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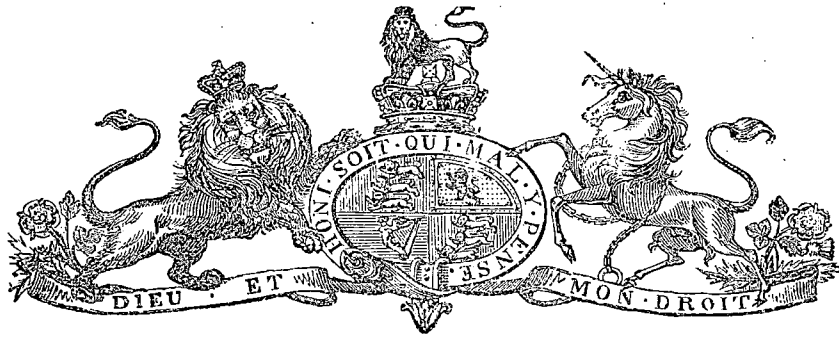
1885.

PARLIAMENT OF TASMANIA.

BERLIN TELEGRAPHIC CONFERENCE:

REPORT.

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



Berlin, 20th August, 1885.

SIR,

IN the despatch I forwarded to you last week I gave you an account of the opening proceedings of the International Cable Conference at Berlin, and briefly described the way the Cable Companies divided the profits received for messages to and from Australia.

I have since had the satisfaction of sending you a cable message, announcing a probable reduction of twenty-five per cent. in the charges. This result was brought about more rapidly than I expected, for I had prepared documents and had made plans for a lengthened attack. I based my calculations on the present receipts of the Companies and Governments concerned. I found that the annual income from Australasian Cables amounted almost to £300,000 per annum,—not a quarter of a million, as I had at first estimated. The subsidy of £30,000 per annum from the Australian Governments I had not taken into account.

In my paper presented to the Intercolonial Conference at Sydney in 1873, I urged that the total cost of a cable message to Australia from England should not exceed 2s. 6d. per word, and I asserted that even 1s. per word would pay. I protested against the 10s. 8d. per word tariff as being prohibitory except to large merchants.

In the commission issued to me by His Excellency the Governor of Tasmania no special instruction is given; and you, in your wisdom, allowed me free action. Under the circumstances I resolved to make a common cause, and unite with India and the representatives of the other Australasian Colonies against the Cable Companies. I looked, too, for support from the representative of Great Britain, a Mr. Patey, because England is quite as much interested as Australasia in the cable messages. Mr. C. Todd (South Australia) and Mr. E. C. Cracknell (New South Wales) gave the most loyal support in the proposed reductions, and to their tact and wise counsels the success is mostly due. Mr. Fischer and Mr. Benton were most obliging to us all.

On Tuesday afternoon, August 14th, a special private meeting was held at Dr. Von Stephan's house, and at this meeting Sir James Anderson and Mr. John Pender, of the Eastern and Eastern Extension Company, and Mr. Andrews, of the Indo-European Company, on the one hand representing the Companies, Dr. Von Stephan (the German Government), Colonel Bateman Champain (the Indian Government), and Mr. Charles Todd (the South Australian Government), attended. Sir James Anderson then said, on behalf of the Cable Companies, he was willing to reduce the charge for public or general messages to Australia by 2s. 6d. per word, provided the German Government, the Indian Government, and the South Australian Government agreed. The matter was thus arranged, although Mr. Todd had to telegraph to South Australia to get the consent of his Government for a proportionate reduction over the land lines of that Colony. I should have mentioned that, in connection with this, the companies also agreed to charge 2s. 8d. per word, in place of 6s. 5d., for press messages to and from Australasia. This concession of quarter rates for press messages is only completing or carrying out an old engagement made with me in 1877, to the effect that, if the Australian Government granted a subsidy, the companies would give the press quarter rates. The subsidy was granted in 1878, but through technical difficulties the quarter rates were only given over the Eastern Extension Companies lines to Australia, consequently the rate for press messages has since been 6s. 5d. in place of 10s. 8d. I may point out that a strong argument in favour of giving the press a lower rate is that, with the exception of the Governments, nine-tenths of the cable business is commercial, and commercial men use code words. It is impossible to prepare a press code, because no man can anticipate general news.

I regard as settled the reduction of twenty-five per cent., or a saving of over sixty thousand pounds (£60,000) per annum to the Australasian people for cable messages; and with the increasing business the companies will not lose.

Important as this concession is, which I trust will meet with your approval, it still cannot be denied that the cable charges are yet too high.

Able politicians have proved these points in favour of cheap cable messages, &c. :—

1. That there would be an enormous saving of time, which is of the first importance in these days.
2. That it would relieve the Post Office.
3. That the saving of money, by shortening the time between England and Australia by five or six weeks, would repay ten times the cost of the cable messages.
4. That bringing the telegraph within the range of the whole people would create a sense of nearness, and prevent the seeming severance of domestic ties by emigration.
5. That it would encourage and facilitate commercial enterprise to an enormous extent, because the strongest inducement would be held out for substituting telegrams for letters.

The question then arises, "whether the Colonies can and will unite in the construction of a line of their own," or adopt a plan which I shall presently refer to.

It has been pointed out by an able writer that "the Colonies have never been backward in keeping up postal communication with all parts of the world, and have never looked for any system of ocean postage to be even self-supporting, but have always regarded the monetary aspect of such a question as one of secondary importance." The time has arrived when telegraphic should, to a great extent, take the place of postal communication; and it is the highest national work that should occupy the attention of Federated Australasia to place her people on the same footing in regard to cheap communication with the rest of the world as is enjoyed by the people of Europe with those of America. The shilling a word rate would be a grand achievement.

As you are aware, I have advocated an alternate cable between England and Australia, *viâ* the Cape of Good Hope and Mauritius, a total distance of 12,000 miles. This cable would cost three millions sterling, and, for political and commercial reasons, would be viewed with favour if constructed at the joint expense of the Colonies and the Mother Country. I am certain that, in the event of war, under the present system the cables in the Mediterranean, the Red Sea, and the Continent would be cut or interrupted. Politically, therefore, it would be of importance to have an alternative line, connecting England, the Cape, Australia, and up to India.

Broadly, however, I am in favour of the Governments owning all the cables, as they have now control of the land lines. They should be regarded as national properties, and not be in the hands of speculators as at present. I have already told you, I think, of a conversation I had with a member of the German Government on the subject. He remarked that it is monstrous that Cable Companies should control the cables, and high dividends, sometimes amounting to fifteen (15) per cent., be declared for this class of work, which is as essentially national and for the public benefit as Railways and the Post Office.

One of the ablest leaders of the Cable Companies is Sir James Anderson. In a conversation I have had with him he admitted the justice of my views, and while opposing my scheme of an alternate cable he supported the view that cables should be in the hands of the Government. In a statesmanlike manner he submitted a paper showing the value of the cables of the world, and the terms under which they might be acquired by the Governments. Sir James Anderson is in favour of placing the whole of the cables under a national committee of control. He values the 90,000 miles of cables in the world at £34,000,000 sterling. He asks the Governments to pay the shareholders 5 per cent. on this sum, reserving 5 per cent. for renewals and repairs. A sinking fund might be added, so that in a certain number of years the shareholders could be paid off. It will be seen that the cables of the world would have to give a profit of over three millions per annum. The Australian cables give a profit far and away higher than here indicated for cables generally. By the joint purse arrangements now existing between the companies I am afraid that Australian profits go to equalise the returns from poorer places.

From all I have written you will no doubt see your way to discuss the broad question of the Australian Governments taking possession of the cables to England, at a fair value, with the alternative that if they are not to be obtained at a fair value a new cable be laid.

I have, &c.

J. HENNIKER HEATON.

To the Honorable ADYE DOUGLAS, M.P.,
Premier of Tasmania.