

that I am satisfied the subsidy principle is the true one, and one which must not be dealt with in a haphazard manner. Whatever companies obtain the contract will be compelled by the regulations to deliver the mails in the time prescribed, because the people here will never be content to receive mails irregularly. The regularity and speed of the mail steamers have made it clear to everyone that the subsidy system is the correct one, and I do not think we can do better than continue that principle.

Mr. C. TODD (S.A.): I think we should all support the motion moved by the Hon. J. Kidd. Judging from past experience and from what we may anticipate in the future, it must be quite clear to all of us that what the colonies require is a regular and efficient mail service; and the only way to secure such a service is by the payment of a fixed subsidy. We have before us the fact that the French and German Governments are paying liberal subsidies to the Messageries Maritimes and the North German Lloyd steamers, and I believe they would be prepared to increase the subsidies in order to enable those companies to gain a footing in the Australian colonies with regard to the carrying of our mails. What we want is a large and powerful line of steamers, such as we have at the present time, and we can only secure this by paying fairly reasonable subsidies to British shipping companies.

The Hon. J. G. WARD (N.Z.): I am not going to oppose the motion because the colony I represent is not involved in the question before the Conference; but I am sorry to have to differ from some of the representatives who have spoken on the subject of subsidies to large ocean-going steamers. I believe that the system of paying fixed subsidies is not a right one. Many years ago—before we had such excellent communication as we have now, and were confined to one line of steamers, and when cable rates were so high—it was, perhaps, necessary that the system of subsidising a mail service should be adopted. But, in view of the development which has taken place in the shipping trade, and the enormous reduction in the cost of cable messages, I venture to affirm that the whole question has assumed a different aspect. My own opinion is that the payment for the carriage of mails should be on the basis of weight, and not a fixed subsidy. I do not believe that the introduction of universal penny postage is as far distant as some suppose; and most people are looking forward to a much cheaper means of transit for mails than they have at present. Under the subsidy system the mails are put on board a steamer, and a receipt for them is signed by somebody on behalf of the steamship company; but if a package is lost or damaged, the Department has no claim in respect of that loss or damage. All that is done is to hold an inquiry, in which it is found that somebody is at fault, and a promise is given that the trouble will be obviated in future. As far as the carriage of mails is concerned, we are in a worse position than we are with regard to cargo. When a package of merchandise is put on board, the consignor gets a bill of lading from the company; and if that package is lost, and it is proved that it is the fault of the company, they are held responsible. There is a great deal to be said on the subject of subsidies paid to foreign steamers to enable them to compete with British vessels, as mentioned by Mr. Todd; and if we are going to consider that aspect of the subject we must face the question whether it is right to pay a contribution or not. Having in view the changes which have taken place during the past ten or twelve years, I do not think it is the right thing to continue to pay subsidies.

Mr. R. A. SHOLL (W.A.): I cordially support the motion. I am heartily in favour of the system of subsidies. It has worked well in the past, and I believe it will work well in the future. The Hon. Mr. Ward is of opinion that we should pay for our mails according to the weight of the matter carried. I cannot say positively, but I believe that if the hon. gentleman made a calculation he would find that payment on that system would amount to quite as much as, if not more than, the subsidy, especially if the rate at which mail matter is increasing were taken into consideration. The loss which has accrued to the different colonies under the existing system is due partly to the reduction in postal rates, and partly to other causes. The manner in which the postage is divided between the colonies and England is most unfair to the colonies. Some time ago the Home Government paid a very liberal share of the postage to the colonies, but when the present contract came into force an alteration was made and an apparently very simple system adopted, by which England retained the postage on all the correspondence that was sent from there, and the colonies got the postage on their own correspondence. A little reflection, however, will show that such an arrangement is unfair to the colonies, as the correspondence from England is almost double that from the colonies, and costs very considerably more to deliver in the sparsely populated portions of the various colonies than the Australian mails in the United Kingdom with the immense railway facilities of that country.

The PRESIDENT: On behalf of the colony I represent, I have no objection to continue the present system for a time, but at the same time my opinions are to a large extent in harmony with those expressed by the Hon. Mr. Ward. The occasion for granting subsidies is, I think, fast disappearing, and I believe that in a very few years no further subsidies will be required. But it would be unwise and detrimental to the interests of the colonies and of Great Britain to suddenly discontinue the present system. I trust, however, that the Conference will endeavour to make the term of the subsidy as short as possible. We may fully expect that the amount required for the subsidy will be considerably less than it has been hitherto. With regard to the insecurity of mails referred to by the Hon. Mr. Ward, I may point out that such a thing as the loss of a mail package has never occurred during all the time the service has been in existence, and that, I think, is the best answer that could be made to the fear expressed by the hon. gentleman.

The Hon. J. KIDD (N.S.W.), in reply: I have gone through the conditions of the mail contract, and I do not think any company would undertake to sign such a contract, if they had to carry the mails by weight, unless they were paid a very much higher rate than they receive for ordinary cargo. Every safeguard is provided in the contract with regard to loss or damage of mails, and the company have entered into a bond of £20,000 for the proper performance of their contract, so that the colonies are fully protected. As the President has remarked, no report has been made of any loss during all the time the mails have been carried under this system; and ample provision is made, not only for the expeditious delivery of the mails, but also against loss or damage. But there is an additional reason in favour of the subsidy system, in the fact that it avoids all the trouble and bother of weighing every mail in order to ascertain the amount carried by each vessel.