want to arrive, in my judgment, at anything like a true basis. Here you are over the whole system either going to make a profit or a loss. Supposing that system of argument was applied to the railway service we have in this great metropolis of London, I will undertake to say that any of the railway companies here depend very largely upon the short-distance traffic at a low rate encircling this City of London, and if they had not the millions of passengers utilising that short-distance traffic, giving them a very large revenue at a low rate per mile within that zone, they could not possibly carry the people for long distances throughout England, Scotland, and Wales at the rates they do. If they had not the low rates within the short area to make up for what would be admittedly a loss upon the long areas they could not carry the people, and the competition of passage by sea would deprive them of their long-distance traffic.

Mr. SAMUEL: They do not charge the same fares for suburban traffic as for taking people to Scotland and Wales.

Sir JOSEPH WARD: They must charge a lower fare for suburban traffic; so you do for the delivery of a letter within the City of London.

Mr. SAMUEL: No, we do not.

Sir JOSEPH WARD: We do at all events in New Zealand. We charge ½*d.* as against 1*d.* for those places beyond. If for the purposes of bringing about a largely increased traffic over your railway system in the United Kingdom a proposal was made in that direction, and it was suggested that the more people you carried for a long distance the greater your loss was going to be, that is Mr. Samuel's argument—

Mr. SAMUEL: No. Your suggestion is that the railway companies should charge the same amount for carrying a man from London to Edinburgh as for carrying a man from London to Norwood.

Sir JOSEPH WARD: As a matter of fact I believe I am fairly right in saying that between here and the suburbs of London the rate may be ½*d.* per mile. I do not know what it is.