

(No. 53.)



1888.

PARLIAMENT OF TASMANIA.

POSTAL CONFERENCE, 1888:

PROCEEDINGS OF THE CONFERENCE.

Presented to both Houses of Parliament by His Excellency's Command.

1887-8.

NEW SOUTH WALES.

POSTAL CONFERENCE, 1888.

PROCEEDINGS OF THE CONFERENCE,

HELD IN SYDNEY IN JANUARY, 1888.

MINUTES OF THE PROCEEDINGS.

RESOLUTIONS.

REPORTS OF PERMANENT HEADS OF DEPARTMENTS.

PAPERS LAID BEFORE THE CONFERENCE.

Presented to Parliament by Command.



SYDNEY : CHARLES POTTER, GOVERNMENT PRINTER.

1888.

MINUTES OF THE PROCEEDINGS
OF THE
POSTAL CONFERENCE,

HELD IN SYDNEY, IN JANUARY, 1888.

At the Executive Council Chamber, Sydney,

19 JANUARY, 1888.

The undermentioned gentlemen, Representatives of the Colonies of New South Wales, Victoria, South Australia, Queensland, Tasmania, and Western Australia, were present, viz. :—

- New South Wales* : The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBTON, Esq., Secretary to the Post Office Department.
- Victoria* : The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia* : The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., M.A., C.M.G., Postmaster-General.
- Queensland* : The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary, Post and Telegraph Department.
- Tasmania* : The Hon. B. STAFFORD BIRD, M.P., Treasurer and Postmaster-General.
A. C. DOUGLAS, Esq., Secretary to the Post Office Department.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia* : The Hon. J. C. F. JOHNSON.

On the motion of the Honorable J. C. F. JOHNSON, seconded by the Honorable F. T. DERHAM, the Honorable C. J. Roberts was appointed Chairman.

Mr. Alexander C. Budge was appointed Secretary.

On the motion of the Honorable J. C. F. JOHNSON, seconded by the Honorable W. HORATIO WILSON, it was unanimously resolved :—

“ That the permanent Heads of Departments be present at the Conference to assist Ministers on all matters to be discussed relating to their Departments.”

The question of admitting the Press to the Sittings of the Conference was then considered, and, on the motion of the Honorable F. T. DERHAM, seconded by the Honorable J. C. F. JOHNSON, it was resolved that the Press should not be admitted, but that the Secretary should furnish a *précis* of the proceedings, after each sitting, under direction of the Chairman.

The Honorable CHARLES J. ROBERTS, and

The Honorable J. C. F. JOHNSON, laid their Commissions on the Table, and

Mr. JOHNSON also informed the Conference that he had been appointed to represent Western Australia.

Mr. ROBERTS then submitted a list of Questions for consideration, which was ordered to be printed.

Mr. DERHAM also laid before the Conference a list of Papers bearing upon the proceedings of the Conference, which was ordered to be printed.

The Council then adjourned until 3 o'clock.

THE Conference resumed at 3 o'clock.

Mr. ROBERTS then proposed for consideration the subject of the mode of apportioning subsidies and settling accounts between the United Kingdom and the three Colonies parties to the Contract, and the terms on which other Colonies may use the Service, and laid before the Conference a despatch from the Secretary of State for the Colonies to His Excellency the Governor, on the subject of the Australian Mail Service, covering a copy of a letter from the Treasury, with enclosures on the same subject, which were ordered to be printed.

After

After discussion, Mr. JOHNSON gave notice of the following motion :—

“That the non-contracting Colonies making use of the Service shall pay sea transit rates as under, viz. :—

Letters	25s. 4d. per lb. net weight
Packets	1s. ” ”
Newspapers	6d. ” ”

subject to modification ; that the contracting Colonies shall apportion the balance of the subsidy on the basis of population ; that any of the Colonies, in addition to New South Wales, Victoria, and South Australia, may be parties to the Contract, on agreeing to contribute to the subsidy on the basis of population.”

The Conference adjourned at 5 o'clock until to-morrow at 11 o'clock.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS,
Chairman.

At the General Post Office, Sydney.

20 JANUARY, 1888.

Present :—

- New South Wales :* The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBTON, Esq., Secretary to the Post Office Department.
- Victoria :* The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia :* The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., M.A., C.M.G., Postmaster-General.
- Queensland :* The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary, Post and Telegraph Department.
- Tasmania :* The Hon. B. STAFFORD BIRD, M.P., Treasurer and Postmaster-General.
A. C. DOUGLAS, Esq., Secretary to the Post Office Department.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia :* The Hon. J. C. F. JOHNSON.

The Conference having assembled at 11 o'clock, the minutes of the proceedings of yesterday were read and confirmed.

* See papers laid
before the Con-
ference.

The permanent officers in attendance on the Conference then brought up a report* on the subject of the proportion of the mail subsidy of £75,000, to be borne by each Colony, on three different bases ; and in connection with such report, the Hon. J. C. F. JOHNSON asked that the motion, of which notice was given by him yesterday, should be withdrawn, with a view to the substitution of the following motion :—

“That excluding New Zealand, Fiji, Noumea, &c., the Australian subsidy of £75,000 a year be apportioned amongst the Colonies, viz. :—New South Wales, Victoria, South Australia, Queensland, Tasmania, and Western Australia, on the basis of their respective populations—the following figures to be accepted for the purpose of computation until the next census, viz. :—

Colony.	Population.	Amount.
		£
New South Wales	1,001,966	26,227 ^{3 4 8 0 3} _{2 3 3 5 1 1}
Victoria	1,003,043	26,255 ^{2 8 8 5 0 6} _{2 3 3 5 1 1}
Queensland... ..	343,768	8,998 ^{10 4 0 4 3 2} _{2 3 3 5 1 1}
South Australia	312,439	8,178 ^{2 7 4 7 4 2} _{2 3 3 5 1 1}
Tasmania	137,211	3,591 ^{1 6 8 4 2 0 0} _{2 3 3 5 1 1}
Western Australia... ..	40,084	1,049 ^{2 3 3 5 1 1} _{2 3 3 5 1 1}
	2,838,511	*74,800

* Receipts from other Colonies, (say) £700.

With regard to New Zealand, Fiji, Noumea, &c., the following sea transit rates to be charged on correspondence despatched by the P. & O. and Orient steamers under contract, exclusive of whatever Australian railway transit rates may be fixed by this Conference, viz. :—

Letters	25s. 4d. per lb. net.
Packets	1s. 0d. ”
Newspapers	6d. ”

Parcels (included in the Parcel Post)—

Sea transit	3d. per lb.
Australian rate (if forwarded by sea)	2d. ”

It being understood that the sea transit rates will be subject to reduction should it be found that the payments of New Zealand, &c., materially lessen the amount of subsidy apportioned amongst the six Colonies specified in the first paragraph of this resolution.”

The Conference agreed to the substituted notice of motion, which was ordered to be printed.

The

The Conference then proceeded to the consideration of the subject of railway transit rates to be paid by the despatching country or colony; to each forwarding colony, and Mr. JOHNSON moved the following resolution:—

“That the railway transit rates to be paid by the despatching country or colony to each forwarding colony be the same as those agreed to at the Melbourne Conference in 1886, viz.:—

Letters	... ..	4d. per lb. net weight.
Other mail matter	... ..	4s. per cwt. „

If forwarded by ordinary train.”

After full discussion the resolution was carried.

The motion proposed by Mr. JOHNSON, on the subject of the proportion of subsidy to be borne by each colony, was then brought forward, and, after discussion, its further consideration was postponed until Tuesday next.

Mr. WILSON moved,—

“That the permanent Heads be requested to consider and bring up reports on the subjects Nos. 4, 5, 6, 7, 10, 11, 12, 14, 15, 16, 18, and 20, in the Schedule laid before the Conference by Mr. Roberts yesterday; also Nos. 4, 5, 6, and 7 of the subjects by Mr. Derham,”

which was agreed to.

The Conference adjourned at a quarter to 6 o'clock until Monday morning at 10 o'clock.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS,
Chairman.

At the General Post Office, Sydney.

23 JANUARY, 1888.

Present:—

- New South Wales*: The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBERTON, Esq., Secretary to the Post Office Department.
- Victoria*: The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia*: The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., C.M.G., Postmaster-General.
- Queensland*: The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary Post and Telegraph Department.
- Tasmania*: The Hon. B. STAFFORD BIRD, M.P., Treasurer and Postmaster-General.
A. C. DOUGLAS, Esq., Secretary to the Post Office Department.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia*: The Hon. J. C. F. JOHNSON.
- New Zealand*: The Hon. Sir WILLIAM FITZHERBERT, K.C.M.G., Speaker of the Legislative Council.
W. GRAY, Esq., Secretary, Post Office and Telegraph Department.

The Conference having duly assembled, the Honorable Sir WILLIAM FITZHERBERT, K.C.M.G., Speaker of the Legislative Council of New Zealand, and W. GRAY, Esq., Secretary Post Office and Telegraph Department, New Zealand, as representing New Zealand at the Conference, took their seats accordingly.

The Minutes of the Proceedings on the 20th instant were read and confirmed.

The Hon. W. HORATIO WILSON then laid on the table a copy of the Executive Council Minute appointing the Queensland Representatives to the Conference.

Mr. WILSON further gave notice of the following motion for the next Meeting:—

“That it is considered desirable to adopt a system of urgent telegrams at double rates inter-colonially.”

The Chairman laid before the Conference a communication from Captain F. C. Rowan, Australian Representative of the Pacific Telegraph Co. (Limited), on the subject of the object and aims of the said Company, and stating his willingness to afford the Conference any information that they might think necessary, and the same having been read, was ordered to be printed.

Draft reports from the permanent Heads were then brought up on the subjects of “Intercolonial Parcels Post,” and “Intercolonial Postal Notes.”

The Conference resolved that the reports be printed and circulated, but that in the meantime they be treated as confidential documents.

The Chairman then proposed the consideration by the Conference of the subject of New Zealand cable rates, but at the suggestion of Sir WILLIAM FITZHERBERT it was resolved to postpone the consideration of the matter until to-morrow.

Mr. BIRD then proposed, and Mr. WILSON seconded, the following motion, which was carried, viz.:—

“That the representatives of the Eastern Extension and the Pacific Cable Companies be admitted to the Conference in order that they may state the proposals of their respective Companies to the Conference.”

Whereupon the representatives referred to were admitted, and answered certain questions put to them by Members of the Conference. [See “Papers laid before the Conference.”]

The Chairman then laid before the Conference the “Proposition of the Eastern Extension Company to the Australasian Colonies, subject to the approval of all the interested Administrations,” which was ordered to be printed.

On

On resuming at 2:30 the Hon. F. T. DERHAM laid his Commission on the Table.

The Conference then proceeded to further consider the subject of "Cable Communication," and the representatives of the Eastern Extension Company laid on the Table certain papers, which were ordered to be printed.

The further consideration of the matter was postponed pending the attendance of Captain Rowan, representing the Pacific Telegraph Company.

The subject of "Intercolonial Parcels Post" was then considered; and Mr. WILSON moved the following Resolution, which was seconded by Mr. DERHAM, and agreed to:—

"That this Conference would view with satisfaction the establishment of an Intercolonial Parcels Post, and recommends that the question receive the early consideration of the various Australasian Governments, and that those Colonies possessing the power to introduce the system are desired to do so as early as convenient, and it is recommended that parcels should be carried at a rate of 5d. per lb., with a minimum of 10d. to cover a 2 lb. parcel, exclusive of cost of carriage (which would be added in each case), and the same general regulations be adopted as are in operation between Great Britain and the Colonies."

The Conference then proceeded to consider the subject of "Postal Notes," when the following motion was proposed by Mr. JOHNSON, seconded by Sir WILLIAM FITZHERBERT, K.C.M.G., and agreed to:—

"That, in the opinion of this Conference it is desirable that a system of Intercolonial Postal Notes be established between the Colonies here represented, by which the Postal Notes issued in any of such Colonies shall be payable in any other, and that the following be the rates:—

Postal Note.	Charge.	Postal Note.	Charge.	Postal Note.	Charge.
s. d.	d.	s. d.	d.	s. d.	d.
1 0 ...	0 $\frac{1}{2}$	3 6 ...	1	10 0 ...	3
1 6 ...	0 $\frac{1}{2}$	4 0 ...	1	10 6 ...	3
2 0 ...	1	4 6 ...	1	15 0 ...	3
2 6 ...	1	5 0 ...	2	20 0 ...	3
3 0 ...	1	7 6 ...	2		

An additional fee equal to the original fee to be collected by the paying office."

The following notice of motion was then given by Mr. BRAD, viz:—

"That when any Colony to which mails are despatched by the P. and O. and Orient steamers is under the necessity of providing for the conveyance by sea of its incoming mails, the sea transit rates to be paid by the despatching country to the colony of destination shall be for

Letters ... $\frac{1}{2}$ d. each.
Other mail matter ... 3s. per cwt."

The Conference resumed at 8 o'clock,—

When Mr. WILSON proposed that the report of the permanent Official Heads of Departments, on the subject of "Intercolonial Parcels Post" and "Postal Notes" should be printed, and form part of the proceedings, which was agreed to.

Mr. DERHAM then brought before the Conference the subject of "The Universal Postal Union," and having fully set forth his views on the subject, he moved,—

"That at the present time the Australian Colonies are not prepared to join the Postal Union," which was seconded by Sir WM. FITZHERBERT, and carried unanimously.

Mr. WILSON laid before the Conference a communication from Captain Rounding on the subject of the Proposed Canadian Pacific Mail Service from England to Australia, *via* Montreal and Vancouver, which was ordered to be printed, with a view to its consideration at a future meeting.

Mr. JOHNSON brought forward the subject of the "Duplication of Telegraph Land Line by an extension from some point on the Port Darwin Line to connect with the Queensland system at Innaminka, Birdsville, or Burketown," and having been discussed, it was resolved that no immediate action by the Conference was necessary.

Mr. JOHNSON also brought forward the subject of "redirection fee on Parcels," and moved the following Resolution, which was seconded by Mr. Wilson, and agreed to:—

"That an uniform charge be made on all redirected parcels equivalent to the ordinary charge from the place to which the parcel was first directed to that of destination."

The Conference adjourned at a quarter to 10 o'clock until to-morrow at 9:30 a.m.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS,
Chairman.

At the General Post Office, Sydney.

24 JANUARY, 1883.

Present :—

- New South Wales :* The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBERTON, Esq., Secretary to the Post Office Department.
- Victoria :* The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia :* The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., M.A., C.M.G., Postmaster-General.
- Queensland :* The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary Post and Telegraph Department.
- Tasmania :* The Hon. B. STAFFORD BIRD, M.P., Treasurer and Postmaster-General.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia :* The Hon. J. C. F. JOHNSON.
- New Zealand :* The Hon. Sir WILLIAM FITZHERBERT, K.C.M.G., Speaker of the Legislative Council.
W. GRAY, Esq., Secretary, Post Office and Telegraph Department.

The Conference assembled at 9.30 a.m., and the minutes of the proceedings of yesterday were read and confirmed.

Captain Rowan, the Australian Representative of the Pacific Telegraph Company (Limited), then attended the Conference, and made a statement showing the objects of the Company in respect to the Australasian Colonies, and answered certain questions put to him by members of the Conference. [See "Papers laid before the Conference."]

Mr. ROBERTS laid before the Conference a paper handed in by Captain Rowan, on the "Australian Cable Question," which was ordered to be printed.

The Conference adjourned until to-morrow morning at 10 o'clock.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS,
Chairman.

At the General Post Office, Sydney.

25 JANUARY, 1883.

Present :—

- New South Wales :* The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBERTON, Esq., Secretary to the Post Office Department.
- Victoria :* The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia :* The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., M.A., C.M.G., Postmaster-General.
- Queensland :* The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary Post and Telegraph Department.
- Tasmania :* The Hon. B. STAFFORD BIRD, M.P., Colonial Treasurer and Postmaster-General.
A. C. DOUGLAS, Esq., Secretary to the Post Office Department.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia :* The Hon. J. C. F. JOHNSON.
- New Zealand :* The Hon. Sir WILLIAM FITZHERBERT, K.C.M.G., Speaker of the Legislative Council.
W. GRAY, Esq., Secretary, Post Office and Telegraph Department.

The Conference having assembled at 10 o'clock, the minutes of the proceedings of yesterday were read and confirmed.

The permanent Heads then laid before the Conference draft reports on the following subjects, which were ordered to be printed, viz. :—

- (1.) Uniform Postal Regulations.
- (2.) Reduction of Inland Postage, and the adoption or otherwise of the ounce unit.
- (3.) Newspapers—Intercolonial Exchange of.
- (4.) Exchange of Post-cards between Great Britain and the Australasian Colonies.

The Hon. B. STAFFORD BIRD laid his commission on the table.

Mr. JOHNSON then proposed the motion of which he had given notice, on the subject of the distribution of the Mail subsidy of £75,000 on the basis of population.

And

And with the concurrence of the Conference amended the motion, to read as follows:—

“That the Australian subsidy of £75,000 a year, payable to the P. & O. and Orient S.S. Companies for the conveyance of mails between Europe and Australia, be apportioned amongst the Colonies, viz.:—New South Wales, Victoria, South Australia, Queensland, Tasmania, and Western Australia, on the basis of their respective populations—the following figures to be accepted for the purpose of computation until January, 1891; and thereafter during the continuance of contract the amounts payable by the various Colonies to be adjusted on the estimated basis of population each year:—

Colony.	Population.	Amount.
		£
New South Wales	1,001,966	26,227 ^{11 58 00} / ₁₀₀₀₀₀₀
Victoria	1,003,043	26,255 ^{08 50 00} / ₁₀₀₀₀₀₀
Queensland... ..	343,768	8,998 ^{10 00 00} / ₁₀₀₀₀₀₀
South Australia	312,439	8,178 ^{07 57 00} / ₁₀₀₀₀₀₀
Tasmania	137,211	3,591 ^{08 50 00} / ₁₀₀₀₀₀₀
Western Australia... ..	40,084	1,049 ^{08 50 00} / ₁₀₀₀₀₀₀
	2,838,511	*74,300

* Receipts from other Colonies, (say) £700.

And with regard to New Zealand, Fiji, New Caledonia, &c., the following sea transit rates to be charged on correspondence despatched by the P. & O. and Orient steamers under contract, exclusive of whatever Australian railway transit rates may be fixed by this Conference, viz.:—

Letters	25s. 4d. per lb. net.
Packets	1s. 0d. „
Newspapers	6d. „

Parcels (included in the Parcel Post)—

Sea transit	3d. per lb.
Australian rate (if forwarded by sea)	2d. „

It being understood that the sea transit rates will be subject to reduction should it be found that the payments of New Zealand, &c., materially lessen the amount of subsidy apportioned amongst the six Colonies specified in the first paragraph of this resolution.”

It was then proposed by Mr. BIRD that the figures 1891 in the motion be omitted, with a view to the insertion of the figures 1889, which was unanimously agreed to.

The further consideration of the motion was postponed until a later sitting.

Mr. ROBERTS then brought before the Conference the subject of the reduction of postage on correspondence with Great Britain under the new contract, whereupon, after discussion,—

Mr. DERHAM proposed the following motion, which was seconded by Mr. JOHNSON, and unanimously agreed to,—

“That the overland rate, *via* Brindisi or Naples, for letters sent to the United Kingdom under the new contract be at the rate of 6d. per half-ounce, as at present, and that the rate for letters borne wholly by sea from Adelaide be 4d. per half-ounce.”

Mr. JOHNSON moved, and Mr. BIRD seconded, the following Resolution, which was agreed to:—

“That the rate of Postage to any European country *via* Italy be 6d. per half ounce on letters.”

Mr. BIRD then proposed the motion, of which notice was given by him on the 23rd instant, on the subject of sea transit rates, which was seconded by Sir WILLIAM FITZHERBERT and carried, viz.:—

“That when any Colony to which mails are despatched by the P. and O. and Orient steamers is under the necessity of providing for the conveyance by sea of its incoming mails, the sea transit rates to be paid by Great Britain to the colony of destination shall be for

Letters	¹ / ₂ d. each.
Other mail matter	3s. per cwt.”

In connection with the subject, Mr. JOHNSON laid before the Conference certain correspondence between Sir John W. Downer and Mr. Bramston, which was ordered to be printed.

The Chairman then brought before the Conference the subject of Cable Communication with New Zealand and the rates charged, and, after discussion, the Conference adjourned until 3 o'clock.

ON resuming, the Hon. Sir WM. FITZHERBERT addressed the Conference on the subject of the New Zealand Cable Service, and laid on the table certain papers, which were ordered to be printed, viz.:—

- (1.) Memorandum by Sir Julius Vogel, late Postmaster-General, New Zealand, *re* Telegraph Cables.
- (2.) A communication from Mr. Sandford Fleming to the Colonial Secretary, New Zealand, dated 26th September, 1887.
- (3.) Memorandum by Mr. Gray on the subject of the New Zealand Cable question.

After

After full discussion on the subject of the "Cable Service" generally, Mr. DERHAM moved the following Resolution, which was seconded by Mr. JOHNSON, and carried upon the following division:—

Ayes.	No.
New South Wales.	Queensland.
Victoria.	
South Australia.	
Tasmania.	
New Zealand.	
Western Australia.	

"That as all the Australasian Colonies are interested in the maintenance of cable communication with Great Britain, this Conference is of opinion that each of these Colonies should contribute, in proportion to the extent of its population, to the subsidies now paid by the contracting Colonies to the Eastern Extension Company, and that a like division of cost should be made between all the Colonies represented at this Conference of the cables communicating with Tasmania and New Zealand—Great Britain to be requested to contribute towards the subsidy given to the Eastern Extension Company in respect of the cables connected with the traffic with the United Kingdom: Provided always that it is understood that the right to purchase the Australasian cables of the Eastern Extension Company is to be in the hands of the Colonies who are now paying, or may consent to pay, the above subsidies in the manner provided, at any time upon giving the Company the notice prescribed in the subsidy agreement."

Mr. DERHAM then moved, and Mr. WILSON seconded, the following resolution, viz.:—

"That this Conference is of opinion that it is desirable a survey should be made of a suitable route for an Ocean Telegraph Cable by way of the Pacific, *via* Vancouver Island, the cost of the survey to be defrayed by Great Britain, Canada, and the Australasian Colonies represented at this Conference. This, however, is not to bind any of the countries named to accept the proposals of the Pacific Cable Company, and that the subject of the resolution be communicated to the various Australasian Governments.

Which was carried upon the following division:—

Ayes.	No.
Victoria.	New South Wales.
Queensland.	
Tasmania.	
New Zealand.	

Mr. BIRD moved the following resolution, which was seconded by Mr. JOHNSON, and carried unanimously, viz.:—

"That the proposals of the Eastern Extension Company for a reduction of the tariff between Europe and Australia are worthy of careful consideration, and that this Conference recommends that such consideration be given to them by the various Australasian Governments."

OCEAN MAIL SERVICE SUBSIDY.

The Conference then proceeded to consider the above subject, of which notice was given by Mr. JOHNSON, whereupon Mr. WILSON, as representing Queensland, dissented from the motion.

Mr. JOHNSON then moved, and Mr. DERHAM seconded, certain amendments.

After discussion the motion was agreed to as amended,—

"That the Australian subsidy of £75,000 a year, payable to the P. & O. and Orient S.S. Companies for the conveyance of mails between Europe and Australia, after deducting amounts paid by non-contracting parties, be apportioned amongst the Colonies, viz.:—New South Wales, Victoria, South Australia, Tasmania, and Western Australia, on the basis of their respective populations—the following figures to be accepted for the purpose of computation until January, 1889, and thereafter during the continuance of contract the amounts payable by the various Colonies to be adjusted on the estimated basis of population each year:—

Colony.	Population.
New South Wales	1,001,966
Victoria	1,003,043
South Australia	312,439
Tasmania	137,211
Western Australia	40,084

That the following sea transit rates, subject to such alteration as may from time to time be decided upon by the contracting Colonies, be charged to non-contracting Colonies, on correspondence despatched by the P. & O. and Orient steamers under contract, exclusive of whatever Australian railway transit rates may be fixed by this Conference, viz.:—

Letters	25s. 4d. per lb. net.
Packets	1s. 0d. "
Newspapers	6d. "

Parcels (included in the Parcel Post)—

Sea transit	3d. per lb.
Australian rate (if forwarded by sea)	2d. "

Any non-contracting Colony may become a party to the contract at any time on intimating its desire to do so."

Sir

Sir WILLIAM FITZHERBERT then moved, and Mr. JOHNSON seconded, the following motion :—

“That the Transpacific Mail Service question be referred to the Colonies of New South Wales and New Zealand for consideration.”

Agreed to.

UNIFORM POSTAL REGULATIONS.

The report of the permanent Heads of Departments on this question was then brought up. Mr. DERHAM moved, and Mr. JOHNSON seconded, the following motion :—

“That the question of Uniform Postal Regulations be referred to such permanent Heads of Postal Departments as can remain in Sydney, and draft such regulations which are to be forwarded to the various Governments for consideration,”—
which was agreed to.

REDUCTION OF INLAND POSTAGE, AND THE ADOPTION OR OTHERWISE OF THE OUNCE UNIT.

The report of the permanent Heads of Departments on the above subject was brought up, and ordered to be printed.

NEWSPAPERS—INTERCOLONIAL EXCHANGE OF.

Mr. DERHAM proposed and Mr. BIRD seconded,—

“That the report of the permanent Heads of Departments be printed and referred to the various Governments for their consideration, with a view of introducing amending Acts if thought desirable.”

Agreed to.

EXCHANGE OF POST CARDS.

The report of the permanent Heads of Departments was brought up, and Mr. JOHNSON proposed the following motion, which was seconded by Mr. DERHAM, and agreed to :—

“That an exchange of post-cards be arranged between the Australasian Colonies and Great Britain at the following rates :—For transmission *via* Italy, 3d. ; wholly sea-borne, 2d.”

REDUCTION OF INDIAN TRANSIT RATES.

At the request of the Chairman, Mr. TODD, who had attended the Conference at Berlin when the subject was discussed, addressed the Conference ; and Mr. DERHAM then moved, and Mr. WILSON seconded, the following motion :—

“That the Minister of Education of South Australia be requested to take the necessary steps with a view to bring about a reduction in the rates.”

REDUCTION OF INTERCOLONIAL TELEGRAPH RATES.

It was resolved that the Report brought up by the permanent Heads of Departments be printed.

AMENDMENT OF TELEGRAPH REGULATIONS.

It was moved by Mr. DERHAM, and seconded by Mr. BIRD,—

“That the Conference approve of the report of the permanent Heads of Departments, and that the necessary steps be taken to frame Regulations, also that the definition of cypher message be adopted.”

Agreed to.

Mr. WILSON then moved the Resolution of which he had given notice, viz. :—

“That it is considered desirable to adopt a system of urgent telegrams at double rates locally and intercolonially,”—
which was carried by a majority, New South Wales and South Australia dissenting.

DIRECT EXCHANGE OF MAILS WITH GERMANY.

Mr. DERHAM moved,—

“That this matter is not one with which the Colonies are called upon to interfere,”—
which was agreed to.

EXCHANGE OF PARCELS WITH GERMANY BY GERMAN PACKET.

Mr. DERHAM moved and Mr. BIRD seconded,—

“That having considered the Report of the permanent Heads of Departments, it was thought advisable to postpone the matter for the present.”

Agreed to.

INTERCHANGE OF STAMPS.

Mr. DERHAM moved and Mr. JOHNSON seconded,—

“That the Conference is of opinion the stamps issued by the Post and Telegraph Departments should be used for postage and telegraph purposes only, special stamps being made and used for duty.”

Agreed to. Queensland dissented.

AMENDMENT OF TELEGRAPH REGULATIONS.

To be reported upon by Heads of Departments.

CHARGING FIJI FOR TRANSIT OF ENGLISH MAILS BY RAIL THROUGH AUSTRALIAN TERRITORY.

Mr. DERHAM moved and Mr. WILSON seconded,—

“That the Report of the permanent Heads be adopted.”

Agreed to.

EXCHANGE

EXCHANGE OF POST-CARDS WITH NEW ZEALAND.

Mr. DERHAM moved, and Mr. BIRD seconded,—

“That, with a view to the introduction of the Post-card system into New Zealand, negotiations be entered into with the steam companies as to the charges for carriage.”

Mr. WILSON then gave the following notice of motion:—

“That a letter bearing the postage stamp of any Colony, with the words ‘For reply’ stamped thereon, shall be received at any post office on being adequately stamped,”—
Which the Conference referred for the consideration of Heads of Departments.

The Council adjourned at 5 minutes before 12 o'clock until to-morrow at 4 o'clock.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS,
Chairman.

At the General Post Office, Sydney.

23 JANUARY, 1888.

Present:—

- New South Wales:* The Hon. CHARLES J. ROBERTS, C.M.G., M.P.
S. H. LAMBTON, Esq., Secretary to the Post Office Department.
- Victoria:* The Hon. F. T. DERHAM, M.P., Postmaster-General.
J. SMIBERT, Esq., Deputy Postmaster-General.
- South Australia:* The Hon. J. C. F. JOHNSON, M.P., Minister for Education.
CHARLES TODD, Esq., M.A., C.M.G., Postmaster-General.
- Queensland:* The Hon. WALTER HORATIO WILSON, M.L.C., Postmaster-General.
JOHN McDONNELL, Esq., Under Secretary Post and Telegraph Department.
- Tasmania:* The Hon. B. STAFFORD BIRD, M.P., Colonial Treasurer and Postmaster-General.
A. C. DOUGLAS, Esq., Secretary to the Post Office Department.
ROBERT HENRY, Esq., Superintendent of Telegraphs.
- Western Australia:* The Hon. J. C. F. JOHNSON.
- New Zealand:* The Hon. Sir WILLIAM FITZHERBERT, K.C.M.G., Speaker of the Legislative Council.
W. GRAY, Esq., Secretary, Post Office and Telegraph Department.

The Conference having met at 4 o'clock p.m., the minutes of the proceedings of yesterday were read and confirmed.

The permanent Heads of Departments brought up the following report on Mr. WILSON's motion, on the subject of letters bearing the postage stamp of any Colony with the words “for reply” stamped thereon, being received at any post office on being adequately stamped, viz.:—

“We venture to express the opinion that this measure, if adopted, would lead to great abuse, and would interfere materially with the expeditious sorting of the letters.

S. H. LAMBTON.
C. TODD.
JAMES SMIBERT.
W. GRAY.
A. C. DOUGLAS.”

Mr. McDONNELL (Queensland) dissented.

The report was ordered to be printed.

Mr. WILSON made a personal explanation as to his reason for not agreeing to the pooling of the subsidies to the Eastern Extension Company and their division amongst the Colonies in the manner decided on by a majority of the Conference, such reason being that the several Ministers of that Colony since 1879 had declined to contribute towards any subsidy for the cable, and under these circumstances he was not in a position to assent to the Resolution, but he intended to bring the matter before his colleagues for further consideration.

A communication was read from Messrs. Gale and Stephen, newspaper proprietors, Manly Beach, on the subject of the transmission by post of parcels of Supplements to Newspapers, which was “received.”

Sir WILLIAM FITZHERBERT then proposed, and Mr. DERHAM seconded, the following vote of thanks to Mr. ROBERTS, Chairman of the Conference, which was unanimously agreed to:—

“That the members of this Centennial Postal Conference desire to record, before separating, their high sense of the uniform kindness, courtesy, and tact with which the Honorable C. J. ROBERTS, C.M.G., has presided over their deliberations.”

Mr.

Mr. ROBERTS proposed, and Mr. JOHNSON seconded, a vote of thanks to the permanent Heads of Departments assisting at the Conference, for the able manner in which they have performed their duties, and the great assistance rendered by them in matters of detail, which was unanimously agreed to.

Mr. BIRD then proposed, and Sir WILLIAM FITZHERBERT seconded, a vote of thanks to Mr. A. C. Budge, the Secretary.

The Conference then adjourned.

ALEX. C. BUDGE,
Secretary.

CHARLES J. ROBERTS, New South Wales.

FREDK. T. DERHAM, Victoria.

J. C. F. JOHNSON, South Australia.

W. HORATIO WILSON, Queensland.

WILLIAM FITZHERBERT, New Zealand.

B. STAFFORD BIRD, Tasmania.

J. C. F. JOHNSON, Western Australia.

POSTAL CONFERENCE.

(SYDNEY, JANUARY, 1888.

THE FOLLOWING ARE THE RESOLUTIONS TO WHICH THE CONFERENCE AGREED.

RAILWAY TRANSIT RATES.

That the railway transit rates to be paid by the despatching country or colony to each forwarding colony be the same as those agreed to at the Melbourne Conference in 1886, viz. :—

Letters	4d. per lb. net weight.
Other mail matter	4s. per cwt. „

If forwarded by ordinary train.

INTERCOLONIAL PARCELS POST.

That this Conference would view with satisfaction the establishment of an Intercolonial Parcels Post, and recommends that the question receive the early consideration of the various Australasian Governments, and that those Colonies possessing the power to introduce the system are desired to do so as early as convenient, and it is recommended that parcels should be carried at a rate of 5d. per lb., with a minimum of 10d. to cover a 2 lb. parcel, exclusive of cost of carriage (which would be added in each case), and the same general regulations be adopted as are in operation between Great Britain and the Colonies.

POSTAL NOTES.

That in the opinion of this Conference it is desirable that a system of Intercolonial Postal Notes be established between the Colonies here represented by which the Postal Notes issued in any of such Colonies shall be payable in any other, and that the following be the rates :—

Postal Note.	Charge.	Postal Note.	Charge.	Postal Note.	Charge.
s. d.	d.	s. d.	d.	s. d.	d.
1 0	0½	3 6	1	10 0	3
1 6	0½	4 0	1	10 6	3
2 0	1	4 6	1	15 0	3
2 6	1	5 0	2	20 0	3
3 0	1	7 6	2		

An additional fee equal to the original fee to be collected by the paying office.

THE UNIVERSAL POSTAL UNION.

That at the present time the Australian Colonies are not prepared to join the Postal Union.

REDIRECTION FEE ON PARCELS.

That an uniform charge be made on all redirected parcels equivalent to the ordinary charge from the place to which the parcel was first directed to that of destination.

DUPLICATION OF TELEGRAPH LAND LINE BY AN EXTENSION FROM SOME POINT ON THE PORT DARWIN LINE TO CONNECT WITH THE QUEENSLAND SYSTEM AT INNAMINKA, BIRDSVILLE, OR BURKETOWN.

Resolved that no immediate action by the Conference was necessary.

RATES OF POSTAGE UNDER THE NEW CONTRACT.

That the overland rate, *viâ* Brindisi or Naples, for letters sent to the United Kingdom under the new contract be at the rate of 6d. per half-ounce, as at present, and that the rate for letters borne wholly by sea from Adelaide be 4d. per half-ounce.

That the rate of postage to any European country, *viâ* Italy, be 6d. per half-ounce on letters.

SEA TRANSIT RATES.

That when any Colony to which mails are despatched by the P. & O. and Orient steamers is under the necessity of providing for the conveyance by sea of its incoming mails, the sea transit rates to be paid by Great Britain to the Colony of destination shall be for

Letters	½d. each.
Other mail matter	3s. per cwt.

CABLE

CABLE SERVICE.

That as all the Australasian Colonies are interested in the maintenance of cable communication with Great Britain, this Conference is of opinion that each of these Colonies should contribute, in proportion to the extent of its population, to the subsidies now paid by the contracting Colonies to the Eastern Extension Company, and that a like division of cost should be made between all the Colonies represented at this Conference of the cables communicating with Tasmania and New Zealand—Great Britain to be requested to contribute towards the subsidy given to the Eastern Extension Company in respect of the cables connected with the traffic with the United Kingdom: Provided always that it is understood that the right to purchase the Australasian cables of the Eastern Extension Company is to be in the hands of the Colonies who are now paying, or may consent to pay, the above subsidies in the manner provided, at any time upon giving the Company the notice prescribed in the subsidy agreement.

Queensland dissented.

OCEAN TELEGRAPH CABLE BY WAY OF THE PACIFIC, VIA VANCOUVER ISLAND.

That this Conference is of opinion that it is desirable a survey should be made of a suitable route for an Ocean Telegraph Cable by way of the Pacific, *via* Vancouver Island, the cost of the survey to be defrayed by Great Britain, Canada, and the Australasian Colonies represented at this Conference. This, however, is not to bind any of the countries names to accept the proposals of the Pacific Cable Company, and that the subject of the resolution be communicated to the various Australasian Governments.

New South Wales dissented.

PROPOSALS OF EASTERN EXTENSION COMPANY FOR A REDUCTION OF THE TARIFF BETWEEN EUROPE AND AUSTRALIA.

That the proposals of the Eastern Extension Company for a reduction of the tariff between Europe and Australia are worthy of careful consideration, and that this Conference recommends that such consideration be given to them by the various Australasian Governments.

OCEAN MAIL SERVICE.

That the Australian subsidy of £75,000 a year, payable to the P. & O. and Orient S.S. Companies for the conveyance of mails between Europe and Australia, after deducting amounts paid by non-contracting parties, be apportioned amongst the Colonies, viz.:—New South Wales, Victoria, South Australia, Tasmania, and Western Australia, on the basis of their respective populations—the following figures to be accepted for the purpose of computation until January, 1889, and thereafter during the continuance of contract the amounts payable by the various Colonies to be adjusted on the estimated basis of population each year:—

Colony.	Population.
New South Wales	1,001,966
Victoria	1,008,043
South Australia	312,439
Tasmania	137,211
Western Australia	40,084

That the following sea transit rates, subject to such alteration as may from time to time be decided upon by the contracting Colonies to non-contracting Colonies, be charged on correspondence despatched by the P. & O. and Orient steamers under contract, exclusive of whatever Australian railway transit rates may be fixed by this Conference, viz.:—

Letters	25s. 4d. per lb. net.
Packets	1s. 0d. „
Newspapers	6d. „

Parcels (included in the Parcel Post)—

Sea transit	3d. per lb.
Australian rate (if forwarded by sea)	2d. „

Any non-contracting Colony may become a party to the contract at any time on intimating its desire to do so.

Queensland dissented.

TRANS-PACIFIC MAIL SERVICE.

That the Trans-Pacific Mail Service question be referred to the Colonies of New South Wales and New Zealand for consideration.

UNIFORM POSTAL REGULATIONS.

That the question of Uniform Postal Regulations be referred to such permanent Heads of Postal Departments as can remain in Sydney, and draft such regulations which are to be forwarded to the various Governments for consideration.

NEWSPAPERS—INTERCOLONIAL EXCHANGE OF.

That the report of permanent Heads of Departments be printed and referred to the various Governments for their consideration, with a view of introducing amending Acts if thought advisable.

EXCHANGE

EXCHANGE OF POST-CARDS.

That an exchange of post-cards be arranged between the Australasian Colonies and Great Britain at the following rates :—For transmission *via* Italy, 3d. ; wholly sea-borne, 2d.

REDUCTION OF INDIAN TRANSIT RATES.

That the Minister of Education of South Australia be requested to take the necessary steps with a view to bring about a reduction in the rates.

AMENDMENT OF TELEGRAPH REGULATIONS.

That the Conference approve of the report of the permanent Heads of Departments, and that the necessary steps be taken to frame Regulations, and that the definition of cypher message be adopted.

URGENT TELEGRAMS AT DOUBLE RATES LOCALLY AND INTERCOLONIALLY.

That it is considered desirable to adopt a system of urgent telegrams at double rates locally and intercolonially.

New South Wales and South Australia dissented.

INTERCHANGE OF STAMPS.

That the Conference is of opinion the stamps issued by the Post and Telegraph Departments should be used for post and telegraph purposes only, special stamps being made and used for duty.

Queensland dissented.

CHARGING FIJI FOR TRANSIT OF ENGLISH MAILS BY RAIL THROUGH AUSTRALIAN TERRITORY.

The following report of permanent Heads of Departments was approved :—

The Fijian Post Office objects to the payment of any Australian territorial transit rates for the carriage of its mails by rail between Adelaide and Sydney, but requests that such mails be conveyed between those ports by sea. The question for decision is, therefore, whether mails from that Colony should be put on board in Sydney or Melbourne, and those for that Colony brought on to Sydney or Melbourne by steamer.

We think that no exception should be made in the case of Fiji, and that if that Colony does not see its way to pay the Australian transit rates its mails should be landed at, and shipped from, Sydney or Melbourne.

EXCHANGE OF POST CARDS WITH NEW ZEALAND.

That, with a view to the introduction of the Post-card system into New Zealand, negotiations be entered into with the steam companies as to the charges for carriage.

DIRECT EXCHANGE OF MAILS WITH GERMANY.

The Conference resolved that this matter is not one with which the Colonies are called upon to interfere.

EXCHANGE OF PARCELS WITH GERMANY BY GERMAN PACKETS.

Having considered the report of the permanent Heads of Departments, it was thought advisable to postpone the matter for the present.

POSTAL CONFERENCE.

(SYDNEY, JANUARY, 1888.)

Reports of Permanent Heads of Departments.

No. 1.

REPORT BY OFFICIAL HEADS OF DEPARTMENTS ON THE SUBJECT OF THE DISTRIBUTION OF THE MAIL SUBSIDY OF £75,000 ON THREE DIFFERENT BASES.

MEMO. of total net weight of Mail Matter despatched by the undermentioned Colonies per P. and O. and Orient steamers during 1886, and showing approximately the proportion of the subsidy of £75,000 to be borne by each, on three different bases.

Colony.	Letters.	Packets.	Newspapers.	Total net weight.	Estimated postages.	Contributions based on following rates, viz.: Letters (say) 25/3lb. Packets, 1s. 1lb. Newspapers, 6d. 1lb.	Contribution on basis of total net weight.	Contribution on basis of estimated postages.
	lb.	lb.	lb.	lb.	£	£	£	£
New South Wales	16,474	10,356	126,232	153,062	23,150	24,500	22,972	25,200
Victoria	18,916	14,252	184,049	217,217	25,433	29,200	32,600	27,700
South Australia	5,060	5,011	41,803	51,874	7,500	7,700	7,788	8,160
Queensland	5,648	2,549	39,553	47,750	7,500	8,200	7,167	8,160
Tasmania	1,901	1,900	16,122	19,923	3,000	2,900	2,989	3,265
West Australia	1,285	958	4,945	7,188	2,000	1,800	1,079	2,170
New Zealand & Fiji (say)	500	200	2,000	2,700	317	700	405	345
	49,784	35,226	414,704	499,714	68,900	75,000	75,000	75,000

1st. Statement showing Contributions to Ocean Mail Service on following basis:—

A.—Transit rates to be paid by non-contracting Colonies making use of service, viz., West Australia, Tasmania, Queensland, and New Zealand, as under:—

Colony.	Letters at 25s. lb.			Packets at 1s. lb.			Newspapers at 6d. lb.			Total Value.
	Weight.	Value.		Weight.	Value.		Weight.	Value.		
	lb.	£	s. d.	lb.	£	s. d.	lb.	£	s. d.	£ s. d.
West Australia	1,285	1,606	5 0	958	47	18 0	4,945	123	12 6	1,777 15 6
Tasmania	1,901	2,376	5 0	1,900	95	0 0	16,122	403	1 0	2,874 6 0
Queensland	5,648	7,060	0 0	2,549	127	9 0	39,553	988	16 6	8,176 5 6
New Zealand and Fiji	500	625	0 0	200	10	0 0	2,000	50	0 0	685 0 0
								Say		£13,513 6 6

N.B.—The data used is weight of mail matter despatched in 1886.

B.—Balance of subsidy (of £75,000), £61,486 13s. 6d., apportioned between contracting Colonies, New South Wales, Victoria, and South Australia, according to population,* as under:—

Colony.	Estimated population on 1st January, 1887.	Proportion of subsidy payable.
New South Wales	1,001,966	£ s. d. 26,155 12 9
Victoria	1,033,005	26,965 17 9
South Australia	320,451	8,365 3 0
	2,355,422	61,486 13 6

Total payments by non-contracting Colonies	...	...	...	...	£ s. d. 13,513 6 6
Total payments by contracting Colonies	...	...	...	...	61,486 13 6
					£75,000 0 0

2. Statement showing contributions to Ocean Mail Subsidy.

A.—Transit rates to be paid by Queensland, New Zealand, and Fiji, computed on weight of mail matter despatched in 1886:—

	Letters, @ 25s. lb.		Packets, @ 1s. lb.		Newspapers, @ 6d. lb.		Total Value.
	Weight.	Value.	Weight.	Value.	Weight.	Value.	
		£ s. d.		£ s. d.		£ s. d.	
Queensland	5,648	7,060 0 0	2,549	127 9 0	39,553	988 16 6	8,176 5 6
New Zealand, &c.....	500	625 0 0	200	10 0 0	2,000	50 0 0	685 0 0
							£8,861 5 6

B.—Balance of subsidy (of £75,000) £66,138 14s. 6d., apportioned between New South Wales, Victoria, South Australia, Tasmania, and Western Australia, according to populations as under, viz.:—*

Colony.	Estimated Population on 1st January, 1887.	Proportion of Subsidy payable.
New South Wales	1,001,966	£ 26,205 12 11
Victoria	1,033,005	27,017 8 11
South Australia	320,451	8,381 2 11
Tasmania	133,791	3,499 4 0
West Australia	39,584	1,035 5 9

Proportion payable on transit rates	£8,861 5 6
Do on basis of population	66,138 14 6
	<u>£75,000 0 0</u>

Mr. Hayter gives the population of the different Colonies as under:—

Victoria	1,033,052
New South Wales	1,030,762
South Australia	312,439
West Australia	40,084
Tasmania	137,211

This of course modifies the contributions, but the table given (the figures for which are taken from the "Year Book of Australia, 1887,") is sufficient to indicate approximately the amount payable by each Colony.

CHARLES TODD,
Postmaster-General, S.A.

NEW SOUTH WALES.

MEMORANDUM showing the estimated division between the Australasian Colonies of the Colonial proportion of subsidy payable towards new "Federal Mail Service," based upon the average weight of letters despatched from the Australasian Colonies, as shown in the return furnished by the Postmaster-General of Great Britain when calling for tenders:—

New South Wales	$\frac{315}{894}$ of £75,000, equal to	£26,426 $\frac{2}{3}$ $\frac{4}{5}$
Victoria	$\frac{325}{894}$ "	27,265 $\frac{1}{3}$ $\frac{4}{5}$
South Australia	$\frac{111}{894}$ "	9,312 $\frac{1}{3}$ $\frac{4}{5}$
Western Australia	$\frac{17}{894}$ "	1,426 $\frac{2}{3}$ $\frac{4}{5}$
Tasmania	$\frac{35}{894}$ "	2,936 $\frac{3}{4}$ $\frac{4}{5}$
Queensland	$\frac{84}{894}$ "	7,046 $\frac{1}{3}$ $\frac{4}{5}$
New Zealand	$\frac{7}{894}$ "	587 $\frac{3}{4}$ $\frac{4}{5}$
Total		£75,000

NEW SOUTH WALES.

STATEMENT showing the division of Colonial share of subsidy towards Federal Mail Service, based on the population of each Colony:—

New South Wales	£ 22,174 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
Victoria	22,220 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
New Zealand	12,677 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
Queensland	7,394 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
South Australia	6,720 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
Tasmania	2,951 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
Western Australia	862 $\frac{10}{13}$ $\frac{2}{3}$ $\frac{4}{5}$
Total	£75,000

REPORT

REPORT BY PERMANENT OFFICERS, REFERRED TO IN PROCEEDINGS OF 20TH INSTANT.

IN accordance with the instructions of Ministers assembled in Conference, we met on Saturday, the 21st instant, and subsequently, and having considered the questions remitted to us, beg to report as follows:—

No. 2.

INTERCOLONIAL PARCELS POST.

(Being No. 4 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

WE think it desirable that an Intercolonial Parcels Post should be established, but as it appears that the postal laws of New South Wales, Queensland, and Tasmania do not provide for an inland Parcels Post, fresh legislation will be necessary before its introduction, as it would, we think, be inadvisable to adopt such a measure intercolonially before it can be introduced inland.

We think that parcels should be carried intercolonially by steamer only at a rate of 5d. per lb., with a minimum of 10d. to cover a 2 lb. parcel, exclusive of the steamer's charge (which would be added in each case), and the same general regulations to be adopted as are in operation between Great Britain and the Colonies.

The experience of the Colony of Victoria is that the inland parcel post is worked at a profit.

No. 3.

INTERCOLONIAL POSTAL NOTES.

(Being No. 5 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

WE think it most desirable that the system of Intercolonial Postal Notes should be established as soon as possible, and that where legislation is necessary the Governments be invited to procure it.

Distinctive notes would not, we think, be necessary; that is to say, that Postal Notes issued in any one colony should be negotiable in another, the only condition being that an additional fee equal to the original fee should be levied by the paying office.

The fees chargeable by the issuing office should be uniform, namely:—

Postal Note.	Charge.	Postal Note.	Charge.	Postal Note.	Charge.
s. d.	d.	s. d.	d.	s. d.	d.
1 0 ...	0½	3 6 ...	1	10 0 ...	3
1 6 ...	0½	4 0 ...	1	10 6 ...	3
2 0 ...	1	4 6 ...	1	15 0 ...	3
2 6 ...	1	5 0 ...	2	20 0 ...	3
3 0 ...	1	7 6 ...	2		

We think that the regulations of each colony should be uniform.

No. 4.

UNIFORM POSTAL REGULATIONS.

(Being No. 6 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

WE believe that the public convenience would be met by an assimilation of the regulations governing the transmission of letters, packets, and newspapers—the class of matter which should be sent as packets—and a uniform definition of newspapers and of supplements.

The question, however, is, we find, a large one, and the preparation of a uniform code of Regulations would occupy more time than we fear we could command during the sitting of the Conference, and, moreover, it is found that on many points on which uniformity is thought desirable, an amendment of the existing laws of some of the Colonies would be necessary.

Having, however, had the advantage of an interchange of ideas on this important question, it is suggested that the framing of draft regulations should be remitted to the Post Offices of Melbourne, Sydney, and Adelaide, for consideration of the respective Ministers, these draft regulations being afterwards forwarded for the consideration of the Postmasters-General of the remaining Colonies.

No. 5.

REDUCTION OF INLAND POSTAGE, AND THE ADOPTION OR OTHERWISE OF THE OUNCE UNIT.

(Being No. 7 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

* The estimate of loss is as follows:—

New South Wales	... £62,000
Victoria	... 75,000
South Australia	... 20,000
Queensland	... 30,000
Tasmania	... 7,000
New Zealand	... 23,000

THE former of these questions seems to us to be really one of policy, inasmuch as having given this important subject very careful consideration, we are satisfied that the reduction of the inland rate of postage from 2d. to 1d. would result in considerable loss of revenue,* and therefore we venture to suggest, is properly one for the Governments to determine on financial grounds.

It may, however, be possibly not out of place on our part to express the opinion that it would be undesirable that any one Colony should effect the reduction, unless by mutual arrangement with the whole.

It might happen that the conditions existing in one Colony would, in perhaps the near future, enable a penny inland postage to be conceded without material loss of revenue, or even at a profit, and the reduction in that Colony might, so to speak, force the hand of the others; as there can be little doubt that if, for instance, Victoria were to reduce, the public voice would insist on the reduction in New South Wales, South Australia, and Queensland—regardless of the fact that what might be worked, as before stated, without serious loss, or possibly at a profit, in the one Colony, would have the opposite effect in the others, with their larger territory, and consequently costlier mail services, but comparatively smaller population and postal revenue.

Further, there would be what residents of border towns would probably call the anomaly of a letter, (say) from Melbourne for Wodonga or Echuca being carried for a penny, whilst one for Albury or Moama, on the opposite side of the river, would be charged 2d., and it is therefore nearly certain that the reduction would be followed by a demand (as in the case of telegrams) for its extension to the border towns—thus entailing a still further loss of revenue.

Of course the former of these objections would not apply with equal force to the insular Colonies of New Zealand and Tasmania, whilst the latter objection would not be applicable to those two Colonies, and should any agreement be arrived at by the Conference not to reduce the inland postage, unless by mutual arrangement, we would suggest, for the consideration of Ministers, the question of whether such agreement might be considered as not absolutely binding on either of the Colonies named. It will no doubt, however, be thought very desirable that no Colony should reduce, until the time arrives when the growth of population and the extension of Railways will enable this much-desired boon to be afforded to the public within the whole of the Australasian Colonies, and possibly intercolonially also, without such serious loss of revenue, as the granting of it at the present time would certainly entail.

With regard to the ounce limit (by which is meant the charging of 2d. for a letter not exceeding 1 oz., and 2d. for every additional ounce, in lieu of 2d. for the first $\frac{1}{2}$ oz., and 2d. for every additional $\frac{1}{2}$ oz.) which has already been adopted in Victoria without, it is thought, any appreciable loss of revenue, if it be considered that something might now be done in the direction of cheaper rates, such a concession would certainly result in less loss of revenue than the reduction of postage to 1d.

We find it difficult to estimate the actual loss to each Colony that would follow the adoption of the ounce limit. In New South Wales the calculation is about £20,000 a year, on the presumption that the concession would apply intercolonially, as we suggest it should if adopted at all, and not within each Colony only.

No. 6.

NEWSPAPERS, INTERCOLONIAL—EXCHANGE OF.

(Being No 7 in the list of Questions submitted to the Conference by the Hon. F. T. Derham.)

WE are aware that great public inconvenience is felt through the different treatment of Intercolonial newspapers.

In Victoria periodicals coming under the definition of newspapers, and published in Victoria or elsewhere at intervals of three months (thus including magazines and reviews regarded elsewhere as books), are passed at newspaper rates, whilst in other Colonies one month is the limit. The Colony despatching these newspapers expects the receiving Colony to deliver them without charge, thus affording persons in Victoria greater advantages than those in other Colonies. A newspaper of unlimited weight is sent from New South Wales free of postage, and such newspaper is delivered in Victoria and South Australia or elsewhere, although those colonies make a charge on newspapers posted within their own territory. Some time since it was decided in Victoria, to send bulk newspapers to other Colonies at 1d. per lb., whilst 4d. per lb. was charged in the others. Booksellers in New South Wales and South Australia complained of loss of custom, as persons could procure their newspapers cheaper from Victoria, the result being that those Colonies had to reduce their rates to those of Victoria, whereupon a similar complaint came from the booksellers of Queensland; but the latter Colony, instead of reducing, determined to charge all such packets on delivery. Newspapers published in New South Wales, and in accordance with the definition of the New South Wales Postal Law, are charged on delivery in Queensland, if such publications would not be considered newspapers under the law of that Colony.

We deem it our duty to mention these matters to show the desirableness, in the public interest, of the observance of mutuality amongst the Colonies—that is to say, the desirableness of one common definition of newspapers between the Colonies, also a common agreement as to limitation of weight and rate of postage.

We find that the liberal definition of a newspaper in some of the Colonies has led to great abuse—articles being sent as newspapers which should really be paid for as books, and we venture to suggest that in any amended Laws or Regulations which may be prepared, the definition of the London Post Office as given in pages 2 and 215 of the Postal Guide for July, 1887, be adopted.

We also think that in those Colonies where bulk newspapers are transmitted at 1d. per pound, no bulk parcel containing less than six newspapers should be forwarded at bulk rate, and that nothing should be accepted as a supplement to a newspaper, unless printed and published in the same Colony as the newspaper, and that no stitched enclosure shall be regarded as a supplement to a newspaper.

Insets, handbills, and advertising sheets should not be considered as supplements.

No. 7.

EXCHANGE OF POST-CARDS BETWEEN GREAT BRITAIN AND THE AUSTRALASIAN COLONIES.

(Being No. 20 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

IN reference to the question of post-cards we respectfully invite attention to the letter from the London Post Office, dated 30th June, 1886, and appended hereto.

It will be seen that the estimate of the London Office is that post-cards will displace ordinary letters to a very small extent, at either a twopenny or a threepenny rate; the combined loss to Great Britain and the Colonies being calculated at not more than £700 a year at the threepenny, and £1,000 a year at the twopenny, rate, and from our own calculations we do not think the aggregate loss to the Colonies would exceed £1,000 a year by the adoption of the twopenny rate—especially if, as we suggest for consideration of Ministers, post-cards between Great Britain and the Colonies should be wholly sea-borne to and from Adelaide and Plymouth, at any rate in the first instance.

New Zealand and Queensland to make such arrangements in connection with their special mail services as they may think fit.

Tasmania to send its post-cards in the usual way its European Mails are despatched from Melbourne to Adelaide, but should post-cards be forwarded overland the transit rates to be paid.

No. 8.

REDUCTION OF INTERCOLONIAL TELEGRAPH RATES.

(Being No. 11 of the Questions submitted to the Conference by the Hon. C. J. Roberts.)

It is thought that there is no immediate necessity for any reduction in the intercolonial telegraph rates, but should it at any time be determined to establish an intercolonial rate of 1s., as a minimum, we would suggest for consideration that it should be on the understanding either that a ten-word message includes names and addresses, or that the 1s. message be limited to six words, every additional word being charged 2d., as at present. This would obviate the anomaly now existing in regard to messages between New South Wales and Victoria, and those places on the New South Wales, Victorian, and South Australian borders to which the shilling rate now applies. The present arrangement enables persons to divide their messages, *i.e.*, a telegram of ten words only costs 1s.; but should a person require to send one of twenty words, the rate would be 1s. for the first ten, and 1s. 8d. for the additional ten; whereas, by dividing the message into two, it can go for 2s., whilst the Post Office has the extra labour of dealing with two messages instead of one, and of repeating the names and addresses of the sender and addressee.

No. 9.

AMENDMENT OF TELEGRAPH REGULATIONS.

(Being No. 12 of Questions submitted to the Conference by the Hon. C. J. Roberts.)

LIKE the Postal Regulations, we regret that time will not permit of our dealing with the question of uniform telegraph regulations in an exhaustive manner, and the only alteration we are now prepared to suggest is that with respect to cypher messages every message in secret language, or consisting of words in any admitted language (English, French, German, Italian, Dutch, Portuguese, Spanish, and Latin) having no connective meaning, groups of letters or figures shall be regarded as a cypher message and be subject to an additional charge of 50 per cent.; and that in a message containing one or more words in cypher every such word shall be counted as two words and the extra charge be added to the minimum rate for a message, provided that such extra charge shall not exceed 50 per cent. on the ordinary rate which would be payable on account of the said telegram.

That groups of five letters or five figures shall count as one cypher word.

No. 10.

EXCHANGE OF PARCELS WITH GERMANY BY GERMAN PACKET,
AND QUESTION OF LOW TERRITORIAL RATE PROPOSED BY
GERMANY, PROBABLY WITH THE OBJECT OF ENCOURAGING
THE IMPORTATION OF MERCHANDISE INTO THE COLONY.

(Being No. 14 on the list of Questions submitted to the Conference by the Hon.
C. J. Roberts.)

THESE questions relate to the postage to be charged and accounted for on parcels conveyed between
Australia and Germany.

Since July last parcels have been conveyed to and from Germany, *via* London, at the following
rates:—

	Not exceeding 2lb.	Exceeding 2lb., but not exceeding 6lb.
Colonial Inland rate	10½d.	2/6½
Sea rate—Sydney to London	10d.	2/6
*British Transit rate	5d.	10d.
*Sea rate—London to Hamburg	2½d.	2½d.
German Inland rate	5d.	5d.
	<hr/> 2/9	<hr/> 6/6

(* Does not apply to proposed direct exchange.)

The charge on parcels conveyed between Great Britain and Australia is 1s. per lb., the minimum
charge being 2s.,—the charge on a parcel to Germany *via* London being thus slightly in excess of
the charge made to England. An exchange of parcels by the German Mail Contract Packets has since
been proposed, and the question for consideration is the rates of postage.

It appears obvious to us that the rates on parcels between Germany and Australia should certainly
not be any less than those charged between Great Britain and Australia. Germany, however, is not
agreeable to this rate, pointing out that their territorial charge is only 5d. for 11 lb.

For conveyance through Australian territory the Colonies, under arrangement with England, get
5d. for every single lb., or 4s. 7d. for an 11 lb. parcels by direct exchange with England, and it would,
we think, be undesirable, for many reasons, to agree to the low charge proposed by the German Post
Office. It is known that certain articles of German manufacture are produced at a very cheap rate
in that country; and apart from the postal aspect of the question, we are of opinion that it would not
be expedient for the Australian Post Offices to agree to receive these articles from Germany at so very
much lower a rate than that paid to them on parcels received from Great Britain.

The London Office has been made the medium of communication between the Colonies and Germany,
but seems to express no opinion of its own, and we very respectfully venture to offer our opinion
that the Australian post-offices should consent to no less an inland rate on parcels to and from Germany
than they receive on parcels to and from Great Britain. If one is reduced so should the other be. But
there would be no objection to have a lower initial rate, as in the case of Great Britain, than 11 lb., as
suggested by Germany; that is, we might agree to a similar charge of 1s. per pound with a minimum of
2s. being made, out of which we would get—as in the case of England—5d. per lb., or to adopt a
similar plan to that followed in exchanging parcels with Germany, *via* Great Britain, namely:—

Up to 2 lb.	2s.
Up to 6 lb.	6s.
Up to 11 lb.	11s.

The New South Wales inland rate being the same as before suggested.

No. 11.

EXCHANGE OF POST-CARDS BETWEEN GREAT BRITAIN AND THE
AUSTRALASIAN COLONIES, AND BETWEEN THE LATTER AND
GERMANY.

In reference to the question of post-cards we respectfully invite attention to the letter from the London
Post Office, dated 30th June, 1886, and appended hereto.

It will be seen that the estimate of the London Office is that post-cards will displace ordinary
letters to a very small extent, at either a twopenny or a threepenny rate, the combined loss to Great
Britain and the Colonies being calculated at not more than £700 a year at the threepenny, and £1,000 a
year at the twopenny, rate, and from our own calculations we do not think the aggregate loss to the
Colonies would exceed £1,000 a year by the adoption of the twopenny rate—especially if, as we suggest
for consideration of Ministers, post-cards between Great Britain and the Colonies should be wholly sea-
borne to and from Adelaide and Plymouth, at any rate in the first instance.

New Zealand and Queensland to make such arrangements in connection with their special mail
services as they may think fit.

Tasmania to send its post-cards in the usual way its European Mails are despatched from
Melbourne to Adelaide, but when forwarded overland the transit rates to be paid.

With regard to an exchange of postal-cards with Germany, Ministers will probably concur in the
opinion expressed by the Postmaster-General of Great Britain in the correspondence which has taken
place on the subject, that it would be undesirable to establish such an exchange with Germany until
introduced between the Colonies and Great Britain.

No. 12.

QUESTION OF CHARGING FIJI FOR TRANSIT OF ENGLISH MAILS
BY RAIL THROUGH AUSTRALIAN TERRITORY.

*(Being No. 22 on the list of Questions submitted to the Conference by the
Hon. C. J. Roberts.)*

THE Fijian Post Office objects to the payment of any Australian territorial transit rates for the carriage of its mails by rail between Adelaide and Sydney, but requests that such mails be conveyed between those ports by sea. The question for decision is, therefore, whether mails from that Colony should be put on board in Sydney or Melbourne, and those for that Colony brought on to Sydney or Melbourne by steamer.

We think that no exception should be made in the case of Fiji, and that if that Colony does not see its way to pay the Australian transit rates its mails should be landed at, and shipped from, Sydney or Melbourne.

No. 13.

EXCHANGE OF POST-CARDS WITH NEW ZEALAND.

*(Being No. 5 on the list of Questions submitted to the Conference by the
Hon. F. T. Derham.)*

We think an exchange of post-cards with New Zealand would be a public convenience, but before its introduction it would, we think, be necessary to make special arrangements with the steamers for the carriage of post-cards at a cheaper rate than one penny, as the Departments could not afford to pay to the steamers for sea conveyance the whole of the postage received.

S. H. LAMBTON,
Secretary, Post Office Department, N. S. Wales.

CHARLES TODD,
Postmaster-General, South Australia.

JAMES SMIBERT,
Deputy Postmaster-General, Victoria.

JOHN M'DONNELL,
Under Secretary Post Office and Telegraph Department, Queensland.

W. GRAY,
Secretary, Post Office and Telegraph Department, New Zealand.

A. C. DOUGLAS,
Secretary, Post Office, Tasmania.

We concur in regard to No. 8 (Reduction of Intercolonial Telegraph Rates) and No. 9 (Amendment of Telegraph Regulations).

E. C. CRACKNELL,
Superintendent of Telegraphs, New South Wales.

ROBERT HENRY,
Superintendent of Telegraphs, Tasmania.

Sydney, 25th January, 1888.

POSTAL CONFERENCE.

(HELD IN SYDNEY, JANUARY, 1888.)

PAPERS LAID BEFORE THE CONFERENCE.

1. List of subjects proposed for consideration by the Hon. C. J. Roberts, C.M.G.
2. List of additional subjects proposed for consideration by the Hon. F. T. Derham.
3. Despatch from the Secretary of State for the Colonies to His Excellency the Governor, on the subject of the Australian Mail Services, and forwarding a copy of a letter from the Treasury, with enclosures on the subject.
4. Letter from Captain F. C. Rowan, Australian representative of the Pacific Telegraph Company (Limited), on the object and aims of the same Company.
5. The Australasian Cable Question, laid before the Conference by Captain Rowan.
6. Proposition of the Eastern Extension Company to the Australasian Colonies. Table showing word rate per 100 miles. Result of working New Zealand Cable since 1881.
7. Correspondence between Sir John W. Downer, K.C.M.G., and J. Brumston, Esq., on the subject of the transit through to destination of Mail Matter to Australia.
8. Letter from S. A. Blackwood, Esq., to the Postmaster-General, Sydney, *re* proposed exchange of Post Cards.
9. Memorandum by Sir Julius Vogel, Postmaster-General, New Zealand, *re* Telegraph Cables.
10. Letter from Sandford Fleming, Esq., to the Colonial Secretary, New Zealand, *re* Telegraphic communication between Great Britain and the Australasian Colonies *via* Pacific Cable, Vancouver Island, Canadian Land Line route, and Atlantic Cable.
11. Memo. by Mr. Gray, Secretary to the Post Office and Telegraph Department, New Zealand, to the Hon. Sir Wm. Fitzherbert *re* the New Zealand-Australian Cable.
12. Memo. by Mr. Cracknell, Superintendent of Telegraphs, New South Wales, on the subject of the New Zealand Cable.
13. Statement showing Revenue derived from Working Expenses of and Annual Interest on Loans for the Adelaide and Port Darwin Telegraph Line, from 1st January, 1873, to 31st December, 1887.
14. Letter from Captain Rounding on the subject of the proposed Canadian-Pacific Mail Service from England to Australia, *via* Montreal and Vancouver.
15. W. Gregor Taylor, on behalf of the Eastern Extension Company—Evidence of.
16. Statement by Captain Rowan on behalf of the Pacific Telegraph Company (Limited).

POSTAL CONFERENCE.

(SYDNEY, JANUARY, 1888.)

No. 1.

SCHEDULE OF QUESTIONS FOR CONSIDERATION LAID BEFORE THE CONFERENCE BY THE HON. CHARLES J. ROBERTS, C.M.G. CHAIRMAN.

1. Ocean Mail Service.
 - (a) Mode of apportioning subsidies and settling accounts between the United Kingdom and the three Colonies parties to the contract.
 - (b) The terms on which arrangements may be made with the other Colonies to participate in or make use of the Service.
 - (c) The sea transit rates to be charged to foreign countries making use of the Service.
 - (d) The railway or Australian territorial transit rates to be charged by the forwarding Colonies. The Baker agreement only defines these in respect to outward mails from Great Britain.
 - (e) The direct exchange of mails with Germany by British packets.
 - (f) Territorial transit rates through France and Italy.
 - (g) Whether any portion of the mails can be wholly sea-borne between Adelaide and some port (say Plymouth) in the United Kingdom—otherwise the over-sea rate.
 - (h) Rates of postage to England, Europe, and other countries.
2. Trans-Pacific Mail Service.
3. Universal Postal Union.
4. Intercolonial Parcels Post.
5. Intercolonial Postal Notes.
6. Uniform Postal Regulations.
7. Reduction of Inland Postage, and the adoption or otherwise of the ounce unit.
8. Eastern Extension Telegraph Company's offer of reduced cable rates on basis of guarantee.
9. Duplication of telegraph land line, by an extension from some point on the Port Darwin line to connect with the Queensland system at Burketown.
10. Reduction of Indian transit rates.
11. Reduction of intercolonial telegraph rates.
12. Amendment of Telegraph Regulations in the direction of uniformity.
13. New Zealand cable rates.
14. Exchange of parcels with Germany by German packet, and question of low territorial rate proposed by Germany, probably with the object of encouraging the importation of merchandise into the Colony.
15. As to redirection fee on parcels.
16. Parcels post with Hong Kong.
17. Surcharges by Queensland on packets from other Colonies.
18. Question of charging Colonies for mail matter from America by Pacific steamers.
19. Proposed extension of San Francisco Mail Service.
20. Exchange of post-cards between Great Britain and the Australasian Colonies.
21. Pacific Cable—
 - (a) Proposed submarine cable between Australia and Canada.
 - (b) Proposed survey of Pacific with a view to laying such cable.
22. Question of charging Fiji for transit of English mails by rail through Australian territory.

No. 2.

LIST OF ADDITIONAL SUBJECTS PROPOSED FOR CONSIDERATION BY THE HON. F. T. DERHAM.

1. Transit rates for Mails per foreign steamers.
2. Do Italy.
3. Germany—direct exchange of mails—British packets.
4. Post-cards exchange with Germany.
5. Do do New Zealand.
6. Do (letter cards).
7. Newspapers, Intercolonial—Exchange of (Postal Guides).
8. Racing sweep notices.
9. Stamps interchangeable.
10. Telephone patents.
11. Telegrams from Victoria to New South Wales, extra words (New South Wales only).

No. 3.

DESPATCH FROM THE SECRETARY OF STATE FOR THE COLONIES
TO HIS EXCELLENCY THE GOVERNOR, ON THE SUBJECT OF
THE AUSTRALIAN MAIL SERVICES, AND FORWARDING A COPY
OF A LETTER FROM THE TREASURY, WITH ENCLOSURES ON
THE SUBJECT.

(Laid before the Conference by the Hon. C. J. Roberts, C.M.G.)

The Secretary of State for the Colonies to His Excellency the Governor of New South Wales.

(New South Wales, No. 100.)

My Lord,

Downing-street, 16 November, 1888.

With reference to my despatch (No. 88), of 12th ultimo, and to previous correspondence, respecting the proposed Australian Mail Services, I have the honor to transmit to you, to be laid before your Lordship's Government a copy of a letter from the Treasury, with its enclosure on the subject.

I request that you will move your Government to signify their concurrence in the conditions named.

The contracts will be forwarded as soon as received, for submission to the Legislatures of the Colonies concerned.

I have, &c.,

H. T. HOLLAND.

The Secretary, H.M. Treasury, to The Under Secretary of State, Colonial Office.

Sir,

Treasury Chambers, 14 November, 1887.

I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of Secretary Sir Henry Holland, that on the 8th instant the Chancellor of Exchequer received the Agents-General of the Colonies of New South Wales, Victoria, and South Australia, who were authorized by their respective Governments to negotiate and conclude terms for the division between the Australian Colonies and the United Kingdom of the cost of the Australian Mail Service proposed to be established on the expiration of the existing Colonial contracts on the 31st January, 1888.

The Agents-General proposed, on behalf of Her Majesty's Government, the Chancellor of Exchequer agreed, that the cost of the new contract, viz., £170,000 per annum, should be divided in the proportions of £95,000 to the United Kingdom, and £75,000 to the Colonies concerned.

My Lords have accordingly authorized the Postmaster-General to prepare contracts with the Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company for the performance of the proposed service on the conditions stated in my letter to the Postmaster-General of even date herewith, of which I am to enclose a copy for Sir H. Holland's information. The general conditions will be already known to the Secretary of State, but he will observe one fresh point, viz., the allocation of payments for Foreign mails.

The question of the division of the cost of the contract having been thus settled as between the United Kingdom and the Colonies, there remains the further questions of the appropriation of the postage receipts collected in the United Kingdom and in the Colonies referred to in the letter to the Postmaster-General, the apportionment between the Colonies concerned of the Colonial portion, and the responsibility of one or all the Colonies for the due collection and remittance to the Postmaster-General of their respective shares.

With the apportionment between the Colonies of the sum to be annually contributed by them, my Lords are not immediately concerned. The Colonies will, no doubt, agree on a method of division among themselves; and their Lordships will only say that, if the advice and assistance of the Post Office should be required, they will gladly instruct the Postmaster-General to render any help in his power in settling the question.

On the other point I am to observe that the Postmaster-General will make the contracts with the Companies, and be responsible for the annual payment of £170,000 to them, the whole of which will consequently require to be provided in the Post Office Packet Vote, the payments of the Colonies for their share being taken as extra receipts, and paid into the Exchequer.

As Sir H. Holland is aware, my Lords entertained considerable objection to this course, as tending to swell the amount of the Estimates to be presented to Parliament.

It is, however, inevitable, under existing circumstances, and my Lords have now only to ask that the necessary steps may be taken for the regular and punctual payment of the Colonial contributions. It will, in the first place, be desirable that there should be a formal record of the agreement of the Colonies concerned to the distribution verbally agreed to by the Agents-General, as well as to the contribution being continued during the entire period of seven years for which the contracts will be made, and my Lords would be glad if Sir H. Holland would secure that this is done.

The dates of the periodical payments to be made will be determined by the dates of the payments to be made to the Companies by the Postmaster-General in accordance with the conditions of tender, and will accordingly be at intervals of three months—the first payment to be made in London on 31st March, 1888.

My Lords would prefer and the Agents-General assent to this, that the Colonies should arrange among themselves that one of them should undertake the responsibility for making the quarterly remittance on account of the whole £75,000 to the Imperial Post Office, and I am to request that you will move the Secretary of State to submit this proposal to the Colonial Governments.

Sir Henry Holland will no doubt also take the necessary steps for inducing the Colonial Governments to carry out the stipulation which forms part of the two Packet Companies stipulations of the 18th of February, 1887, that the mail steamers shall not be placed on a less favourable footing as regards port and light dues, or other public charges, in any of the Colonial ports, than any other ocean steamers trading with the same ports.

I am, &c.,

W. L. JACKSON.

The

The Secretary, H.M. Treasury, to The Postmaster-General.

Sir,

Treasury Chambers, 14 November, 1887.

I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you that on the 8th instant the Chancellor of the Exchequer received the Agents-General of New South Wales, Victoria, and South Australia, who were authorized, by their respective Governments, to negotiate and conclude terms for the division between the Australian Colonies and the United Kingdom of the cost of the mail service intended to come into force on the expiration of the present Colonial contracts on the 31st January, 1888.

The result of the Conference was, that it was agreed that the total cost of the new services, viz., £170,000, should be divided in the proportion of £95,000 to the United Kingdom, and £75,000 to the Colonies concerned. The whole cost of the contract will be annually provided in the Packet Vote, and the contributions of the Colonies will be taken as an extra receipt in the same way as the repayments by India and the Eastern Colonies on account of the Eastern Mail Service. It was further agreed that as regards all correspondence conveyed under the new contracts, the Imperial Post Office and the Colonies will respectively keep all the postage which they collect on such correspondence in lieu of the proportions of the total postage specified in Mr. Childers' scheme of 1880. As regards this last question, as well as in regard to the division of the Australian share of £75,000 between the Colonies concerned, its collection and remittance and the responsibility of one or all the Colonies, My Lords are in communication with the Secretary of State for the Colonies and will communicate the necessary papers to you in due course.

The question of the division of the cost of the contract having been thus settled, I am directed by their lordships to authorize you to accept the offers of the Peninsular and Oriental Steam Navigation Company and the Orient Steam Navigation Company, and to prepare for submission to this Board contracts with those Companies for the performance of a Mail Service to and from Australia on the following terms:—

1. Each Company to perform a service in alternate weeks, the two Companies together thus providing a regular weekly service, and to receive the sum of £85,000 per annum.
2. The mails to be conveyed by the Orient Company from Naples to Adelaide, and *vice versa*, and by the Peninsular and Oriental Company from Brindisi to Adelaide, and *vice versa*, the time allowed between Naples and Adelaide being thirty-two days, and between Brindisi and Adelaide in thirty-two and a half days, including in each case stoppages and passage through the Suez Canal.
3. Power to be taken by the Post Office to place any outward mails on board the steamers at a port in the United Kingdom, and on the homeward voyage the contracting Companies to carry such portion of the mails as may be so directed for delivery at the first port of arrival in the United Kingdom or in London, times and dates of arrival at and departure from the United Kingdom being fixed at the discretion of the Companies.
4. The mails carried to include parcels.
5. The contract to be for a term of seven years, to commence on the 1st February, 1888.
6. The Colonies undertake that the steamers of the two Companies are not to be placed on a less favourable footing as regards port and light dues, or other public charges, in any of the Colonial Ports, than any other ocean steamers trading to the same ports.
7. The Peninsular and Oriental Company to have liberty to transmit the China Mails at certain seasons by the Australian steamers between Brindisi and Colombo if they should think it advisable to do so, it being understood that this concession does not enable the Company to run one steamer instead of two on any of the routes covered by the Eastern Mail contract or the contract about to be concluded.
8. The Companies to undertake, in the event of the Suez Canal being blocked, to carry the mails if so required *via* the Cape of Good Hope, on the conditions stated in their respective letters to you of the 23rd September, 1887.

Subject to the above general conditions the contracts will be on the terms embodied in the notices, forms of tender, and correspondence, and will be signed by H.M. Postmaster-General.

I am to add that it was agreed between the Agents-General and the Chancellor of the Exchequer that any payments made to this country by other Postal authorities in respect of mails sent by them on the Australian Packets on the outward voyages, will be placed to the credit of the British Post Office, the Colonies, on the other hand, retaining the whole of the postage received by them on mails addressed to countries other than the United Kingdom on the homeward voyage.

I am, &c.,

W. L. JACKSON.

No. 4.

LETTER FROM CAPTAIN F. C. ROWAN, AUSTRALIAN REPRESENTATIVE OF THE PACIFIC TELEGRAPH COMPANY, TO THE CONFERENCE OF POSTMASTERS-GENERAL, ASSEMBLED IN SYDNEY, JANUARY 19TH, 1888.

(Laid before the Conference by the Hon. C. J. Roberts, C.M.G.)

PROPOSED PACIFIC CABLE.

Gentlemen,

Sydney, 19 January, 1888.

On behalf of the Pacific Telegraph Company (Limited), of London (particulars respecting the constitution of which have already been forwarded to the Postmasters-General of the various Australasian Colonies, here represented), I have the honor to request that this Honorable Conference will see fit to afford me an opportunity during its sitting of laying before it a short statement of the objects and aims of the above-mentioned Company, with a view of enabling the Conference to discuss the said objects and aims,

aims, together with their prospective advantages to the Australasian Colonies, and, possibly, of obtaining from the Conference some expression of the views of its members upon the important question of establishing duplicate and separate cable communication with Great Britain and America.

In support of my claim to represent the aforesaid Company, I have the honor to forward copies of two letters received during the past year from the Secretary of the Company, the originals of which I shall be happy to present for purpose of confirmation. I may add, that between the dates of receiving the first and the second letters referred to, Captain Audley Coote visited London and attended, I believe, some of the meetings of the Conference held in that city during April last, and it was owing to his continued absence from the Colonies that I was specified as the only accredited agent of the Company, notwithstanding the joint representation mentioned in the letters of January 1st.

I have, &c.,

For the Pacific Telegraph Company (Limited),
F. C. ROWAN,
Australian representative of the P. T. Co. (Limited).

The Secretary, Pacific Telegraph Company (Limited), to Captain F. C. Rowan.

Pacific Telegraph Company (Limited), 34, Clement's Lane,
London, E.C., 1 January, 1888.

Sir,

Before you receive this you will, no doubt, have been advised that a Company named "The Pacific Telegraph Company (Limited)" has been formed and registered for the purpose of laying a cable between Vancouver Island and Australia.

I have now the honor to inform you that at a Board meeting, held on the 22nd December, 1886, it was resolved to offer to yourself and to Captain Audley Coote the position of joint representative agents to the Company for Australasia and the islands of the Pacific.

I am, &c.,

HAROLD FINCH-HATTON,
Secretary.

Copy of letter sent to The Postmasters-General of Victoria, New South Wales, Queensland, Tasmania, New Zealand, and South Australia, by Harold Finch-Hatton; Secretary of the Pacific Telegraph Company (Limited).

Sir,

34, Clement's Lane, London, 25 July, 1888.

In view of the possibility of any unauthorized person or persons attempting to represent themselves being connected with this Company, I am instructed to inform you that the only accredited agent of the Company in Australia is Captain F. C. Rowan, of Melbourne.

I have, &c.,

HAROLD FINCH-HATTON,
Secretary.

No. 5.

THE AUSTRALASIAN CABLE QUESTION.

[Reprinted from *The Electrical Review*, 4th March, 1887.]

(Paper handed in by Captain F. C. Rowan, and laid upon the Table by Mr. Roberts.)

A FEW months ago we (*Imperial Federation*) called attention to an official statement made in the House of Commons that telegraphic communication with the Australian Colonies had been dependent solely upon the line through Russia only once during the six years from 1881 to 1886. The deduction which every one was expected to draw from this was that interruptions were of the rarest occurrence, and that an alternative route was therefore unnecessary. Perhaps the following record of the cable interruptions on the Australian route between the years 1872 and 1883 (we are unable to furnish later figures) will show that it is living in a fool's paradise to believe that break-downs are few and far between. Indeed, it is only the fact of the line being in duplicate that has saved the communication from being constantly defective. We are unable at present to lay our hands upon the dates when the two lines between Singapore and Port Darwin were laid down, but we shall endeavour to discover this for the benefit of the public, who ought not to be allowed to remain in doubt as to the exact measure of their security. It is, however, a sufficiently serious matter when we find that in the twelve years under review there have been no less than 30 break-downs, totalling up to a period of about 540 days, or 18 months, during which some portion of the direct cable route to Australia was unavailable. We now give the list, leaving our readers to form their own opinion as to the entire trustworthiness of cable communication with Port Darwin, the only point, be it remembered, in Australia which is connected with any other continent by cable.

CABLE

CABLE Interruptions on the Australian Route, 1872-1883.

	When interrupted.	When restored.	Where between.
1872	June 22.	October 20.	Port Darwin and Banjoewangie.
1873	February 21.	February 24.	Land line between Boezki and Banjoewangie.
	March 31.	April 2.	Batavia and Singapore.
	May 12.	May 26.	Penang and Madras.
	July 13.	July 13.	Land line 30 miles from Banjoewangie.
	November 20.	November 23.	Singapore and Penang.
1874	May 20.	May 31.	Batavia and Singapore.
	August 13.	August 15.	Do.
	August 16.	August 23.	Do.
	December 10.	December 29.	Do.

Floating station was established 16 miles from Batavia, with daily steam communication to Singapore, on December 18th.

1875	September 2.	September 16.	Batavia and Singapore.
	November 5.	November 8.	Do.
	November 15.	December 24.	Penang and Madras.
1876	March 28.	August 24.	Do.
	April 24.	August 7.	Port Darwin and Java.
	October 22.	November 30.	Batavia and Singapore.
1877	February 26.	March 2.	Do.
	July 15.	July 17.	Singapore and Penang.
	September 26.	October 13.	Batavia and Singapore.
	October 19.	October 31.	Singapore and Penang.
	November 8.	December 15.	Port Darwin and Banjoewangie.
1878	January 22.	February 3.	Batavia and Singapore.
	March 11.	March 13.	Land line between Sitoebondo and Surabaya.
	September 26.	October 5.	Port Darwin and Banjoewangie.
1879	May 29.	May 30.	Do.
	July 4.	July 24.	Do.
1883	March 5.	March 7.	Do.
	March 9.	March 16.	Do.
	April 6.	April 9.	Do.
	October 22.	April 26.	Do.

Supposing that cable communication between Port Darwin and London were absolutely perfect, and secured against the faintest possibility of a break-down, there would still be cause for the gravest anxiety, should it be a matter of urgency to send telegraphic despatches to our great Australian Colonies.

It must be remembered that the whole continent of Australia has to be traversed by a single line before that network of telegraphs in the south is reached, where total interruption is a practicable impossibility. The nearest telegraph station in Queensland is several hundred miles from the trans-Continental line, over which every message from Europe to Adelaide, Melbourne, Sydney, Brisbane, and New Zealand has to pass.

It is sometimes supposed that a land wire is perfectly safe. So far as the Queen's enemies are concerned this is true; but there are natural forces which give more trouble than hostile grappling-irons. Between Port Darwin in the north and Port Augusta, where the branches diverge from the trunk line in the south, there have been in the twelve years from 1872 to 1883 inclusive, 100 separate occasions on which communication has been interrupted, covering a period of 201 days.

What, then, is the use of relying upon duplicate cables and security of communication by sea, so long as these interruptions take place on the land? Some of the stations are very long distances apart, and priceless time might elapse in conveying some urgent message across the hiatus caused by a break-down. Is it not the height of infatuated folly to lean upon the fancied safeguard of this trans-Continental wire, which has so often failed us? It is admitted on all hands that *immediate* notice of a declaration of war would be a necessity if the shipping in Australian waters is to be confined to port, and the harbours are to be protected against attack. And yet the only means of sending prompt information to a single port in Australia or New Zealand hangs upon the immunity from damage of a single line of telegraph, which can only show for a testimonial the record of 100 interruptions in 12 years. The list is too long for us to publish the whole of it; but we append a summary, which shows that the break-downs can be reckoned upon to occur in every year, to a greater or less extent.

INTERRUPTIONS on the Telegraphic Line between Port Darwin and Port Augusta.

Year.	Number of times broken.	Total length of interruptions.	Year.	Number of times broken.	Total length of interruptions.
1872	2	6 days.	1878	19	38½ days.
1873	7	18 "	1879	13	22 "
1874	8	20 "	1880	2	2 "
1875	8	17½ "	1881	5	5½ "
1876	9	25 "	1882	5	6½ "
1877	17	34 "	1883	5	6 "

We hardly know where to look for comfort—whether the cables or the land-line are most to be trusted ; but surely the case is strong enough to be taken in hand without delay. Many millions sterling are hazarded on this question of rapid and secure communication with Australia. Merchants in London are concerned in it, no less than in the Colonies ; and if the Imperial Conference is allowed to meet and disperse without a definite course being adopted to remedy the dangers of the situation, a very grave responsibility will be attached to every member of it who, having the opportunity, has failed to lift up his voice in earnest protest against the neglect of so vital a matter.

No. 6.

(1.)—PROPOSITION OF THE EASTERN EXTENSION COMPANY TO THE AUSTRALASIAN COLONIES.

(Laid before the Conference by the Hon. C. J. Roberts.)

(2.)—PROPOSITIONS OF THE EASTERN EXTENSION COMPANY TO THE AUSTRALASIAN COLONIES.

(3.)—TABLE SHOWING WORD RATE PER 100 MILES.

(4.)—RESULT OF WORKING OF NEW ZEALAND CABLE SINCE 1881.

(Laid before the Conference by the Representatives of the Eastern Extension
Telegraph Co.)

(1.)—PROPOSITION OF THE EASTERN EXTENSION COMPANY TO THE AUSTRALASIAN COLONIES, SUBJECT TO THE APPROVAL OF ALL THE INTERESTED ADMINISTRATIONS.

THAT they should guarantee to the Companies carrying Australasian telegrams, viz.,—the Eastern, Indo-European, and Eastern Extension Companies, their annual revenue based on the average of the three years ended 1886, for *13 years, the unexpired term of the duplicate Cable Subsidy, and make the through tariff 4s. per word.

Average annual traffic receipts of the three Companies from Australasian telegrams, exclusive of existing subsidies, viz. :—

Eastern	...	...	...	...	...	...	£52,300	
Indo-European	...	...	...	...	...	...	7,700	
Eastern Extension	...	...	...	...	...	...	125,000	
								£185,000
Estimated revenue at a 4s. tariff between Europe and Adelaide, based on present traffic, and assuming that South Australia accept a transit rate of 5d. per word :—(See Table below)								£80,000
								£105,000
The Companies will take the whole risk of any falling off of traffic receipts below £80,000, and also accept one-fourth of the guarantee risk, viz.								26,250
Leaving as the <i>maximum liability</i> of the Colonies if no increase of traffic takes place								£78,750
								£105,000

If the traffic receipts increased by:—

25 per cent.	the Colonies would have to make up	...	...	...	...	£63,750
50	"	"	"	"	"	48,750
75	"	"	"	"	"	33,750
100	"	"	"	"	"	18,750

distributed as follows:—

GUARANTEE.

Colony.	Population, based on 1885 Statistics.†	Amount to be made up, exclusive of Subsidies, if traffic increased by			
		25 %	50 %	75 %	100 %
		£	£	£	£
Victoria	991,869	19,029	14,552	10,074	5,597
New South Wales	957,914	18,379	14,055	9,730	5,406
South Australia	313,423	6,012	4,597	3,183	1,768
Western Australia	35,186	676	517	358	199
New Zealand	575,226	11,035	8,439	5,842	3,246
Queensland	315,489	6,050	4,626	3,203	1,779
Tasmania	133,791	2,569	1,964	1,360	755
TOTAL	3,322,898	63,750	48,750	33,750	18,750

† These are the most recent statistics in the Company's possession, but the latest ascertained populations would, of course, form the basis of the calculations.

If the Subsidies were pooled and distributed over all the Colonies according to population, result would be as follows :—

SUBSIDIES.

Colony.	Existing contributions in respect of Duplicate Cable on 1881 Census.	Contributions in respect of New Zealand and Tasmanian Cables.	Contributions if subsidies spread over all Colonies on basis of population, 1885.
	£	£	£
Victoria	14,479	.....	13,164
New South Wales...	12,617	2,500	12,714
South Australia ...	4,805	.....	4,159
Western Australia ...	499	.....	467
New Zealand ... ..	.....	5,000	7,634
Queensland ... ..	.....	.....	4,185
Tasmania ... ..	.....	4,200	1,777
	32,400	11,700	44,100

The following table shows the contribution of each Colony if subsidies and guarantee combined and distributed over all Colonies, according to population on basis of 1885 Statistics.

SUBSIDIES AND GUARANTEE COMBINED.

	25 %.	50 %.	75 %.	100 %.
	£	£	£	£
Victoria	32,193	27,716	23,239	18,760
New South Wales ...	31,093	26,769	22,444	18,121
South Australia...	10,170	8,756	7,341	5,926
Western Australia ...	1,143	984	825	666
New Zealand	13,669	16,072	13,476	10,879
Queensland	10,235	8,811	7,388	5,965
Tasmania	4,347	3,742	3,137	2,533
£	107,850	92,850	77,850	62,850

PRESENT TRAFFIC SHOWING PROPORTIONS AT 4/- TARIFF.

Class of traffic.	Number of words.	Companies' proportion of 4/- Tariff.	Out payments.	Total Tariff.
		s. d.	s. d.	s. d.
Ordinary	489,000	2 5½	1 6½	4 0
Government	41,000	2 5	1 6½	3 11½
Press	70,000	1 11	0 9	2 8
Local (including India) ...	54,000	3 0	1 0	4 0
Total	654,000			

The above proposition is based upon a continuous service and freedom from competition. In the event of the communication being totally interrupted, the guarantee to continue for a period of one month.

Since the Australian cables were duplicated in 1880 the service with Australia has been interrupted for only twenty-six days, or on an average of less than four days annually.

April, 1887, Winchester House, 50, Old Broad-street, E.C.

(2.)—PROPOSITIONS OF THE EASTERN EXTENSION COMPANY TO THE AUSTRALASIAN COLONIES, SUBJECT TO THE APPROVAL OF ALL THE INTERESTED ADMINISTRATIONS.

ESTIMATED results to Governments if they guaranteed the amounts asked for by Associated Companies and introduced the following reduced tariffs :—

	4s. tariff.
Amount to be guaranteed... ..	£183,000
Revenue of Associated Companies at reduced tariff as below	80,000
Loss to Government if no increase took place	£103,000

With the following increases the loss would be reduced or turned into a gain :—

10 per cent.	Loss	£95,000
25 „	„	83,000
33 „	„	76,334
50 „	„	63,000
75 „	„	43,000
100 „	„	23,000

Table showing estimated revenue if Australasian tariff reduced as shown :—

DIVISION OF CHARGES.

Outpayments.	Public.	Press.	Present Tariff, 9/4.
Europe	2	1½	2d.
India	7½	2½	7½d.
Gulf Dept.	2½	0¾	{ ...
Cis.-India ... ..	...	...	{ 2/9
Java	1½	0½	1½d.
South Australia	5	4	1½
	16½	9	4/10
<i>Associated Companies—</i>			
Extension	1	1½	4/6
Eastern & Indo	2½	9½	...
	40	28	9/4

	Words.
PRESENT TRAFFIC—Public	489,000
Government	41,000
Press	70,000
Local	54,000
	<u>654,000</u>

VALUE TO COMPANIES.

	4s.
Public	£60,106
Government	4,954
Press	6,708
Extension Local	8,175
	<u>£79,943</u>

(3.)—TABLE SHOWING WORD-RATE PER 100 MILES.

				Rate per word.	Distance in nautical miles.		Rate per word per 100 miles. Decimal of a penny.	
					Via Gb.	Via M.E.	Via Gb.	Via M.E.
<i>Eastern Extension Companies:—</i>				s. d.				
London to ...	Egypt ... ..	...	...	1 7	3,526	2,469	·54	·77
	Aden ... ..	...	...	3 9	5,175	4,118	·87	1·09
	India for Indian correspondence	...	...	4 0	6,994	5,937	·69	·81
	India for Trans-Indian correspondence	...	...	3 5	7,619	6,562	·53	·62
	Penang ... ..	...	...	5 7	9,047	7,990	·74	·84
	Singapore ... ..	...	...	6 5	9,456	8,399	·81	·91
	Java ... ..	...	...	6 10	9,992	8,935	·82	·92
	Port Darwin ... ..	...	...	8 2	11,497	10,440	·85	·94
	Melbourne ... ..	...	...	9 4	13,706	12,649	·82	·88
	Hong Kong ... ..	...	...	7 1	11,059	10,002	·77	·85
	Manila ... ..	...	...	9 0	11,587	10,530	·93	1·02
	Zanzibar ... ..	...	...	7 9	7,083	6,026	1·31	1·54
	Durban ... ..	...	...	8 9	9,028	7,971	1·16	1·31
	Cape Town ... ..	...	...	8 11	9,828	8,771	1·09	1·22
Madras to ...	Singapore ... ..	...	...	3 0	.....	1,837	.....	1·95
	Hong Kong ... ..	...	...	3 5	.....	3,440	.....	1·19
	Port Darwin ... ..	...	...	4 6	.....	3,878	.....	1·39
<i>Brazilian Co., for Transit Messages:—</i>								
London to ...	Pernambuco ... ..	...	...	7 0	.....	4,839	.....	1·74
	Rio de Janeiro ... ..	...	...	7 11	.....	6,119	.....	1·55
	Monte Video ... ..	...	...	9 2	.....	7,377	.....	1·49
	Valparaiso ... ..	...	...	8 10	.....	8,277	.....	1·28
<i>Anglo-American Co.:—</i>								
London to New York				2 0	.....	3,543	.....	·67
(Present rate) ...				0 6	.....	.....	.....	·17
<i>West India and Panama Co.:—</i>								
London to ...	Jamaica ... ..	...	...	5 10	.....	5,443	.....	1·29
	Panama ... ..	...	...	4 2	.....	6,048	.....	·83
	St. Thomas ... ..	...	...	9 1	.....	6,116	.....	1·78
New York to ...	Jamaica ... ..	...	...	5 4	.....	1,900	.....	3·37
	Panama ... ..	...	...	3 8	.....	2,505	.....	1·76
	St. Thomas ... ..	...	...	8 7	.....	2,573	.....	4·00
Aden to ...	Durban ... ..	...	...	5 0	.....	3,853	.....	1·55
	Cape Town ... ..	...	...	5 2	.....	4,653	.....	1·33

(4.)—RESULT OF WORKING OF NEW ZEALAND CABLE SINCE 1881.

Capital, £300,000.

Year.	Gross receipts.					Expenses.	Net receipts on Cable and percentages on Capital.				
	Message receipts of Cable.			Subsidies.	Total receipts of Cable.		Stations.	Without subsidy.		With subsidy.	
	Local.	Through.	Total.								
	£	£	£	£	£	£	£		£		
1882	15,373	2,906	18,279	7,500	25,779	3,532	14,747	5	22,247	7½	
1883	14,208	3,360	17,568	7,500	25,068	2,956	14,612	5	22,112	7½	
1884	15,512	3,342	18,854	7,500	26,354	4,032	14,822	5	22,322	7½	
1885	17,132	3,513	20,645	7,500	28,145	4,363	16,282	5½	23,782	8	
1886	16,904	3,552	20,456	1,032	21,488	4,238	16,218	5½	17,250	5¾	
6 months to 30 June, 1887	7,641	1,990	9,631	...	.....	2,050	7,581	2½ Or at the rate of 5% per annum.	.....	...

Average since opening of Cable 3½ 5½

No provision is made in the above calculations for maintenance and renewal of the Cable, which cannot be estimated at much less than 5%

CORRESPONDENCE ON THE SUBJECT OF THE TRANSIT THROUGH TO DESTINATION OF MAIL MATTER TO AUSTRALIA.

(Laid before the Conference by the Hon. J. C. F. Johnson.)

Sir J. W. Downer, K.C.M.G., to J. Bramston, Esq.

Dear Mr. Bramston,

Hotel Metropole, 7 May, 1887.

The agreement between the Colonies to which the Imperial Government became a party, is that Great Britain pays cost of transit through to destination of mail matter sent to Colonies, they doing the same with their own mail matter the other way, but I have no copy of the Imperial letter assenting to this. The question has been raised in the Colonies as to the duty of the Imperial Government and Colonies respectively, to pay cost of forwarding Intercolonial mail matter to and from Great Britain; and though in law there can be no doubt, and in fact Mr. Raikes states that it was intended that these charges should be borne by Great Britain and the Colonies according as the mail matter goes from Great Britain to the Colonies, yet as we do not seem to have had the Imperial memo. agreeing to this, it would be satisfactory for me to receive it before my departure on Friday next.

Will you kindly therefore let me have this at once.

I write to you because you had to deal with the matter.

You will of course understand that by Intercolonial, I mean forwarding mail matter from or to Adelaide, when mails are landed and shipped to or from Melbourne or other Colony, in which is the receiving or despatching post office.

I have, &c.,

JNO. W. DOWNER.

The Colonial Office to The General Post Office.

Sir,

Downing-street, 7 May, 1887.

7 May, 1887.

I am directed by the Secretary of State for the Colonies to transmit to you, to be laid before the Postmaster-General, a copy of a letter from Sir J. W. Downer, requesting to be supplied with certain information respecting the arrangement made between the Imperial Government and the Australian Colonies, with regard to the payment by the Home Government for transit to destination of the outward mails, the point being as to the land transit from Adelaide to Brisbane, Sydney, or Melbourne, of the mails for those Colonies respectively. Looking to the language of the Treasury letter of 23 December, 1885, there can be no real doubt upon the question, but Sir John Downer explains that his Government is not in possession of any document showing the assent of the Home Government to this principle, for, as the final agreement with Mr. Baker was made at the General Post Office, the above-mentioned Treasury letter was not sent to the Colonies from this office.

I am to request to be informed as soon as possible, as Sir J. Downer leaves England on Friday next, what answer should be returned to him.

I have, &c.,

JOHN BRAMSTON.

The General Post Office to The Colonial Office.

Sir,

General Post Office, London, 9 May, 1887.

Copy.—554 L
Pressing

In reply to your letter of the 7th inst., I am directed by the Postmaster-General to acquaint you, for the information of the Secretary of State for the Colonies, that the principle of arrangement sanctioned by the Treasury letter of the 23rd of December, 1885, for carrying on the Australian Mail Service after the expiration of existing contracts, is fully understood by this Department, to throw on the Home Government the cost of transit to the Colony of destination of all mail matter sent from the United Kingdom to Australia, including of course the railway transit from Adelaide, where the mails will be landed, to Victoria, New South Wales, or any other Colony receiving them.

Reciprocally, in the opposite direction, the cost will fall upon the Colony despatching the mails to Great Britain and Europe generally.

The Imperial Post Office did not execute with Mr. Baker, the Australian delegate on this subject, any separate memorandum of agreement, but it was mutually understood that the Home Government agreed generally to the scheme proposed by the Australian Colonies in the memorandum dated the 14th of July, 1885, which formed an enclosure to Mr. Meade's letter to the Treasury, dated the 7th October, 1885.

I am, &c.,

S. A. BLACKWOOD.

J. Bramston, Esq., to Sir J. Downer, K.C.M.G.

Sir,

Downing-street, 11 May, 1887.

9 May.

In reply to your letter of the 7th instant, I am directed by the Secretary of State for the Colonies to transmit to you a copy of a letter from the General Post Office respecting the payment by the Imperial Government for the transit of the outward mails to their destination in the Australian Colonies.

I am, &c.,

JOHN BRAMSTON.

No. 8.

**RE PROPOSED EXCHANGE OF POST-CARDS BETWEEN GREAT
BRITAIN AND NEW SOUTH WALES.**

S. A. Blackwood, Esq., to The Postmaster-General, Sydney.

Sir,

General Post Office, London, 30 June, 1886.

The Postmaster-General has had before him your letter of the 12th of February last, No. B. 85, 14,829, on the subject of a proposal of the New South Wales Government to establish an exchange of post-cards between this country and the Colony. His Lordship has also, as you are aware, had under consideration a similar application from the Postmaster-General of Victoria, from whom a further representation was received at about the same time as your letter referred to above.

I need hardly assure you that the strong wish evinced by the Governments of these two important Colonies to gain the advantages of an exchange of post-cards with the Mother Country sufficed to induce his Lordship to reconsider earnestly the adverse decision already communicated to the Postmaster-General of Victoria, and to examine the question afresh with every desire to arrive at a solution, which should be satisfactory to all parties.

Setting aside for the moment the technical objection that the post-card is a part of the Postal Union system, and that the two Colonies do not belong to the Union, the Postmaster-General is confronted by a practical difficulty, which you will no doubt realize as one of a serious nature in its relation to the Imperial Postal Service, although not directly affecting the Colonies.

Among the greater portion of the public in the United Kingdom, more especially that portion which would probably use post-cards freely, if they were available, no accurate knowledge prevails as to the limits of the different Colonies into which Australia is divided; so that, if a post-card system were introduced with one or two of those Colonies, it would be impossible to make people understand that it did not extend to the whole of Australasia, and it would be difficult even for the Post Office to avoid mistakes.

The system, therefore, if adopted at all, must be extended at least to the whole of the Australian continent, and, the Postmaster-General thinks, to New Zealand and Tasmania, and to Fiji if possible.

His Lordship therefore desires me to suggest that you should concert measures with the Postmaster-General of Victoria in the first place to obtain the concurrence of the other Colonies of Australasia in the proposed arrangement. On learning that all those Colonies are prepared to adopt the measure, the Postmaster-General will be happy to submit the proposal to the favourable consideration of the Lords Commissioners of the Treasury.

As to the rate of postage for a post-card, Lord Wolverton considers that the charge of 3d., proposed by New South Wales and Victoria, is too high, and that a postage of 2d. would be not only sufficient, but so far as this country is concerned, a more convenient rate, inasmuch as it would correspond with the charge now made for a single post-card to India or Hongkong.

In either case the amount of revenue which would be risked is small—the best estimate that can be framed showing that the number of post-cards as compared with the number of letters would be trifling. Of course no very trustworthy data are at command; but, taking the case of Canada (which may be considered analogous to that of Australia), the proportion is only '82 per cent. outwards and 1'97 per cent. homewards. In these proportions, and assuming each post-card to displace a letter prepaid 6d., the financial result would be a total loss to the Imperial and Colonial Exchequers of about £700 a year at the 3d. rate and of about £1,000 a year, if the 2d. rate were adopted,—a loss which would be insignificant when divided between the mother country and the several Colonies.

I am, &c.,

S. A. BLACKWOOD.

No. 9.

**MEMORANDUM BY SIR JULIUS VOGEL, POSTMASTER-GENERAL,
RE TELEGRAPH CABLES.***(Laid before the Conference by the Hon. Sir William Fitzherbert.)*

1. It is, I think, highly expedient that the various Australasian Colonies should come to a joint arrangement respecting telegraph cables.

2. A great deal of consideration, not to say gratitude, is due to the private companies which have hitherto provided cable communication, but it is preposterous to continue to submit to the prohibitive charges which now prevail, and which, in more or less degree, must prevail whilst these undertakings are monopolies in private hands.

3. The supposed riskiness of the business has enabled private companies to monopolize enterprise connected with cable communication. That reason no longer exists, for it is quite certain that cables can be safely laid and kept in repair, and, practically, the business is now no more risky than telegraph land lines.

4. I shall sketch out in this memorandum the plan by which the Governments can, and, in my opinion, ought to, absorb the whole business at once; but, failing their being willing to do so, I shall advocate their gradually approaching the same result. This they may do by aiding a competitive company under conditions which will enable the Governments to buy up the cables when they desire to undertake the business.

5. I believe the Governments, if they own the cables, can charge a rate of 1s. 6d. a word for urgent messages, and 1s. for ordinary and Press messages, the whole way between the Colonies and Europe, and soon make a profit on the transactions. Even if they do this great work at a loss, there are, I contend, few objects on which they can spend money with more advantage.

6. The benefits of cable communication are at least in proportion to the distances travelled, or, what is to the same effect, the time saved. I am inclined, however, to think that the proportion is more than simple—that is to say, for example, that twice the distance would give to cabling relatively a more than double advantage. But, taking the proportion as a simple one, the meaning would be that the use of the cable is four or five times more advantageous to the Colonists of Australasia than are similar facilities to the inhabitants of the United States. Yet it would be almost impossible to set a limit to the benefits which cheap Atlantic cabling has conferred on the people at both ends of the English-American cables. Financially and commercially the results are gigantic, and the social, literary, and educational purposes served are scarcely less important.

7. No one can question that, with cheap cabling, the development of the Australasian Colonies will increase enormously in speed, with less liability to reverses.

8. Supposing the Colonies entertained the idea of taking in their own hands the charge of cabling, they should endeavour to buy out the existing interests as far as they relate to Australasia, if the owners are willing to sell at a fair price, by which I mean something more than the value to reconstruct. If the owners be unwilling to make a reasonable sale, then the Colonial Governments will do better. But, up to a reasonable point, the companies should receive liberal treatment.

9. It is necessary to briefly consider the position of the Eastern and Eastern Extension Companies, which, to all intents and purposes, may be said to now have the sole charge of cabling between Australia and Europe. The occasional assistance of the Indo-European Company need not be taken into account, as it is of a reciprocal character. As I wish to make my remarks as little critical as possible, it will be better to refer to the Eastern and Eastern Extension Companies as if they were one concern.

10. These companies own between them 81,960 knots of cable, a few steamers, and a number of stations. Their capital, as shown by securities still current on the Stock Exchange in July last, amounts to over £11,350,000. The reserve funds amount to about £900,000, so that the companies have about ten and a half millions capital outstanding. After deducting the value of steamers and stations, the cables must stand the company in at more than £300 a knot, a price which is about double that for which the Governments could obtain fully suitable cables. But although, if the Governments were to assume the charge of ocean telegraphy, the goodwill of the companies' business between Australia and England would not be worth anything, the same cannot be said with respect to the many other places the companies serve outside those with which the Colonial Governments would concern themselves. With some, at least, of these, competition is not to be feared, and the goodwill of the business of the companies may represent a considerable value, fairly to be credited as a set-off to the reduced value of the cables. I hope it is so. It would be sad that the huge edifice of commercial activity and enterprise built up by these companies should not prove remunerative to those who have embarked in it.

11. The Australian lines form only a part of the total cables possessed by the Companies. It is difficult to determine the exact length of that part, as a great deal of the way is duplicated by different routes, serving other purposes than those of mere duplication. For example, there is more than one cable route from England to Malta, and to Lisbon. There is a duplicate between Bombay and Suez, and there is more than one route between Java and Singapore. There is also a duplicate between Australia and Java. A single line from Australia to Falmouth, along the present line of route—say, from New Zealand to Sydney, from Tasmania to Victoria, in duplicate, and from Darwin to Java, Singapore, Penang, Madras, Bombay, Aden, Suez, Alexandria, Malta, Gibraltar, Lisbon, and Falmouth—would take 11,703 knots of cable, to which must be added the land lines (not, I believe, owned by the Company) between Madras and Bombay, and the Egyptian land lines, together about 650 miles. It would be important, if the Company's system were purchased, to acquire also about 1,100 knots, duplicate, between Darwin and Java, some 600 knots between Batavia and Singapore, some 300 knots, for a second route, between Singapore and Penang, and some 850 knots between Penang and Rangoon. There is also some duplicate cable of about 3,000 knots between Bombay and Suez, but the companies probably would not part with it. They would prefer to retain it, and to agree to lend mutual aid in case of disaster. Excluding the 3,000 knots there would be 2,850 knots to be added to the length of 11,703 knots already given, making a total of 14,553 knots. Some of the lines are sheathed with brass tape, which adds to their cost; but there is no room to doubt that the whole could be replaced at an expense of less than two and a half millions sterling, and it is to be observed it includes the Australian, New Zealand, and the duplicate Australian-Tasmanian lines. The South Australian land lines—Adelaide to Darwin—cost £480,000. It would be fair to estimate half at least of this as an expenditure made on behalf of all the colonies.

12. I have submitted these figures to give an idea of the expenditure that might be necessary if it were decided to purchase out the existing companies. The remarks I am about to make are based on the proposal that the Colonial Governments should start with the possession of any two lines out of the three practicable routes—namely, first, the present route; secondly, the route by the Pacific, Vancouver, Canada, and the Atlantic; thirdly, the route by Ceylon, Mauritius, Natal, Cape of Good Hope, and St. Vincent.

13. Taking a fair payment to the Companies into account, a compensation to South Australia, and a second line throughout by either the Canadian or Cape route, I am persuaded that the cost would not exceed five millions, with all the requisite repairing steamers; whilst if the Companies were not dealt with two lines could be obtained for considerably less.

14. My proposal, then, is that the Colonial Governments start with two lines and the necessary steamers at a cost not exceeding five millions sterling. If the money is obtained under their joint guarantee it can be borrowed at $3\frac{1}{2}$ per cent., or with an Imperial guarantee at 3 per cent. Taking the former and larger rate of interest the annual charge would be £175,000.

15. As soon as the use of the two lines of cable warranted it a sum of £150,000 should be set apart yearly for maintenance and for laying new cables, at about the rate of an additional through line each fifteen years. But for some time, until the traffic developed, £50,000 yearly (with the use of the repairing steamers, the annual charge for which is included in the working expenses) would be sufficient to put apart for maintenance and new lines. As the revenue increased the larger sum could be dedicated to the purpose. I do not propose redemption of the capital. The construction of new lines would stand in the place of amortization.

16. I have had a careful estimate made of the yearly expenditure. By the present route it would amount to £125,680. This includes the annual cost and insurance of five repairing steamers, and the cost

cost of nine stations between Falmouth and Bombay inclusive, seven between Madras and Nelson inclusive, and twelve land stations between Madras, Adelaide, and Sydney inclusive. The annual cost of the steamers is set down at £15,382 each. The cost of the land stations is set down at £1,500 each, and the cost of the cable stations at £1,500 each, with 20 per cent. added. Provision is also made for special electricians, besides the ordinary officers at the stations. The salaries are estimated at less than the rates that the companies give, but the Governments would not require to pay on the liberal scale the companies adopt. The working expenses of the Eastern and Eastern Extension Companies amounted, for the latest year of which I have return, to £272,361 for all their stations, whilst on repairs and maintenance they expended £132,967.

17. By the Cape route the estimate of annual expenditure is £73,300, which includes the cost of twelve stations, seven special electricians, 20 per cent. for contingencies, and three repairing steamers. The annual expenditure by the Pacific route as far as the main land of British Columbia is estimated at £48,200, which includes seven stations, six electricians, 20 per cent. for contingencies, and two repairing steamers. I have not calculated the expenses across Canada and thence to England, because so much depends on the nature of the arrangement to be made.

18. I have shown, I think sufficiently, that £200,000 may be taken to fully cover annual working expenses, and this added to £175,000 for interest, and £50,000 (to commence with) for maintenance and new lines, will give together £425,000 as the yearly expenditure. There will, besides, be for a few years the cost of existing subsidies amounting to about £37,000 annually, including the Tasmanian cables subsidy.

19. The work that two cables can perform on the duplicate system, supposing every minute of the year to be occupied, and that the cables are up to the standard usually required, amounts to over 21,000,000 of words a year. There would be no difficulty, if the demand required it, in getting through 10,000,000 of words on the two lines, besides a very large number of words between the intermediate stations. Whatever the routes taken may be, there will be many intermediate stations on which there will be a large demand for communication. I estimate the intermediate communication to be worth a third of the through communication; and in taking 10,000,000 of words as the capacity of the through communication I have left a large margin for intermediate traffic.

20. In the estimates I am about to make I take the through traffic at five millions of words, leaving a margin of five millions capacity for increases. The question now arises, Will there be a demand sufficient to overtake five millions of words? It evidently means a large amount of matter. To give a better idea of it I may say it represents somewhat less than seven closely-printed newspaper columns each day, Sundays included. It represents, moreover, about seven times the present through traffic between Australia and Europe. It represents about a seventh of the Atlantic yearly cabling since the late reduction in rates. It represents a little over an eighth of the number of words telegraphed yearly within New Zealand. It must be borne in mind that I am not estimating only the through messages between Europe and Australia. If the line go by the Cape there will be through messages to and from Europe and Ceylon, Mauritius, Natal, and the Cape, to say nothing of less important places. If the line go by the Red Sea there will be Java (which I am informed uses the cable largely), Singapore, and, possibly, according to the nature of the agreement made, some other important stations for through traffic. If the line go by the Pacific there will be Fiji, Honolulu, and probably branches from New Caledonia and Tahiti, and possibly branches from China and Japan. Irrespective of these reliefs, I am strongly of opinion that, with the great reduction in cost, cabling between Australasia and England will soon become as common as it is now rare, and that it will be used for numberless purposes to anticipate correspondence, as also to carry on large financial transactions such as have grown up between the United States and England, and are unknown to Australasia.

21. I will give an estimate of receipts on the basis I have indicated (exclusive of Australian land charges) as follows:—

Estimate with Tariff of 1s. 6d. and 1s., and Intermediate Traffic.

2,500,000 words at 1s. 6d.	...	...	...	...	...	£187,500
2,500,000 words at 1s.	...	...	...	...	...	125,000
Intermediate traffic	...	...	...	...	...	100,000
						<hr/> £412,500

This estimate shows a small loss at first, which divided between the Governments would be inconsiderable. It would be covered by the saving which would be effected if the Imperial Government guaranteed the loan or by the subsidy which it should give in lieu of a guarantee. In any case the development of traffic between the large number of important centres concerned would soon convert the deficiency into a surplus. The above estimate only absorbs about half the capacity of the cables. I have purposely not taken into account the competition of the existing companies if they fail to come to terms with the Governments. Any opposition of theirs will be only temporary. They cannot with their costly arrangements afford such low rates, and, if the Governments do not buy them out, there will be much less money on which to pay interest.

22. The responsibility should, in my opinion, be divided in such manner as might be agreed on, based either on population or on the use of the cable, or partly on both, or possibly it will be found easier to fix the division by mutual agreement.

23. It would be very desirable that the Postmasters-General of the various colonies should meet and discuss the whole question. If a combination of the kind I have indicated cannot be arranged, then the Governments should consider what is the next best course to pursue. The existing companies are anxious to make arrangements, but all their proposals lead to maintaining the present monopoly and to depending only on one route. If the colonies are not inclined to undertake the charge of the business, they should aid another company by another route, so as to secure two routes, and competition.

24. If care be taken in any agreement entered into with a new company to give ample power to the Governments to buy out the cables constructed, an arrangement with such company might be made the stepping-stone to the absorption by the Governments of two cable systems as proposed in this memorandum.

25. I may, in conclusion, express the hope that weight will not be attached to the usual arguments which, on behalf of the existing companies, will be put forth in opposition to the proposals herein sketched

sketched out. It will probably be alleged that cheapness will not materially increase traffic, that the business is risky, that cables cannot safely be laid in deep waters, and that competition has a weakening effect. It may also be argued that the Indian Government will throw obstacles in the way. The companies always seem unmindful that the Government of India might do a great deal more for English Colonial Governments than for commercial companies, whose operations concern not only the Colonies, but other countries, such as China and Japan. The arguments referred to have misled many people, myself, I confess, amongst the number. It is owing to belief in them that for so many years private enterprise has monopolized the control of the most valuable adjunct to the material and intellectual improvement of the populations scattered over the globe. All that can be said of the Governments retaining the charge of land telegraphy can be repeated with greater force with regard to taking possession of the means of cable communication between the various portions of Her Majesty's dominions. To allow such communication to be taxed for private profits is more out of harmony with the spirit of the age than would be a renewal of a tax on window-glass or printing-paper.

JULIUS VOGEL.

Wellington, 5th February, 1887.

No. 10.

TELEGRAPHIC COMMUNICATION BETWEEN GREAT BRITAIN AND AUSTRALASIAN COLONIES, *VIA* PACIFIC CABLE, VANCOUVER ISLAND, CANADIAN LAND LINE ROUTE, AND ATLANTIC CABLE.

(*Laid before the Conference by the Hon. Sir Wm. Fitzherbert.*)

S. Fleming, Esq., to The Colonial Secretary, New Zealand.

Sir,

Ottawa, Canada, 26 September, 1887.

I have the honour to address you on the subject of the proposed telegraph to connect the Australian Colonies with England by way of Canada.

I beg leave, in the first place, to refer to the following correspondence which it became my duty to transmit to you before I left London in June last, viz. :—

1. Letter 16th May, 1887, to Sir Henry Holland, Secretary of State for the Colonies, from the delegates to the Colonial Conference, on behalf of the Governments they represented, requesting that Her Majesty's Government will cause an exhaustive survey to be made without delay in order to set at rest all doubts raised as to the practicability of establishing a telegraph cable across the Pacific Ocean, between Canada and the Australian Colonies.

2. Letter, 16th May, 1887, to Mr. Baillie Hamilton, Secretary of the Conference, on the same subject.

3. Letter, 3rd June, 1887, from the Colonial Office, covering correspondence with the Admiralty on the same subject.

4. Letter, 23rd May, 1887, from the Colonial Office to the Admiralty.

5. Letter, 28th May, 1887, from the Admiralty to the Colonial Office, stating that the Lords Commissioners are not prepared to make a special survey.

6. Letter, 8th June, 1887, to the Colonial Office from myself, submitting reasons why the application of the delegates should be reconsidered.

These communications were subsequent to the discussions on the subject of the Colonial Conference, and the published proceedings of the Conference will show that during the discussions testimony was brought forward, by officers of the Government and the Eastern Telegraph Company, to raise doubts as to the practicability of establishing telegraphic connection across the Pacific. In consequence of these doubts it was deemed expedient by the delegates that a proper survey should be made as soon as possible. With that object in view, Her Majesty's Government was specially appealed to, but the reply of the Lords Commissioners of the Admiralty, by whose authority it was hoped the survey would be made, was unsatisfactory. The correspondence was transmitted to me, whereupon I ventured to submit reasons why the application of the delegates should be reconsidered, but up to this date I have not learned that anything further has been decided.

I beg leave, secondly, to invite the attention of your Government to the accompanying memorandum; and I may mention that, while on the one hand, doubts have been raised as to the practicability of submerging an electric cable across the Pacific, on the other hand information of an important character has been obtained at and since the Conference. By the light which has thus been thrown on the whole subject this memorandum has been prepared.

Assuming that the survey will establish that there are no insuperable obstacles to the laying of a submarine cable, this memorandum will make it obvious that at no distant day Canada and Australasia can be connected telegraphically on terms which would be just and fair to all concerned, and, I venture to think, in a manner which would be extremely advantageous to the Australian Colonies, as well as to Canada and the Mother-country.

As the matter presents itself to my mind, the question of a nautical survey becomes of increased importance, and I have taken some trouble to ascertain how it can be accomplished in the event of the Lords Commissioners of the Admiralty remaining unable to see their way to have it carried out.

I have learned that, provided the Governments of the Australian Colonies and New Zealand are willing to co-operate, a proper nautical examination may be secured without difficulty or delay, and at comparatively little cost to any one of the Colonies.

The Government of Canada controls a suitable steamship for such a service, and has also in its employment scientific men and officers of the Royal navy, in every respect qualified to carry out the survey. I have, therefore, taken upon myself to submit a proposition asking if the Canadian Government will be prepared to furnish the ship and officers, provided the Australasian Governments are willing to co-operate in defraying the expenses to be incurred for coaling, victualling, and crew.

My object in now addressing you is to request you to submit the proposition to your Government. In doing so I have authority to state that the matter has been discussed in the Canadian Privy Council and that a favourable view is taken of the proposition.

The

The naval officer consulted is of opinion that the work of soundings may be satisfactorily completed within twelve months, and he also estimates that, with the ship and officers furnished by Canada, a joint contribution of £6,000 by the Australian Colonies and New Zealand will suffice.

I feel warranted in expressing my belief that, if the co-operation of your Government with the Governments of the other Colonies in the manner suggested be secured without loss of time, the practicability of connecting Australia and Canada telegraphically will be authoritatively set at rest before the end of next year, and with the information resulting from the survey the establishment of the cable eventually will be materially facilitated.

I have the honour to mention that I have addressed a similar communication, with the accompanying memorandum, to the Governments of the other Colonies.

I have, &c.,
SANDFORD FLEMING.

[*Enclosure in No. 1.*]

MEMORANDUM respecting the proposed Telegraph to connect India and Australasia with England by the Canadian Route.

At the Conference recently called by Her Majesty's Government to consider matters of common interest to all portions of the Empire, attention was directed to the question of connecting Australasia and Asia with England by a postal and telegraph route through Canada.

The discussion was renewed from time to time, and the more the question was considered the more deeply all present at the Conference became impressed with the vast significance of the issues which the new line of communication involve for England herself, as well as for the Australian Colonies, India, Canada, and the whole outer Empire of Great Britain.

On the last day of the Conference the following resolutions were entered in the proceedings:—

First. "That the connection recently formed through Canada from the Atlantic to the Pacific, by railway and telegraph, opens a new alternative line of Imperial communication over the high seas and through British possessions, which promises to be of great value alike in naval, military, commercial, and political aspects."

Second. "That the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire; and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey."

These resolutions expressed the united voice of the Conference after the strenuous efforts of gentlemen acting on behalf of the Eastern Extension Telegraph Company to impress the delegates with the idea that a direct telegraphic connection between Australia and Canada was unnecessary and impracticable.

The lines of the Eastern Extension Telegraph Company extend from India easterly to China, and southerly to Australia, and they form the only existing telegraph connection between the Australian Colonies and Europe.

This Company has for years enjoyed a monopoly of all telegraph business, and, naturally solicitous for the future, its representatives left nothing undone to advance views adverse to the projected new line. Day by day Mr. John Pender, the chairman of the Company, was in attendance. He was allowed to address the Conference, and to circulate documents of various kinds among the delegates, and in every way he used his influence against the project in the private interests of the Company he represents. Notwithstanding these efforts the above resolutions were adopted, and it is not a little remarkable that they are the only resolutions which were formally submitted and unanimously assented to at the Conference.

The arguments offered on behalf of the Company were combated on public ground by some of the delegates, and during the discussion the Postmaster-General, Mr. Raikes, stated very forcibly that it would be absolutely impossible for the English people or for Her Majesty's Government to recognise the monopoly which the Company seemed to claim. He, however, pointed out that while the position assumed by Mr. Pender for his Company was one which could never be accepted either by the Colonies or by the British Parliament, it was a matter of extreme difficulty for the English Government to assist in carrying out the new scheme in such a way as to constitute itself a competitor with the existing Company. While he pointed out that difficulty the Postmaster-General gave expression to his warm sympathy with those who were seeking to promote what he termed "the most beneficial change of any of the changes which can come out of the Conference."

In the proceedings of the Conference of the 27th April and 6th May will be found recorded the general principles of a scheme which would completely obviate the difficulty mentioned by Mr. Raikes. The scheme has much in common with one propounded by the Postmaster-General of New Zealand, Sir Julius Vogel. The proposal is to combine the several telegraph systems of the Australian Colonies under one management, to include the submergence of a cable across the Pacific from Australia to Canada, and to provide for taking over at a valuation, whenever the Company may desire, all the cables of the Eastern Extension Company.

While this proposal assumes that a change is demanded by public expediency, it also recognises that the existing Company, as the pioneer of a system of communication which has materially assisted in developing Australian trade, is entitled to just and reasonable consideration. If the new Pacific line will destroy the monopoly of the Company, and put an end to the profits which the shareholders have hitherto enjoyed, the proposal carried into effect would return to them the full value of the property which would be rendered no longer profitable to them. Moreover, although it would scarcely be reasonable for the proprietors to expect compensation for unearned profits, they may fairly claim and be allowed all the profits obtainable until the new line be in operation.

A question will arise as to the value of the cables of the Eastern Extension Company. The testimony of Mr. Pender at the Conference shows that they were laid at an average cost of £184 per mile. They have, however, been laid a number of years, and have depreciated in value according to the length of time submerged. Mr. Pender estimates the life of a cable at twenty years, and the published official statements of the Company furnish full information as to the length and age of the cables it controls. With this data it is an easy matter for an actuary to prepare an estimate of the value at any given year of the

the whole system of cables owned by the Company. Appended hereto will be found such an estimate, by which it appears that all the cables of the Eastern Extension Company are valued as follows:—

In 1887, total value	...	...	...	£960,195
In 1888, total value	...	...	...	849,473
In 1889, total value	...	...	...	738,751
In 1890, total value	...	...	...	689,685

If we add the cost of the new line across the Pacific, reckoning it at the same rate per mile as the cables of the Company when first laid, we shall be enabled to form a tolerably correct idea of the new capital required to carry out the general scheme. According to the scheme submitted to the Colonial Conference, new capital would not be required for the land lines handed over by the Australian Colonies. These would be worked in common with all the cables under one management, each Colony retaining an interest in revenue in proportion to the value of the lines handed over.

It may be assumed that the Eastern Extension Company will not desire to hand over their property so long as it can be worked at the old scale of profits, that is, until the new line be ready for business. As in all probability much time will be spent in negotiations, preliminary arrangements, and surveys, the new line can scarcely be in operation before 1890. Accordingly we may take into consideration the estimated value of the Company's cables for that year as under:—

Estimate of New Capital.

1. Valuation of the cables of the Eastern Extension Company in the year 1890	...	...	...	...	£630,000
Cost of new cables to connect Australia with Canada, 7,600 miles, at £184 per mile	...	...	...	...	1,400,000
					<u>£2,030,000</u>

The total new capital, then, required to carry out this comprehensive scheme designed to bring under one harmonious management all the telegraphs within the Australian Colonies, and all the cables existing or projected from Australia to India and to Canada, appears to be little over £2,000,000 sterling. The sum is very much less than that spoken of at the Conference, but it is impossible to impugn the estimate without calling in question the accuracy of the data which is supplied by the Eastern Telegraph Company itself.

£2,030,000, on a joint Government guarantee (Imperial and Colonial), could be raised at a very low rate of interest. At 3 per cent. it would come to £60,900 per annum, a sum which is almost equalled by the subsidies now being paid or available, as the following table will show:—

British subsidies—		£	£
1. Paid by New South Wales	...	12,617	
2. Paid by Victoria	...	14,479	
3. Paid by South Australia	...	4,805	
4. Paid by Western Australia	...	499	
5. Paid by Tasmania	...	4,200	
			36,600
Foreign subsidies—			
1. Paid by Malacca	...	1,000	
2. Paid by Manilla	...	8,000	
3. Paid by Tonquin	...	10,600	
4. Paid by Macao	...	500	
5. Offered by Hawaii	...	4,000	
			<u>24,100</u>
Total subsidies...	...	£60,700	

In this list of subsidies it will be noticed that only five British Colonies contribute, while ten British Governments in all are more or less directly and specially interested in the establishment of the new line of telegraph. It would manifestly be unfair to these five Colonies if they were left to bear the whole burden. It seems proper that the other five British Governments should bear an equitable share of the cost.

The available foreign subsidies amount in all to £24,100 per annum. If we deduct this annual asset from the cost per annum of the new capital (£60,900), there remains £36,800 to be met in equitable proportions by the ten British Governments concerned in the scheme. Let us assume suggestively that half this annual charge be borne by the five contributing Governments, and the other half by the five Governments not now contributing, the account will stand thus:—

Payable by—		
1. New South Wales	...	} £18,400
2. Victoria	...	
3. South Australia	...	
4. Western Australia	...	
5. Tasmania	...	
6. The United Kingdom	...	} 18,400
7. India	...	
8. Canada	...	
9. New Zealand	...	
10. Queensland	...	
		<u>£36,800</u>

The

The exact proportions payable by each Government can only be determined by negotiations and mutual agreement, but the above sets forth generally the features of a scheme which seems well calculated to accomplish the desired object. Five of the Australian Colonies are bound by agreement to contribute until the end of the present century a subsidy of £36,600 per annum; according to the above division these Colonies would have their liability reduced to £18,400 per annum, scarcely more than half what they now pay. Their direct gain would be £18,200 per annum, while their indirect gains resulting from reduced charges and facility of intercourse would be infinitely greater.

In view of the important advantages in which all would participate, it cannot be urged that the other Governments not now contributing would be greatly burdened by the joint payment of £18,400 per annum.

It will not be overlooked that, when the foreign subsidies expire, a further charge of £34,100 per annum will have to be met from some source. Even if it be required to be borne by the ten Governments in equitable proportions, it could not weigh heavily on any of them; but it is anticipated that, when all the subsidies run out, the revenue from the telegraphs will be amply sufficient to meet interest and every other charge. The new Pacific telegraph system as a Government work will be established with capital secured at a very low interest, making it possible for a profitable business to be done at exceedingly low schedule rates. The great reduction in rates thus rendered possible would give a wonderful impetus to telegraphy, and, as a consequence, the business, it is believed, would so greatly increase as to admit of revenue meeting fully every proper charge against it. This will be the more apparent when it is considered that at no time would revenue be chargeable with dividends or bonuses which the shareholders of all private Companies mainly look for.

After the discussion at the Conference it can no longer be held that the existence of the Eastern Extension Company must preclude the establishment of the new line of communication across the Pacific; a line demanded not simply by Colonial growth and general commercial progress, but in a still greater degree by the exigencies of the Empire. That it is vitally expedient to secure the new line as a measure of defence can be judged by the magnitude of the consequences which at any time may result from neglect in establishing it. This has been emphatically recognized by the highest authorities in England, and likewise acknowledged by members of Her Majesty's Government and by the representatives of all the Colonies at the Conference.

It is claimed that the scheme set forth meets all the objections which have been raised, and goes far to harmonise every interest. It would undoubtedly establish the new line of communication at the least possible cost, and enable the principal self-governing Colonies to co-operate with the Home Government in carrying out a project of very great Imperial importance.

SANDFORD FLEMING.

Ottawa, 26th September, 1887.

APPENDIX TO MEMORANDUM 26TH SEPTEMBER, 1887.

ESTIMATED value of the cables of the Eastern Extension Telegraph Company, calculated on the data furnished by Mr. J. Pender, chairman of the Company, viz.: Original cost per mile, £184; and life of a cable, twenty years. The lengths of the cable laid are taken from the official documents of the Company:—

Miles laid. £	When laid.	Years submerged.	Value in 1887. £
180	1869	18	3,812
2,409	1870	17	66,488
2,721	1871	16	100,248
1,283	1876	11	106,232
864	1877	10	79,488
2,444	1879	8	269,818
529	1880	7	63,269
920	1883	4	163,024
502	1884	3	78,513
180	1885	2	29,803
12,032			£960,195

Similarly, the value of the property in the three following years has been ascertained to be as follows:—

12,035 miles of cable, value in 1888	£849,473
12,035 miles of cable, value in 1889...	738,751
11,855 miles of cable, value in 1890...	629,685

No. 11.

NEW ZEALAND-AUSTRALIAN CABLE.

(Laid before the Conference by the Hon. Sir Wm. Fitzherbert.)

Memo. by Mr. Gray, Secretary Post and Telegraph Department, New Zealand, for the Hon. Sir W. Fitzherbert.

THE New Zealand-Australian Cable was laid in 1876. Cost about £300,000. Has never been interrupted. Life of a deep sea cable now estimated at 20 years.

As far back as 1877, New Zealand favoured a Pacific Cable, and objected to a prolonged engagement with the Eastern Company.

In 1884 Mr. Pender represented that, including subsidies, and after paying working expenses, but without providing for renewal, the cable returned $7\frac{1}{2}$ per cent.; without subsidy the return would be 5 per cent.; renewal fund, equal to about $2\frac{1}{2}$ per cent. per annum. Mr. Pender urged for a fourteen years' extension of the subsidy, expiring in 1886. New Zealand's share of the subsidy was £5,000, and New South Wales' £2,500 a year.

The

The New Zealand Parliament agreed to renew subsidy for five years only. Mr. Pender refused to accept this, demanding ten years, and that unless this were agreed to he threatened to raise the tariff. New Zealand Government refused to grant ten years' extension, and subsequently declined to give any subsidy at all. Mr. Pender then raised rates to 10s. in the place of 6s. for ten words, but subsequently agreed to the *status quo ante*, hoping New Zealand Parliament and Government would reconsider question of subsidy. Mr. Pender, in meantime, made series of offers, with the main object of binding the Colonies for a prolonged term, under a promise of a reduction of rates. Offers have been received to lay new cable for about £150,000.

In 1885, New Zealand paid the Cable Company on outward messages £10,613, and a similar amount probably received on our inward messages. With subsidies this brought up the earnings of the New Zealand-Australian Cable to about £28,726. The same year New Zealand sent and received over the cable 33,793 messages, of the total value of £71,703.

Up to 1885, New Zealand's payments to the Company averaged about £8,600 a year; adding Sydney's payments the return would be about £14,700 a year.

Mr. Pender, in 1887, offered to sell the cable for £150,000.

In 1887, New Zealand sent 3,336 international telegrams, of the value of £18,346, and 13,352 Australian telegrams, of the value of £11,522; and the payments to the Company for the business both ways was approximately £20,000 for the year.

As already stated, Mr. Pender offered to sell the cable for £150,000. Indeed, there is an offer to lay a new cable in nine months, for something less than £150,000. Assuming, therefore, that this sum represents the present value of the cable, a return of £20,000 a year, after deducting working expenses up to £4,500, and allowing 5 per cent. for renewal, gives a profit of $5\frac{1}{2}$ per cent. This is based on a 6s. tariff for ten words.

It may be added that the cable ship was removed from Australian waters in 1879, since which time the cost of maintenance has been largely reduced to the Company. Cable ships' expenses exceeded £6,000 a year.

W. GRAY,
24/1/88.

No. 12.

NEW ZEALAND-AUSTRALIAN CABLE.

Memorandum by Mr. Cracknell, Superintendent of Telegraphs, New South Wales,
for the Honorable C. J. Roberts.

As regards matters appertaining to the New Zealand Cable question, it may be well to reiterate that the agreement was signed in June, 1875, under the conditions that the Company was to receive a subsidy of £7,500 per annum for a period extending over ten years. None of the other Colonies were inclined to contribute any portion of this subsidy, and therefore it devolved upon the two terminal Colonies to provide the amount. This they agreed to do; and as New Zealand was manifestly the larger sharer of the advantages afforded by this means of telegraphic communication, it was thought that she should be the bearer of the larger share of the subsidy, to which she willingly agreed. The proportion payable annually by each of the contracting Colonies was then fixed at £5,000 as the liability of New Zealand, and £2,500 as that of New South Wales, the cable tariff rate being fixed at 7s. 6d. for ten words, and 9d. for each additional word.

Matters progressed under these conditions very satisfactorily, both as regards the great public benefit which resulted to all the Colonies from speedy communication with New Zealand—although they were, as previously stated, for the most part non-contributors to the subsidy—and, it is to be presumed, satisfactorily as regards the Company itself, until the approach of the period when the subsidy ceased to be payable. Meanwhile, in the year 1879, it was felt necessary that our lines of communication with England should be duplicated, and negotiations were entered upon with the Company with a view to this end. It was finally arranged that the British-Australian subsidy should be at the rate of £32,400 per annum for a period of twenty years; and, in consideration of this payment, the whole line between Darwin and England was to be duplicated. Contingent upon this arrangement the Company was permitted to remove the cable-repairing ship from Australian waters, and the New Zealand cable rates were reduced from 7s. 6d. for ten words and 9d. for each additional word to 6s. for ten words and 7d. for each additional word.

The subsidy ceased to be payable in February, 1886, and, in order to avoid any possible delay that might occur in carrying out the negotiations amicably, and with a due regard to the interests of the public and the Company, Sir John (then Mr.) Pender communicated with New South Wales and New Zealand with a view to a continuation of the subsidy. He pointed out, as an argument in favour of this proposal, that the earnings of the Company derived from the Australia-New Zealand portion of their system only returned, inclusive of subsidy, $7\frac{1}{2}$ % interest, without making any allowance for the maintenance or renewal of the cable. The Company therefore asked that the agreement might be renewed for a further period of ten years, and, after some consideration, the Government of New South Wales—though preferring a five-years period—yet agreed to the Company's proposal. New Zealand, however, although at the earlier stages of the negotiations appearing willing to acquiesce in the five years period, yet in the end, announced her intention to decline to pay any portion of the subsidy. This led to considerable irritation upon the part of the Company, and finally to the cable tariff being raised to 10s. for ten words, and 1s. for each additional word; whereupon the New Zealand Government land rates were increased to 4s. and 5d. respectively. New South Wales made no change in her rates, so that the total cost of a message to New Zealand was then 14s. 6d. for the first ten words, and 1s. 6d. for each additional word. Such a tariff was of course almost prohibitory, and great public inconvenience resulted; but, after the expiration of a short time, matters were allowed to drift into the condition (as between New Zealand and the Company) which has now become known as the "*statu quo ante*" stage in the history of this dispute, pending a reference of the whole question to the Parliament of New Zealand.

Since

Since that time, until January of this year, all went on fairly well ; but, on the 1st of the present month, as New Zealand showed no sign of definite action, the Company determined to assert what they regarded as their just rights, and increased the rates from 6s. for ten words and 7d. for each additional word to 8s. 6d. and 10d. respectively, and this rate continues to be charged now.

E. C. CRACKNELL, 30/1/88.

No. 13.

ADELAIDE AND PORT DARWIN TELEGRAPH LINE:

STATEMENT showing Revenue derived from Working Expenses of and Annual Interest on Loans for the above line, from January 1st, 1873, to December 31st, 1887.

(Laid before the Conference by The Hon. J. C. F. Johnson.)

Year.	Revenue.	Working Expenses.	Annual Interest on Loans. <i>a</i>
	£ s. d.	£ s. d.	£ s. d.
1873	23,463 18 1	13,483 5 0	9,244 0 0
1874	19,780 2 2	17,858 10 0	11,744 0 0
1875	15,708 0 9	29,443 13 9	15,144 0 0
1876	11,551 8 4*	25,422 8 2	15,144 0 0
1877	17,534 18 7	22,992 4 11	15,144 0 0
1878	20,305 12 2	26,610 13 1	15,144 0 0
1879	22,331 16 1	28,265 11 0	23,580 0 0
1880	23,606 4 10	26,472 2 4	23,580 0 0
1881	27,529 3 6	30,168 10 6	23,580 0 0
1882	29,857 5 7	30,915 16 10	23,580 0 0
1883	32,129 17 9	29,227 0 6	23,580 0 0
1884	33,811 6 6	29,052 3 3	23,580 0 0
1885	34,684 19 10	24,432 5 10	24,180 0 0
1886	33,947 1 6	18,003 19 7	24,380 0 0
1887	37,989 4 7	18,211 4 11	24,389 0 0
Totals	£384,231 0 3	370,559 9 8	295,984 0 0

a Interest on loans first became payable in 1871, £3,240; interest paid during 1872, £6,687.

* Owing to cable interruptions.

CHARLES TODD,
Postmaster-General, S.A.

No. 14.

LETTER FROM CAPTAIN ROUNDING ON THE SUBJECT OF THE PROPOSED CANADIAN PACIFIC MAIL SERVICE FROM ENGLAND TO AUSTRALIA, *VIA* MONTREAL AND VANCOUVER.

(Laid before the Conference by the Hon. W. Horatio Wilson, Queensland.)

Captain Rounding to The Postmaster-General, Queensland.

Dear Sir,

Sydney, N.S.W., 16 January, 1898.

As the Australian Postal Conference is about to be held, I take the liberty of placing before you the following in connection with the proposed Canadian Pacific Mail Service from England to Australia, *via* Montreal and Vancouver:—

1st. The Canadian Pacific Rail Company propose to run a fortnightly service and deliver the outward and homeward mails in 29½, 30, and 31 days, calling at Fiji to land the New Zealand mails, passengers, and cargo, to be conveyed to their destination by a branch steamer, that vessel timed to meet the mail steamer.

2nd. The mail steamer proceeds to Moreton Bay and lands the mails, also cargo and whatever passengers choose to land.

I believe it is the intention of the Canadian Pacific Rail Company to make arrangements to book passengers right through to any part of the Australian Colonies.

3rd. Making Brisbane the first port of call is of great importance; especially now the railway is complete from Brisbane to Sydney, must mean a considerable increase of traffic in mails and passengers.

4th. The steamers will then come on to Sydney, which is to be the terminus.

5th. The homeward steamers will leave here and proceed to Brisbane, and there wait the arrival of the homeward mails and passengers; also, take in whatever cargo is offering; strict punctuality to be observed in arrivals and departures as far as possible.

6th. The mail steamer will proceed to Fiji, there take on board from the branch steamer the homeward New Zealand mails, passengers, and cargo, then proceed to Vancouver to land the homeward mails and passengers, which will be conveyed across the Dominion of Canada by the Canadian Pacific Railway to Montreal in the summer, and Halifax in the winter, from there in first-class Atlantic fast steamers to Liverpool. The Canadian Pacific steamers will discharge the Canadian cargo at Vancouver, and then proceed south to San Francisco. With the above line of steamers communication would still be kept with the United States of America.

7th. On the return trip to Australia the steamers leave Frisco for Vancouver, and there wait the arrival of the outward mails and passengers. Call at Fiji, transfer the New Zealand mails, passengers, and cargo into the branch steamer, and then proceed on to Brisbane.

8th. Passengers can go right through with the mails.

9th. Time occupied by the mails as follows:—

20 days from Brisbane to Vancouver.

4½ " Vancouver to Montreal.

5 " Montreal or Halifax to Liverpool.

Total, 29½ days.

Of course this is very fast time, but a 31 days' service could be done easily.

The opening of this line of mail steamers would be a great advantage to the Colonies.

In time of war the mails, being carried across the Dominion of Canada (British territory), would not meet with that interruption which is bound to take place, and I have experienced, by the Suez Canal being blocked; also the railways across the Continent of Europe in a European war would most certainly be interrupted. These steamers are to be built of the very highest class, great speed, splendid accommodation for passengers, and to be classed on the Admiralty list as cruisers; can be converted into armed ships-of-war in a few hours. The present Mail Service to Queensland, *via* Torres Straits, deliver their mails on an average in forty-five days, for which your Colony pays £55,000 per annum; likewise an agreement to bring out in those vessels 6,000 immigrants per annum; one mail per month. The present service from here to San Francisco is performed by an American line. No subsidy from the United States of America, but subsidised by the New South Wales and the New Zealand Governments. New South Wales pays £10,000 per annum; New Zealand pays £20,000 per annum. One mail per month; time in landing the mails, forty to forty-one days from Sydney to London, and *vice versa*; being American-owned vessels they are half manned by Chinese, which is causing a considerable amount of ill-feeling to exist in this Colony, also in subsidising foreign vessels with Australian money. Moreover, the Protective tariff being so high in the United States closes her ports against all our productions.

Not so with Canada. She has no duty on wool, sugar, fruit, &c., which are our principal productions. Canada would open up an immense field for Australian products.

The American steamers leave here often with hardly any cargo in them, only coal for their own consumption.

In the event of the Canadian Pacific Mail Service to Australia being established, there is every likelihood the steamers would be manned with Australian seamen, as they are very scarce on the Pacific coast of Canada. With such a class of vessels it is a well-known fact their supplies in coal, food, &c., in these Colonies would be large, and means a great stir in all trades connected with shipping.

The Canadian, Pacific, China, and Japan Mail Service is now in full swing, the Imperial Government having granted a subsidy of £45,000 per annum; and by cable news the Canadian Government has voted £20,000 towards the same; grand total, £65,000 per annum, one mail per month.

They

They have already delivered the China and Japan mails quickest time by many days. At present they are running chartered steamers, but new vessels are being built by the best builders on the Clyde, J. Elder & Co., to be very fast, and classed on the Admiralty list as cruisers.

I believe the Canadian Pacific require a similar subsidy from the Imperial Government as granted to the China and Japan Mail line, and they will ask a joint subsidy from Queensland, New South Wales, and New Zealand, which will be considerably less than is being paid at the present time for monthly services delivering the mails in forty-five and forty days, Torres Straits and Frisco lines, as against twenty-nine and a-half, thirty, and thirty-one days, Canadian Pacific fortnightly service.

Several inquiries are being made with the Canadian Pacific Rail Company from intending shippers and importers in this Colony and Queensland. It would greatly assist the sugar-growers and wool-producers.

The Canadian Pacific tendered for the Australian mail service against the P. & O. and Orient lines some months ago. I saw by cable their tender was £80,000 for a fortnightly service; even that would be much cheaper than the present two mail services, Queensland and Frisco mail, which comes to £85,000 per annum paid by the Colonies, Queensland, New South Wales, and New Zealand (monthly service.)

If the Imperial Government grants the Canadian Pacific Rail Company £45,000 per annum towards the Canadian Pacific Australian Mail Service, I believe we should have Queensland, New South Wales, and New Zealand served with a splendid fortnightly service of thirty or thirty-one days, for a joint subsidy of £50,000 or £60,000 per annum, £30,000 less than they are paying now for a monthly service, the slowest in the world.

Some time ago I instructed the Canadian Pacific Rail Company that the Torres Straits Mail Service would not cease till January, 1890, and the present Frisco service contract in November, 1889. Enclosed is letter I received from the Vice-President of the Canadian Pacific Rail Company, by the last Frisco mail.

Trusting this information may be of interest to you during the Postal Conference,

I have, &c.

J. C. ROUNDING.

No. 15.

NOTES OF INTERVIEW AFFORDED TO MESSRS. W. G. TAYLOR, W. WARREN, AND J. E. SQUIER, REPRESENTATIVES OF THE EASTERN EXTENSION TELEGRAPH COMPANY, ON MONDAY, 23 JANUARY, 1888.

THE Chairman of the Conference (the Hon. C. J. Roberts) explained to Messrs. Taylor, Warren, and Squier that the Conference had received a letter from Captain Rowan, representative of the Pacific Cable Co., asking for an interview, with a view of advocating the claims of his Company in regard to laying a cable between Great Britain and Australian Colonies, including New Zealand. The Conference had acceded to his request; but having done so, it was thought desirable, with a view of assisting the Conference towards a satisfactory discussion and conclusion on the matter of cable rates and laying a cable, to invite them to come forward and offer any remarks they might think fit in any way advocating the claims of the Eastern Extension Co., and also furnishing any information in their power enabling the questions to be satisfactorily dealt with.

Mr. Taylor's remarks were to a great extent inaudible at first, but he was understood to say that when in London some months ago the last word of the Eastern Extension Co. as regards the question of reduction of rates was contained in their proposal, dated April, 1887, or about that time, and embodied in a circular, which was in possession of all the Colonies.

Any figures, however, or further explanation required, they would be happy to furnish.

Chairman: I presume the proposals have been forwarded to all the Australian Colonies?

A.: They were.

Mr. Derham: I see the proposal of the Company is that the Colonies shall provide the whole of the guarantee or subsidy;—how is it England was not asked?

A.: I cannot say. The suggestions for reductions of rates over the Eastern and Extension systems have been for years repeatedly made by the Colonies; frequently (I will not say by all the Colonies) with an assurance that if our rates are reduced such an increase of traffic would follow as would soon give us the same income, and my Company consequently formulated this proposal: If your opinion is that the reduction of rates will increase the business, we ask you to support it with a guarantee. If the rates were reduced from 9s. 4d. to 4s. a word, and the amount of business remained the same as at present, the deficiency would be £105,000. Of that, we now ask the Colonies to guarantee three-fourths (or £78,750). The English Government have given out as their opinion that it was contrary to their policy, and not even likely to be considered, to subsidise a projected scheme that would compete with any existing public Company.

Mr. Derham: If the English people get the use of this cable without paying any subsidy, could you not make a corresponding charge outward?

A.: I presume it would be possible. Do you mean a higher rate for *Government* messages outward to the Colonies and a lower one Home—a differential rate?

Mr. Derham: On *all* messages. Has that aspect of the question ever presented itself to the Company?

A.: No.

Mr. Derham: It is to a certain extent our property, and we should dictate terms to those who use it?

A.: You must be guided by the rules of the International Convention.

Mr. Johnson: Virtually, we would be paying a larger rate than England. Would the rules of the International Convention interfere there?

A.: The rules of the Convention regulate the tariff over certain sections, and there is no way to escape those.

Mr.

Mr. Johnson : By the Colonies paying this subsidy, do you think they would be paying the same rate as if they paid on each message sent?

A. : In this case it would be the same thing to the Colonies, because they are asked to guarantee a certain income—leaving it to them to fix any rate they like, down to a 4s. rate.

Mr. Johnson : That is to say, the Colonies may say:—We will continue the rates as at present (9s. 4d.), but will allow the subsidising Colonies a rebate of 5s. 4d., bringing the charge down to 4s.;—would there be any difficulty?

A. : None. The subsidising Colonies would have to unite to guarantee the amount.

Mr. Bird : The effect would be, that while paying 9s. 4d., other countries would get the whole benefit, England, particularly, paying only 4s. a word?

A. : I understand you, but I am not able to say whether giving a rebate, as you suggest, could be arranged.

Mr. Bird : If the Convention prevents you charging different rates?

A. : What we ask is a guarantee securing us the same income.

Mr. Derham : If it would not be against the laws of the Convention, what is there you know of to hinder the British Government from contributing?

A. : Nothing whatever, but their published opinion that it was against their policy to contribute subsidies to any existing systems. There is nothing that I know of to prevent them joining the Colonies in the proposed guarantee.

Mr. Derham : There is a cable of your own connecting Malacca subsidized. Is not that subsidising one Company against another?

A. : No * * * * The Government of the Straits Settlement asked us what it would cost to connect Malacca, and we offered to connect for £1,000 a year; this has been done.

Mr. Derham : Then, as a matter of fact, the British Government is subsidising it?

A. : The Government of the Straits Settlement is.

Sir William Fitzherbert : Has any application been made by your Company to the British Government to grant a subsidy?

A. : No; the applications for reduced rates have been entirely from the Colonies. * * * * I may say these proposals are made by our Company in response to appeals from the Australasian Colonies for reduction of rates. There has been no occasion for us to appeal to the Home Government. It would be a matter of adjustment for the Colonies themselves to invite any one they like to join them as partners in the guarantee for £78,750.

Mr. Derham : Does it not strike you as inequitable that persons at the other end of the world should use the wires at less rates than we can?

A. : It is no doubt also for the advantage of the Colonies, as well as for the benefit of the Home Government.

Mr. Derham : Will you inform the Conference of the rates of dividend and profits on Australian business for past years, and give some facts based on actual experience about the amortization of cables?

[While Mr. Taylor was looking up papers, the *Chairman* said: I think I am right in saying that the Pacific Cable Company applied to the British Government, and they distinctly refused to subsidise.]

Mr. Taylor resumed: I think I can furnish some. You ask the rates of dividends on Australian sections?

Mr. Derham : If you can separate them?

Mr. Taylor : I am afraid I cannot. I have here a statement showing the earnings of the sections of cable from Singapore to Java and Australia that carried Australasian traffic during 1886. It was $2\frac{1}{4}$ per cent. from the two cables—that is, traffic and subsidy; another section, from India to Singapore, also carrying Australian traffic, earned $19\frac{1}{4}$ per cent. * * * * The profits of the Company and dividends paid each year from 1873 were:— $6\frac{1}{2}$, $6\frac{1}{2}$, $5\frac{1}{2}$, 5, 5, 5, 5, 6, 6, $6\frac{1}{2}$, 7, 7, 7, and in 1886, 6 per cent.; these are with bonuses added. These are the dividends paid from the establishment of the Company; bonuses are included in them.

Sir William Fitzherbert : Was there anything for reserve put aside during that time?

A. : Yes; at present the reserve amounts to £619,500; that represents the amortization—that is, a sum equal to a fifth of the capital of the Company held in reserve.

Sir William Fitzherbert : Of what nature is the rate of interest accruing yearly in the shape of dividends;—on what basis is the capital sum calculated? There have been from time to time valuations made of the capital?

A. : I think not. I do not quite understand.

Sir William Fitzherbert : Is the cable worth the same to-day as it was ten years ago?

A. : There has been nothing written off the capital. * * * * On this proposal form I find the value of the Australasian traffic between Australia and Europe—both ways—£185,000.

Mr. Derham : Does that include the rates from India, and India to England?

A. : Yes.

Mr. Todd : Sir John Pender values the present traffic at £185,000—[Yes]—does that include what you pay out to the Eastern Company?

A. : That includes what is paid out to the Eastern and Indo-European Companies; that is the total value of the traffic, £185,000—the earnings of the Company over their system from Australasian traffic.

[Mr. Taylor here promised to hand in further information later on, and the *Chairman* said the Conference would be happy to receive any he could furnish.]

Mr. Johnson : The total receipts of the Australasian traffic are £185,000, out of which you pay £60,000 to other Companies; that leaves you £125,000. Now, supposing the proposed reductions were made in proportion to the work, do I understand that the total amount then would be £80,000 if the traffic remained the same as to-day, and you would still have to pay £60,000 to the other two Companies?

A. : Oh, no; the proposal is, that the guarantee should be given to the three Companies—that they shall divide this amount of money; if the rate is reduced, the earnings on the same business will be £80,000.

Mr. Johnson.] Out of that you will not have to pay £60,000?

Mr.

Mr. Todd : Would the amount payable to the Eastern Company be reduced proportionately ?

A. : They would all share in the risk, but it would be a matter for them to divide as they choose.

Mr. Johnson : The total amount is £185,000, of which the Eastern Extension earnings are £125,000 ; they pay about £60,000 ; if the rate is reduced the earnings would be about £80,000. Would they, or would your Company, have to pay about £60,000 to the Eastern Company ? Would the amount left be about £20,000 ?

A. : To the Eastern Extension Company ? [Yes.] No, the proportion of the reduced rate proposed for the Extension Company is only a penny a word ; our income would be made up by the larger share of the guarantee.

Mr. Todd : Supposing the business did not increase, being £80,000 as against £185,000—would the earnings of your Company be £20,000 apart from all subsidies or guarantees ?

Mr. Cracknell : The reduction would go on through the three Companies, not from one—the Eastern Extension—only.

Mr. Johnson : Putting aside the question of subsidy or guarantee, would the amount left be about £20,000 ?

A. : The associated Companies join in the risk and they join in the guarantee asked, and subdivide it as they like to make their income the same.

Mr. Derham : Are you prepared to give a deliberate opinion as to what the probable increase of traffic would be, following on a reduction to 4s. a word ; from your experience, is that known, or can it be estimated ?

A. : I am quite unable at present to answer that definitely. * * * * *Mr. Squier* here said he also was unable to form an estimate.

The Chairman remarked : Although aware that each Minister has a copy of the proposition of the Eastern Extension Company, it would be wise that this offer should be incorporated in the minutes of our proceedings, and I move that the document be printed. [Carried.]

Mr. Taylor (continued) : *Mr. Squier*, *Mr. Warren*, and myself are not able to give any information as to what traffic might possibly develop. If you wish it, I will ask our head office if they have any opinions formed, and let you know.

Mr. Derham : I think it would be important to elicit from so valuable a source as the Company what increase of traffic would be likely to follow a reduction.

Chairman : Perhaps *Mr. Taylor* and the gentlemen associated with him will make a note of the wish expressed by *Mr. Derham*, and the Conference will be glad to receive any information that the representatives of the Company can give us.

Mr. Taylor afterwards put in the opinions of the Chairman and Board of the Company :—" They consider Conference better able to judge than the Company of the probable effect of the reduction to four shillings, and would refer the Delegates to the Company's printed proposals of April last. When the Atlantic rate was reduced from two shillings to one and eightpence, there was no sensible increase of traffic, but when reduced from one and eightpence to sixpence, there was an increase of one hundred per cent. the first year, which developed to one hundred and fifty per cent. in the second year. At the present moment the traffic is stationary, but the sixpenny tariff provides very little more than working expenses, consequently it is not likely to be a permanent rate."

Mr. Derham : Can you differentiate the nature of the telegrams forwarded—separate the social or domestic, from the business telegrams ?

A. : No ; no Company has any right to inquire as to the nature of telegrams. We cannot possibly do that ; it would be a breach of faith to separate them in any way, or to inquire into them, so long as they are paid for as public telegrams at the ordinary rates, and as codes are used so generally, we cannot distinguish social from commercial messages.

Mr. Derham : But every man would form his own ideas as to the source of traffic he could most rely upon for profitable business. Can you not give us some rough idea, say two-thirds or three-fourths, and so on ?

A. : I would say about 1 per cent. of domestic ; and about 99 per cent. are business.

Mr. Johnson : What proportion are Government messages ?

A. : That I could easily ascertain, as Government messages get a rebate, and we adjust accounts monthly with South Australia. * * * * As regards social or domestic messages, the Company at home would not be able to estimate ; but that would be about my idea.

Mr. Warren : It would be almost impossible to distinguish them, so we can only make a guess, but I quite agree with *Mr. Taylor*.

Mr. Derham : I did not get quite all the information I wanted on the amortization point ?

Mr. Taylor : The only thing I have is the balance sheet.

Mr. Derham : I have that. I see a provision for amortization in money ; what I want is —

Mr. Taylor : There has been put aside a reserve of £1,006,200. We have spent out of that £387,000 —

Mr. Derham : What I wanted is cost of renewals.

Mr. Taylor handed in statement showing length and value of cable expended in renewals during recent years.

Conference asked what expenditure on renewals in recent years ?

In 1884—Cost of cable renewals and land lines out of revenue £42,767

Mileage of cable used in repairs and renewals, paid out of revenue 224 knots.

Also this year new cable laid into existing sections, total 224

knots, viz :—

Rangoon-Penang 100 "

Java-Port Darwin 406 "

Singapore-Saigon 291 "

In 1885—Cost of cable renewals and land lines, as above £56,076

Mileage used in repairs, as above 325 knots.

Also this year Victoria-Tasmania cable duplicated 180 "

In 1886—Cost of cable renewals, &c., as above £53,245

Mileage used in repairs, as above 130 knots.

Mr.

Mr. Derham : Any information showing the actual life of cables —

Mr. Todd : Do you consider that at the end of twenty years your cables would be worthless ?

A. : Certainly not, because we renew them as occasion demands. Our system has been, and is, that, as soon as a fault appears or a weak part indicates bad bottom or presence of teredo, that portion is renewed by brass-taped cable if it is to resist teredo, or by a heavier type if the unequal bottom cannot be avoided by change of route. I would refer the Conference to the reports of the half-yearly meetings of our Company (in the possession of some of the gentlemen here), and to the Chairman's statements there made. We, therefore, look upon our cables as being as good at the end of twenty years as when laid—or nearly as good—as we keep them up by renewals from time to time as required.

[Conference here adjourned.]

On resuming, the *Chairman* asked whether *Mr. Taylor* was prepared to offer any further remarks.

Mr. Taylor : Nothing, with the exception of two or three questions which I have referred to our head office, and to which I may have an answer to-morrow.

Chairman : *Mr. Taylor* and his colleagues will, of course, be free to furnish any information to the Conference while it is sitting.

A short conversation took place regarding questions put to *Mr. Taylor* in the forenoon, who stated that he had answered all, excepting the two or three above-mentioned, respecting which he would furnish information as early as possible.

Mr. Derham : With regard to the New Zealand Cable—has the Company anything fresh to urge ?

Mr. Squier : There is nothing fresh. The Company are now —

Mr. Derham : I would like to hear the Company's view of any claim it has against the Colonies.

Mr. Squier : The subsidy expired two years ago ; the cable was found not to be paying expenses, and the Company are now trying to recoup themselves by increased rates. Figures have been furnished to the Governments showing that receipts all along were not sufficient, without the subsidy, to give a fair return to the shareholders, and to, at the same time, provide for amortization. I hand the Chairman figures showing the amounts received during the period since 1881 :—

In 1882, with the subsidy	...	...	...	...	...	...	7½ per cent.
1882, without the subsidy	...	...	...	...	...	...	5 "
1883, it was the same	...	...	...	...	...	7½ and 5	"
1884, the same	...	...	...	...	...	7½ and 5	"
1885, with the subsidy	...	...	...	...	...	...	8 "
1886, " (1 January to 21 February)	...	...	...	...	...	5¾	"
1887, without subsidy	...	...	...	...	...	5½	"
1887, without subsidy for first six months	...	...	...	...	...	2½	"

This was the result of working the cable since 1881. This left nothing for amortization.

Mr. Derham : What allowance would you make per annum for amortization ?

A. : No provision for amortization is made in this ; it cannot be estimated at less than 5 per cent. I will leave this paper with the Conference. [With a view to its being printed, motion put and carried.]

Mr. Derham : Then the net return from the New Zealand cable, after allowing for amortization, would appear to be about 2 per cent ?

A. : Hardly that.

Mr. Derham : Can you give any reason ; is the cost of maintenance exceptionally high ?

A. : No ; exceptionally low, I think, in this case. * * * I should explain that there has been no actual expenditure on account of maintenance up to the present time, except a charge against this section for cost of Company's repairing steamers, always in readiness at Singapore, for repairs necessary by accidents, breaking, &c. The 5 per cent. spoken of there is simply for renewal of the cable.

Mr. Derham : Has communication ever been suspended ?

A. : Never.

Mr. Derham : In view of the unsatisfactory position of affairs for the telegraphing public, have the Company anything to urge ?

A. : They have made various proposals which have not been accepted, and they are now ready at any moment to re-open negotiations.

Mr. Derham : Are you aware of any contemplated change in the Press rate ?

A. : The Press rate has not been changed.

Mr. Derham : Can you state the intentions of the Company ?

A. : That is a matter still undecided.

Mr. Derham : Has the traffic been injuriously affected since you raised the rates ?

A. : The rates were only raised three weeks ago. The receipts have increased. There is an increase in both traffic and money receipts.

Mr. Derham : What are the charges in other parts of the world for using a cable of similar length ?

A. : I have a long list showing the rate per 100 miles in different parts of the world. I hand it in.

Mr. Derham : An interesting paper, I think, *Mr. Chairman* ?

Chairman : I think we had better have it printed.

Motion put, and carried.

Mr. Derham : Are those rates generally higher or lower than your cable charges ?

A. : I find that the New Zealand present rates are much lower than any that appear on this paper. They are 78 of a penny per 100 miles.

Some questions and answers relative to percentage of returns were here quite inaudible, but *Mr. Squier* was understood to promise certain particulars later on.

Mr. Derham : You have not yet said what claim the Company has on the Colonies for a continuance of the subsidy ?

A. : Well, we find the traffic during ten years not sufficient to pay a fair return. When the cable was laid it was expected that the receipts would be greater than they have been.

Mr. Derham : But as you have met with disappointment, and the Governments subsidising have also met with disappointment, having fixed rates, and finding that even the lowest have not induced sufficient traffic, would your Company be prepared to sell the cable at a low price, in view of the unprofitable nature of the enterprise ?

A. : I cannot say at a low price.

Mr.

Mr. Derham : Well, the Company find the investment does not pay ;—are they prepared to meet the market and sacrifice?

A. : Well, I could not say that. When an offer was made certain terms were named, but were not accepted, and the offer lapsed.

Mr. Derham suggested it would be better to reserve this point for private discussion.

Sir William Fitzherbert : What was the offer made to the New Zealand Government?

Mr. Squier could not say, and *Mr. Gray* intimated that the sum was £150,000.

Mr. Derham : Was this the original cost of the Sydney-New Zealand Cable, or the estimated value?

Mr. Gray : Its present estimated value.

Mr. Derham : What was the cost?

A. (Mr. Squier) : £300 per mile.

Mr. Derham : How much did that come to?

A. : The contract price was £300,000, with a rebate, if the cable was successfully laid, of £10,000 so that the cost was £290,000.

Mr. Derham : Could not another cable be constructed for less money now?

A. : I could not say ; possibly it could.

Mr. Derham : If a cable were being laid now, would it be an improved cable?

A. : It could not be a better cable.

Mr. Roberts : Has there been any interruption in it.

A. : Never at any time.

The Chairman said if there were no more questions the Conference would not require the attendance of the three gentlemen any longer, unless they wished to offer any further remarks.

Mr. Taylor : We understood the Conference was to be equally open to Captain Rowan. Can we be permitted to be present when he is here?

Chairman : No ; I think the Conference decided that the interviews should be separate. You see, Captain Rowan is not present now, and it was not contemplated he should be present.

Mr. Johnson : Reverting to this proposal—under guarantee from the Colonies,—what would be the amount, after paying all the other companies' charges, left for the Eastern Extension Company?

Answer : As far as these figures furnished to me by our head office show, the guaranteed amount handed to the associated companies (supposing the proposal accepted by the Colonies) would be as follows:—The cable companies on the homeward side of India would take their rates, whereas the Eastern Extension Company would take the major part of the guarantee, *i.e.*, their proportionate share of the rate would only be a penny a word, which is a mere nothing. It is shown on the form here. Out of the 4s., 1s. 6½d. has to be paid out, leaving 2s. 5½d. for the several companies, and the Extension between Port Darwin and India would only take a penny.

Mr. Taylor handed in certain papers with figures furnished to him by his head office for himself. Some of the figures did not apply, but some of them might be of use to the Conference. It was resolved to print them. The interview then terminated.

STATEMENT OF CAPTAIN ROWAN ON BEHALF OF THE PACIFIC TELEGRAPH COMPANY.

CAPTAIN ROWAN said: I am hardly so well prepared as I should like to lay matters of detail before the Conference, firstly, because I am only just recovering from a severe indisposition, which has prevented me from acquiring all particulars; and secondly, because I am awaiting the arrival from Home of one of our Directors, Mr. Owen Jones, who represents more particularly the Canadian interests in this matter.

The general reasons that prompted the promoters of the Pacific Telegraph Company in their proposals to lay down a cable between Australia and America, in order to obtain duplicate communication with the Home country and Europe, have been made known, I think, to the different Colonial Governments through various memoranda forwarded from time to time; but more particularly in the memorandum which was laid before the delegates at the Imperial Conference in London in April last, copies of which were transmitted at the time to the different Colonial Governments in Australasia. One of the principal reasons in advocating this scheme has been the conviction that a duplicate or alternate cable route communication with the old country—to be of practical good—should be as far as possible entirely separate from the existing routes, *i.e.*, each should be as far as possible removed from the dangers which beset any other; for even where there are two duplicate routes, when they lie alongside one another they are of course exposed to the same natural causes of danger, whereas, if one route goes an entirely different way from start to finish, the causes which endanger one do not affect the other. For that reason it is desirable that the duplicate route should be entirely different.

Secondly, the question of reducing the cable rates has been considered a very important one—as affecting the commercial development of the country, and also as to the immense money-saving which would result to the Colonies generally. A reduction in the cable rates, to be of practical value, we think ought to be a very substantial one; small reductions do not appear to have the effect of increasing the traffic very much; whereas it is, I think, acknowledged from almost universal experience that where substantial reductions are made the increase is very great. Under existing circumstances, even with the high charges made, there is a great traffic increase from year to year; but were a duplicate line such as we advocate laid down the increase would become much greater (and I am supported in this opinion by many commercial men with whom I have conversed), and the consequent saving to the Colonies would be very large. Of course it is for the Colonies to decide as to in what direction, if any, they will spend money in reducing charges. All we claim is, that the route we advocate will give the greatest advantages for the money expended.

As to the details of the scheme, they must be to a large extent in the future, because so many interests have to be considered, and so many parties consulted, that it would be almost impossible now, if we desired it, to lay down any defined scheme in detail to bind all the Colonies to.

The desire of the Pacific Telegraph Company is to obtain, if possible, an expression from this Conference of sympathy in the proposed line—of their agreement in the views which animate the Company, and the reasons which render the line desirable. We then hope to obtain from the members of the Conference an assurance that they will bring our proposals favorably, if possible, before the consideration of the respective Colonial Governments. We should then endeavor to obtain from the various Governments concerned, who have so far agreed with us as to favour the proposal and admit the possibility of contributing to the subsidy in support of the proposed line, a statement of the conditions which they consider should hedge in such granting of subsidy. We should endeavour to harmonise as far as possible these conditions, in any respects in which they might differ, and having done so, we should then be in a position to lay a conditional promise before the Imperial Government, which we think (and have reason to believe, in spite of their refusal up to the present time to definitely say they will grant a subsidy) will induce them to contribute largely to this scheme. If we were able to lay before them a promise that under certain conditions the Colonies are prepared to contribute on some defined basis, the Imperial Government we believe, would likewise contribute. Our reason for saying so is, that the Imperial Government have shown an interest in this particular scheme, and have admitted the justice of our contention that it appears to them in a manner different from that of any scheme so far proposed, inasmuch as the line, if taken across Canada, would be almost entirely through British territory, and if taken across America from San Francisco (which scheme has also been mooted), it would go through the territory of a friendly and English-speaking country.

As regards the cable itself, if laid down as proposed across the Pacific, it will be vastly safer from interruption in time of war than any of the existing ones, which are split up into many sections, run through various countries, and would be liable in war time to be cut or interrupted in many ways. It seems perfectly clear that Vancouver will be one of the largest naval stations of Great Britain, and Australia is also likely to become one of the largest; consequently, we should have at the two ends of our cable two large, important, strong naval stations. The line would therefore be more easily patrolled from end to end, and it would be hardly possible for any hostile forces to make a raid on it. The stations of other countries where naval forces are kept are well known, the vessels are well known, and it is comparatively easy to learn when any vessel is despatched, although we may not know the reason for its being sent away. The cable would land probably—though that is a point on which the Colonies would have a great deal to say, and might settle it, in fact, independently of the Company—in New Zealand, Fiji, Fanning Islands, Hawaii, and Vancouver, under the present proposal. This allows stations to be arranged at intervals which are not too great for a deep sea line.

Objections and statements have been made that the bottom of the sea, on the route along which it is proposed to take this cable, is of a dangerous and unsuitable nature. These statements are not borne out by any evidence so far available to us. On the contrary, so far, the soundings of the “Challenger” and “Tuscarora,” between Sydney and Hawaii, and to some extent north of Hawaii, all go to show that the bed of the ocean is comparatively even, and eminently suitable for a cable. The methods of the construction of cables have so much improved in late years that the dangers to be apprehended from mere automatic or defective breaking down of the cable are almost nil. It would be impossible to say that such dangers do not exist, but at the same time the perfection of construction has reduced them to a minimum. As regards the coral reefs approaching the shores, cable construction has fully mastered those difficulties, as has been shown on more than one occasion

and probably nothing—no seas—would be encountered so dangerous to cables or so likely to render breakdowns possible, as exist in the shallow waters in which the present cables run through the tropics.

The question will naturally be asked: "What are the conditions the Company asks the Colonies to agree to, and what the amount of subsidy required, to enable the Company to raise the money, and to lay down the cable?" The objection was raised last year (indeed it was stated as a fact) that the Company would ask for a subsidy whether the cable worked or not. But that was a misconception. The Company ask for no subsidy until the cable is down and in working order; and the Company stated at the Imperial Conference in London last year the conditions they would ask for in regard to temporary breakdowns if they occurred, which are very much like the ordinary conditions allowed to existing cable Companies. In that proposal made last year the amount of subsidy asked for practically amounted to £75,000 annually for twenty-five years. The Company would ask the various Governments, including Canada and Great Britain, to guarantee Government traffic over the lines to the extent of £75,000 annually; that means, of course, that the Governments concerned would be empowered to make use of the lines to that extent.

I am not aware of further modification of that scheme in details, although I know that proposals have been made since, in which I believe a substantial reduction has been made in the amount asked for, owing to the fact that it was found probable that the money required could be raised at a lower rate of interest than was previously considered possible, on such a satisfactory guarantee as that of the home country and the Colonies combined. That is a matter, of course, which would be determined mainly by the rates of the money market, and the terms on which money could be raised on the guarantee asked for, if given. The names of the Directors of the Company, which have been furnished to the Governments at different times, are sufficient guarantee, I think, of the substantiality of the Company, and the fact that this Company was officially recognised at home by the Imperial Conference and admitted by the English Government to represent it—although no capital was actually subscribed—is a further proof of the consideration in which the Directors of the Company are held at home.

The Company feel that should the Colonies consider their proposals in the first instance favourably, and should they allow them to formulate a scheme under which they could approach the Imperial Government with a definite conditional promise of support, there would be no difficulty in the Directors of the Company making such arrangements as would put the matter in hand without further delay, and arrange for the construction of the cable on the most approved modern methods, under stringent conditions, and for its being laid down with the greatest despatch.

Mr. Derham: This proposal follows one previously made. Do you understood the previous one to be absolutely withdrawn, and this one to take its place?

Capt. Rowan: Yes.

Mr. Derham: What becomes then of the Company's proposal that the Governments should send their own messages free?

Capt. Rowan: This comes to the same thing. The Governments are asked to guarantee £75,000; it will be for them to settle among themselves as to the proportions, and I take it each would guarantee its share of the amount.

Mr. Derham: In this proposal it is stated "that such rates shall never exceed 4s. per word between England and Australasia." What about between Australasia and England—is that to be the same?

Capt. Rowan: Yes.

Mr. Derham: We want to know exactly what is the proposal to this Conference?

Capt. Rowan: The proposal of the Company to this Conference, so far as I have power to lay the matter before them, is a request for their support of the general scheme, leaving the question of the amount of subsidy (which will not exceed £75,000, and will probably be less) to be settled afterwards. The general principle is that the rate shall not exceed 4s. a word; and should the traffic increase in the way we think is absolutely certain, that can be reduced, before many years, still further.

Mr. Derham: How long will it take to construct this cable?

Captain Rowan: Well, if the preliminaries were settled, I think it could be constructed and laid within 18 months.

Mr. Derham: What facts could you lay before the Conference with regard to the percentage of breakdowns in Cables?

Captain Rowan: Here is a paper on the subject reprinted from the "Electric Review" last March, giving the number of breakdowns that have occurred at various times and their causes. I will leave it with the Conference.

Mr. Derham: What answer was received by your Company from the British Government with regard to a survey.

Capt. Rowan: I am afraid I am no better informed than the members of the Conference on that point, as the last intelligence I had is that which appeared the other day in a press telegram, which is borne out by the letter I had previously received from Mr. Finch-Hatton, the secretary, stating that they were awaiting the return of a member of the Government to stir the matter up again. It appears that the British Government is prepared to find a vessel and men, if the Colonies will defray the remaining cost of surveys to determine the best route to follow.

Mr. Derham: Why should the Company, who are to profit by the enterprise, not join in the cost?

Capt. Rowan: The Company have already gone to considerable outlay in making preparations, and have spent much money in bringing the matter before the different Governments. They have, moreover, brought pressure to bear to get the Home Government to give the vessel and men.

Mr. Derham: Is there no likelihood of the Home Government contributing towards the subsidy, apart from the vessel and men?

Capt. Rowan: I think they are only holding back until they see whether the Colonies will contribute, considering it impolitic at present to commit themselves to anything. But if we could say the Colonies are willing, under certain conditions, to contribute such and such proportions, I have no doubt whatever that the Home Government would contribute also, because they are so largely interested, for political and international reasons, in the maintenance of this duplicate line.

Mr. Johnson: Have you seen the reports of the London Conference as regards this matter? Yes. Sir Henry Holland then held out no hope that the British Government would contribute to the cable?

Captain Rowan: No, he held out no hope then, it would have been impolitic.

Mr. Johnson: It is proposed that the Australian Colonies shall pay about £6,000 as their proportion of cost of the survey? Yes. What would the total cost of the survey be?

Captain

Captain Rowan : It would be very hard to determine that, as so much of the contribution would be in kind,—the loan of a vessel and men, for example. It would be hard to assess it.

Mr. Johnson : There has been no survey yet of the proposed route?

Captain Rowan : There are soundings taken by the American frigate "Tuscarora" between Sydney and Hawaii, and those soundings we have marked down on the chart. There are also soundings to the north of Hawaii taken by the "Challenger." The portion to be surveyed would be between Hawaii and Vancouver.

Mr. Johnson : I am aware of those soundings, but I do not think they would constitute anything like a complete survey necessary to determine whether the ocean bed over the proposed route would be suitable. Do you think so?

Captain Rowan : I am not prepared to say that the soundings are sufficient to be considered as final, but they are of such a nature as to render it probable that the bottom of the sea is of a suitable character.

Mr. Johnson : Did those soundings give a great depth, say 5 miles?

Capt. Rowan : I cannot say what the greatest depth was; but the information sent to me would show that the bottom was of a very even character indeed.

Mr. Johnson : To your knowledge has any cable ever been laid at such a depth as 5 miles?

Capt. Rowan : I have no knowledge of a cable being laid at such a depth, but I have frequently conversed with experts on the subject, and their opinion is that there is no reason why it should not be done. And if well constructed in the first instance, and well tested, there is really less likelihood of interruption than with existing cables.

Mr. Johnson : But supposing anything happened, would it be so easy, if possible, to raise the cable up in the usual way for repairs?

Captain Rowan : I do not think it would be easy—it would be possible. It has never been attempted to my knowledge.

Mr. Johnson : One of the special advantages put forward by your Company is that of reduced rates? [Yes.] In your opinion, would the establishment of a duplicate line have that effect, seeing that the existing cable would still take some of the traffic. There is a line now subsidised by the Australian Colonies; supposing we had another competing with it, do you think that would so increase the traffic as to conduce to reduced rates?

Captain Rowan : Well, the natural tendency of competition is to bring rates down, but there is another reason—the cost to the Company by this route would be such that they would be able to start at a very much lower rate than the existing Company charges.

Mr. Johnson : What is the capital of your Company?

Captain Rowan : The proposed capital originally was £2,500,000. That has since been largely reduced.

Mr. Johnson : That is partly due to the fact that it is not now proposed to put down a special Atlantic cable?

Captain Rowan : Well, partly; but the proposal to put down a special Atlantic cable was always only a conditional part of the proposal. It was never certain that such would be necessary, only in case of their not being able to arrange otherwise the Company would be prepared to put it down for their own use.

Mr. Johnson : It is also proposed to utilize the present New Zealand cable?

Captain Rowan : Not necessarily; that would entirely depend on the terms of this last proposal. The Company partly contemplated laying down a new cable.

Mr. Johnson : Is the present condition of the several Atlantic cables within your knowledge: as to their effectiveness?

Captain Rowan : No; I would not like to venture any statement as to that * * * I do not know your object in asking the question; but if it bears on the construction of cables, there have been great improvements in the construction even since the last Atlantic cable was put down.

Mr. Johnson : I want to know if your Company has taken into account the present condition of the Atlantic cables. How many of these are absolutely effective to-day?

Capt. Rowan : I think I may safely say that our Company have taken all these circumstances fully into consideration, and have made such arrangements with one or more of the Atlantic cable companies as will ensure them a firm offer of very easy terms for the transmission of their messages to America over a prolonged period; and they, in making such an arrangement, would naturally look to the condition and effectiveness of the cables of the companies with whom they were negotiating.

Mr. Johnson : One reason for your alternative route is that it would be safer in time of war—Would not much of this route pass through neutral waters—free to all?

Capt. Rowan : Yes; but they are waters that are easily accessible to our patrols, and could be easily watched and guarded by our war vessels.

Mr. Johnson : Has not Russia also a naval station off the route—Vladivostock?

Capt. Rowan : Yes; but that is a long distance away. They could make a raid, but they would have to be specially equipped to pick up the cable in deep water.

Mr. Johnson : Well, a large portion of the line then passes through waters free to anyone to come and do what they like?

Capt. Rowan : Yes; if they are not stopped by anyone else.

Mr. Henry : Are there not extensive coral reefs likely to affect cables?

Capt. Rowan : There are coral reefs doubtless as you approach different islands, but the construction of cables—as has been shown by Sir John Pender, Mr. Anderson, and others—has been so improved with brass sheathing, &c., as to practically secure them from any danger of that nature. Formerly, there was great danger as regards coral reefs and insects. It has now been reduced to a minimum.

Mr. Johnson : Is not the brass sheathing for the purpose of preventing the attacks of teredos rather than saving from the coral reefs?

Capt. Rowan : No doubt that is its principal object, but it acts for both purposes. Special makes of cable are manufactured for putting over coral reefs.

Mr. Derham : Does your estimate of traffic provide for competition which would ensue between the Pacific Company and the existing Company?

Captain Rowan : It has always been necessary to suppose that a considerable portion of traffic would continue to go over the existing line.

Mr.

Mr. Derham : But supposing the existing Company were to cut down the rates to half your proposed rates, what would be your position then ?

Captain Rowan : I think the existing Company in a short time would cease to exist.

Mr. Johnson : Has the English Government declined to lend a vessel for the purpose ?

Captain Rowan : They did not actually decline, but they shelved the question at one time ; they showed they were not prepared to deal with it. But since then the matter has been brought forward again. The fact of their having declined at one time, or under one Ministry, to lend a vessel would not of itself be very discouraging ; because if we found the Colonies really seriously desiring to have this scheme carried out, some pressure might be brought to bear on the Home Government, when they would (if not already done) probably rescind their determination to shelve the question.

Mr. Derham : What is the paid-up capital of the Company now ?

Captain Rowan : There is no capital yet raised. The Company are waiting until further developments to enable them to go into the market for the money. I pointed out to the Conference just now in my address that the position of the gentlemen on the Board of Directors is the best guarantee the public can have.

Mr. Johnson : Is the Company actually formed, or are they only provisional directors ?

Captain Rowan : It is actually formed and registered, and directors were appointed at a meeting for the purpose. I have here a circular sent to the Governments, notifying the formation of the Company and the names of the gentlemen composing it. Those I have marked with D were the directors whose appointments were confirmed at a meeting of shareholders held in February last year. I leave the paper with the Conference. Since then two or three Canadian gentlemen have been added to the directors. Mr. Owen Jones, of course, is one.

Mr. Henry : Has Canada been negotiated with by your Company ?

Capt. Rowan : Canada has been working with our Company all through. Mr. Sandford Fleming and the more immediate promoters of the Pacific Company have been working together, and the reason why Canada in the first instance made such vigorous proposals was that they were afraid of the line going by way of 'Frisco. The first idea was to take it that way and tap the immense traffic there, and the Canadians, afraid of that, made overtures to the Company, which have resulted in the two parties working together, and they have done so since.