Mr. SAMUEL—*cont.*

think this Conference ought not to separate without expression being given to the gratification which I am sure all of its members feel at the fact that Australia has now joined in the system of Imperial penny postage, so completing the whole scheme of Imperial penny postage throughout the Empire with the exception of a few not very important islands in the Pacific. Imperial penny postage involves to the United Kingdom a considerable loss every year, but nevertheless it is expenditure which every one in this country agrees is well worth making. The present loss is estimated at 155,000*l.* a year, and as the correspondence grows in consequence of the stimulus given to it by the cheap postage rate, and correspondence always does grow, as Sir Joseph Ward has said, under that stimulus, so the loss will increase. The average cost of handling each letter from England to varying parts of the British Empire and its reply—because we have also to handle the letter in this country which comes from across the seas for which we get nothing at all—is $1\frac{1}{6}$*d.*, and we therefore lose $\frac{1}{6}$th of a penny on each letter sent under the Imperial penny postage scheme, a loss, however, which we very willingly bear. The system was extended to the United States of America two years ago. There the cost—as our expense is merely limited to the payment for the transit across the Atlantic and handling the reply in this country—is slightly less than 1*d.* per letter on the average, but the initial loss to the Exchequer of this country is 136,000*l.*, which is gradually being recouped at the rate of about 10,000*l.* a year; so that in about 14 years the initial loss of revenue will be made good. The question now is whether we should incur the further loss of revenue which would be involved by universal penny postage, a loss which would not be made good by the increase of communications to the more distant countries of the world, since, in those cases, as in the case of the more distant parts of the British Empire, the cost of handling each letter and its reply is more than 1*d.*? The immediate loss by reducing to 1*d.* the postage charged on letters that now go at the rate of $2\frac{1}{2}$*d.*, and the proportionate reductions on the heavier letters would be 450,000*l.* a year, which, as I say, would not be made good, because there is no profit on the increased correspondence. The situation, therefore, presents itself to us in a very different light from that in which it presents itself to the Government of New Zealand. Sir Joseph Ward furnished to the Conference at Rome some figures collected in 1905 dealing with the Post Office of New Zealand, and an analysis of those figures shows that the total postage paid on letters leaving New Zealand at that time for countries with which we now have the $2\frac{1}{2}$*d.* rate—that is to say, excluding the British Empire and excluding the United States, and limiting ourselves to the Continent of Europe and South America, and Central America and to the countries of Asia—the total postage paid on letters of that character leaving New Zealand was 1,070*l.* in that year, so I am informed; so that the loss involved by reducing the rate on those letters from $2\frac{1}{2}$*d.* to 1*d.* would be about 600*l.*, or quite a negligible quantity.

Sir JOSEPH WARD: Why do you exclude the British Empire?

Mr. SAMUEL: Because I am trying to make a comparison between what we are now asked to do—that is to say, reduce from $2\frac{1}{2}$*d.* to 1*d.* letters going to the portions of the world other than the British Empire, Egypt, and the United States—and what the similar loss would have been to New Zealand at the time she reduced her rate from $2\frac{1}{2}$*d.* to 1*d.* It is obvious that the position is very different when you have to approach a loss of 450,000*l.* and when you approach a loss of only some 600*l.* At Rome, in 1906, the suggestion was made for universal penny postage, but it received no support from any other country except the United States of America and Egypt.

Sir JOSEPH WARD: What did Canada do on that occasion?

Mr. SAMUEL: I do not know.

Sir JOSEPH WARD: Canada voted for it. You have left Canada out.