

The dispute has formed the subject of much correspondence and negotiation, as well as of many interviews. Unfortunately the period covered by the dispute has been one of many political changes, the office of Postmaster-General having been held by five successive Ministers—viz., Senator Drake, Sir Philip Fysh, Mr. Mahon, Mr. Sydney Smith, and Mr. Chapman. These changes have made the work of negotiation very difficult, for each Minister has to master all that previous Ministers have done in connection with any matter waiting settlement.

With a view, however, to put on record, and to make easy of access, the salient points of the dispute, the correspondence, &c., following is put into print. The documents now printed constitute only a small portion of the total, but they suffice for the purpose. It will be observed that Sir Joseph Ward, the Postmaster-General of New Zealand, emphatically indorses the claims of the company on the Commonwealth. The two tables herewith make the position very clear.

THE OCEANIC STEAMSHIP COMPANY.—SYDNEY TO SAN FRANCISCO.

(1.) *The Old and the New Service compared.*

	The Old, 1890-1900.	The New, 1901-1906.	Increase per Cent.	Decrease per Cent.
Service	Four-weekly	Three-weekly	33	...
Steamers—Tons, average	3,408	6,165	81	...
" Speed, knots	13½	15	11	...
Poundage—Letters, per pound	12/-	2/-	...	83
" Papers, per hundredweight	56/-	4/-	...	93

(2.) *Five-year Aggregates compared.*

	The Old, 1896-1900.	The New, 1901-1905.	Increase per Cent.	Decrease per Cent.
Total tons, in and out	443,040	1,072,710	142	...
" weight mails carried	(?)	(?)	80	...
" expenditure in Australia	£182,000	£375,000	106	...
" poundage money	£30,000	£4,000	...	87
Poundage to £1,000 Australian expenditure	£185	£11	...	94

The figures are not available for a close comparison of the weights of the mails carried, but the increase probably considerably exceeds 80 per cent. The expenditure on "the old" service is approximate; that for "the new" is exact. Poundage money: the figures are fairly exact; the £4,000 (average £800 per year) represents approximately the yield of the Commonwealth "prescribed rates," and does not include the £3,000 or £4,000 received during this period under the old rates.

Some approach to a settlement was made in the first half of 1905. The Minister of the day (Mr. Sydney Smith) proposed to pay "Postal Union" rates, which would yield about three times the poundage money now being paid, but less than half of what the company claim, and less than half of what New Zealand is paying. The Ministry of which Mr. Sydney Smith was a member went out of office, however, before the *Gazette* notice was issued. The present Minister, Mr. Austin Chapman, has devoted much personal attention to the subject, but Parliament having been sitting most of the time since he took office, he has been handicapped by his public duties, and nothing further has been done. This explanation, however, does little to lessen the surprise felt in San Francisco that the managing agents have not yet succeeded in securing a fair adjustment.

SIR,—

Sydney, 12th September, 1905.

We have the honour herewith to enclose the *précis* of the Oceanic Company's dispute with your Department, prepared, as arranged with yourself, specially for presentation to the Cabinet.

It is fairly exhaustive, but the length of it has been kept down as much as possible in view of the time of Ministers being very valuable.

We take this opportunity of pointing out that last year we asked for a reference to the Judges of the High Court of all the matters in dispute; and that last year we also suggested the appointment of a Select Committee of the House of Representatives to consider and report.

We feel that it is due to the company, and, if we may be pardoned for saying so, also in the best interests of the Government, that the whole subject should be dealt with as openly as possible.

We are, &c.,

The Hon. Austin Chapman, Postmaster-General,
Commonwealth of Australia, Melbourne.

FOR BURNS, PHILP, AND CO. (LIMITED),
A. FORSYTH, Director.