

(No. 105.)



1881.

TASMANIA.

HOUSE OF ASSEMBLY.

**CABLE CHARGES BETWEEN TASMANIA
AND VICTORIA :**

CORRESPONDENCE.

Laid upon the Table by the Colonial Treasurer, and ordered by the House to be printed, September 28, 1881.



CORRESPONDENCE with reference to reduction of the Cable Charges between Tasmania and Victoria.

*Victoria,
Chief Secretary's Office, Melbourne, 15th May, 1879.*

SIR,

I HAVE the honor to bring under your consideration the enclosed communication from my colleague the Hon. the Postmaster-General, calling attention to the excessive character of the rates now payable for the transmission of messages by the Submarine Cable between these Colonies; and to express the hope that steps may be taken by the Government of Tasmania, in view of the considerations therein urged, to obtain the suggested reduction in the rates.

I have, &c.

BRYAN O'LOGHLEN.

The Hon. the Colonial Secretary, Tasmania.

FORWARDED to the Hon. the Colonial Treasurer. The receipt of this letter has been officially acknowledged.

THOS. REIBEY.
19 May, 1879.

*Post Office and Telegraph Department, General Post Office,
Melbourne, 8th May, 1879.*

SIR,

I AM directed by the Hon. the Postmaster-General to forward herewith copy of a Memorandum submitted by Mr. S. W. McGowan, Inspector of Postal and Telegraph Service, suggesting the desirability of steps being taken for obtaining a reduction in rates for transmission of messages by the Submarine Cable between Victoria and Tasmania; and I am to request that you will be good enough to cause a communication to be addressed to the Government of the latter Colony upon the subject, urging that steps be taken for obtaining a reduction in the rates as suggested.]

I have, &c.

T. W. JACKSON, Deputy Postmaster-General.

The Hon. the Chief Secretary.

General Post Office, Melbourne, 21st April, 1879.

SIR,

I HAVE thought for some time past that the period has fully arrived when it would be desirable, on grounds of public convenience, as well as for the financial advantage of the telegraph service, that the rates for the transmission of messages through the Submarine Cable connecting this Colony with Tasmania should be brought to a nearer or more equitable proportion to those of the land lines than has hitherto prevailed, and with this view I have the honor to submit the following observations.

The existing Cable was laid by the Telegraph Construction and Maintenance Company of London in the month of April, 1869, on the basis of a subsidy of 6 per cent. per annum, payable by the Government of Tasmania on the cost of the Cable, accepted at £70,000, for a period of 30 years.

The annual subsidy above mentioned (£4200 per annum) has accordingly been paid by the Tasmanian Government up to the present time.

It is provided in the agreement between the Company and the Government that in the event of the profits for any annual term exceeding 10 per cent. (inclusive of 6 per cent. subsidy), a rebate should be allowed by the Company to the Government of Tasmania of such an amount as would bring the profits down to no more or not exceeding the maximum per centage named (10 per cent.)

The Cable Company commenced operations in 1869 with a tariff of 4s. for a message of 10 words and 5d. for each additional word. These rates have remained unchanged ever since, notwithstanding the fact that the rates on the land lines in Victoria, Tasmania, and all the other Colonies have in the meantime been reduced to the extent of 50 per cent. and even greater.

Some few years back the Tasmania Cable changed hands, and is at present the property of the Eastern Extension Telegraph Company, which are likewise the proprietary of the Sydney and New Zealand Cable, the Port Darwin Cable, &c.

I have not seen any published report of the state of this Company's account in connection with the Tasmania Cable, nor am I aware whether any rebate under the terms of the contract has ever been sought by the Government of that Colony, and I am therefore unable to say whether a large profit in addition to the subsidy named may have as yet accrued to the Cable Company; but from the extent of business which is known to have passed through the Cable month by month during the past ten years, viewed in connection with a liberal estimate of the probable cost of working and maintenance, I am led to the conclusion that the shareholders possess a satisfactorily paying property in the Tasmania Cable.

I have therefore the less hesitation in suggesting that a movement should be made for obtaining a fair and reasonable reduction in the present high tariff for the transmission of telegrams between the two Colonies.

This would necessarily require to be accomplished through the Government of Tasmania; and the case should, I think, be strongly urged.

The present rates are quite out of proportion to those in force on the Cable between New South Wales and New Zealand (subsidised by the Governments of those Colonies, but on terms less favourable than in the case of the Tasmania Cable).

In the instance of the New Zealand Cable, which may be stated as about 1200 miles in length, the charge is 7s. 6d. for a single message of 10 words, and 9d. per word for each additional word; while on the Tasmania Cable, which is less than 200 miles in length, the charge is 4s., and for each additional word 5d.

It appears clear that the charges must in one case be either very much in excess, or in the other very much too low.

The first were fixed by the Eastern Extension Telegraph Company, the latter (Tasmania) by the Telegraph Construction and Maintenance Company.

There cannot, I think, be any reasonable doubt that if the charges on the Tasmania Cable were reduced to say 2s. for 10 words and 2d. for each additional word, the rapid increase in the number of telegrams would very shortly more than compensate for such a modification of existing rates, and would be more in harmony with the land line rates, making at the same time all due allowance for the greatly increased cost of Cables as compared with aerial lines.

It must also be remembered that a special wire, for Cable business exclusively, is at present being erected between Melbourne and the Cable landing at Flinders, and that a permanent office building, with quarters accommodation on a liberal scale, is about to be provided for the Company's officers at that place.

It is therefore to be expected that the Cable Company should be prepared to make favourable concessions in the matter of transmission rates.

The reduction suggested would make the cost of a message to or from Melbourne and Hobart Town 4s. (instead of 6s. as at present), allowing 1s. for each Colony and 2s. for the Cable.

Such a charge would soon, I feel assured, receive practical appreciation on the part of the public by the large increase of business both through the Cable and over the land-lines; and I trust that steps may be taken toward attaining that desirable end at an early date.

I have, &c.

S. W. M'GOWAN.

The Deputy Postmaster-General.

Treasury, Hobart, 23rd May, 1879.

MEMO.

THE Colonial Treasurer has had under consideration a communication from the Government of Victoria, calling attention to the excessive character of the rates now payable for the transmission of messages by the Tasmanian Submarine Cable, and expressing a hope that steps may be taken by the Government of this Colony to obtain a reduction in the charges now in force.

This correspondence affords an opportunity to open up the question of telegraphic communication between the two Colonies; and the Colonial Treasurer desires to take advantage of the occasion to refer to the heavy burden this Colony has to bear unaided to secure the maintenance of telegraph communication by submarine cable with the Australian Continent.

As stated by Mr. M'Gowan in his report of the 21st ultimo, the existing cable was laid by the Telegraph Construction and Maintenance Company of England during the year 1869 under special agreement with this Government, by which the Company secured to itself a subsidy of £4200 yearly, being equal to six pounds per cent. upon a capital sum of £70,000; the Company taking, in addition to the guaranteed interest, a proportion of the receipts for the transmission of messages through the cable.

When this Government proposed, on the 13th November, 1866, that Tasmania and Victoria should take joint action and endeavour to arrange for the construction and maintenance of an Electric Cable between the two colonies, the Chief Secretary of Victoria declined to take united action, as it did not then appear to him that the advantages to be derived by that Colony would justify its Government in agreeing to negotiate as suggested by this Government, as the Chief Secretary held that Tasmania must reap the main benefits to arise from the establishment of direct telegraph communication with Victoria. Tasmania had therefore no alternative but to enter upon the negotiations single handed, and succeeded in ultimately making the contract, hereinbefore referred to, undertaking to guarantee to the contractors the whole amount which it was originally intended should be equally borne by the two Governments.

The Colonial Treasurer can fully appreciate the reluctance shown by the Government of Victoria in the year 1866 to join this Colony in an attempt to secure to the two communities the benefits of telegraph communication, the Government of Victoria having fresh in recollection the heavy pecuniary loss and utter failure which attended the efforts of the two colonies to establish direct communication during the year 1859.

Now the circumstances are totally different: experience has shown that the arrangement entered into by this Government, and under which the present cable is worked, has been the means of giving to both colonies uninterrupted telegraphic communication for the past ten years, and that the business of the line has been steadily increasing; the amounts "paid to the other colonies" as their proportion of the fees collected being, in 1874, £1642 14s.; 1875, £1471 4s. 2d.; 1876, £1435 17s. 5d.; 1877, £2282 16s. 2d.; and 1878, £3226 19s. 9d.; thereby showing, with due regard to the nature and destination of the telegrams, that the public of Victoria in particular are deriving a very substantial advantage in many respects without entailing upon the Treasury of that Colony any part of the expense which Tasmania is called upon to bear to secure benefits mutually important, as a glance at the nature of the business passing through the cable will, I feel sure, clearly demonstrate.

The Colonial Treasurer requests that the favourable consideration of the Government of Victoria may be invited to this subject with a view to that Government joining this Colony in the cost of maintaining the Submarine Cable under the Contract between this Government and the Cable Company, on the ground of simple justice, as the benefits arising from the use of the Submarine Cable are so equally balanced between the two colonies, and as the existing arrangement is one which cannot result in loss to either Government, as in the case of the cable laid during 1859. At present the guarantee is only payable whilst the cable is kept in working order.

With regard to the question of charges on messages for transmission by Submarine Cable, the Colonial Treasurer fully concurs in the desirability of reducing the present rates, and has repeatedly endeavoured to do so; but without success, as the Managing Director of the Company inclines to the opinion that reduction in the present rates would result in positive loss to the Company.

If the Government of Victoria is prepared to join this Government in a representation to the Company recommending that the present charges be reduced to 2s. for 10 words, upon condition that the two Colonies interested undertake to reduce their land line charges to 6d. for 10 words, additional words to be in the same proportion, and further guarantees the Cable Company against loss of revenue as compared with their average receipts for the preceding three years,—that is, if the average gave £3000, and the following year only £2500, it would rest with Tasmania and Victoria to make up the difference,—the Colonial Treasurer is prepared to address the Managing Director on the subject. It appears to the Colonial Treasurer that some proposal of this kind is the only way in which the Company will be induced to favourably consider any suggestion to reduce the present rates.

The accounts current rendered by the Company regularly every year have undergone careful examination by the authorities in this Colony, and up to the present time the earnings of the cable have not been such as to entitle the Colony to participate in profits over and above 10 per cent. as provided by the contract.

D. LEWIS, *Colonial Treasurer.*

The Hon. the Colonial Secretary.

Tasmania,
Colonial Secretary's Office, 28th May, 1879.

SIR,

WITH reference to your letter of the 15th instant, upon the subject of the reduction in the cost of telegraphic communication between this Colony and Victoria, I have the honor to forward copy of a Memorandum by my Colleague, the Colonial Treasurer, to which I request the favourable consideration of your Government.

The benefits derived from the existence of telegraphic communication between Tasmania and Victoria are so evenly balanced between the two Colonies that I trust the proposals of the Colonial Treasurer may commend themselves to your notice as equitable in their character and advantageous to all parties.

I have, &c.

THOS. REIBEY.

The Honorable the Chief Secretary, Victoria.

Treasury, 21st April, 1881.

DEAR SIR,

WITH reference to our recent interview as to the reduction of charges upon the transmission of a telegraphic message between Tasmania and, say, Victoria, I have considered the matter, and am very strongly impressed with the view that I should at least make an effort to carry Victoria with me in any proposal to reduce the telegraphic rates. I think it certain that a reduction of the cable charge to, say 2s. for 10 words, and of the Victorian and Tasmanian land lines respectively to, say, 6d. for 10 words, so as to allow a ten-word message to be passed from Melbourne to Hobart or Launceston for 3s., would greatly increase the number of messages, and would thus, by bringing the cable into more constant use, facilitate business between the two Colonies.

So far as your Company is concerned, I presume you would be ready to effect such a reduction as that contemplated, provided your Company were indemnified against loss; and in settling the amount of the indemnity it must be borne in mind that the Company are already receiving a subsidy for 20 years from the opening of the cable at the rate of 6 per cent. on a nominal expenditure of £70,000, both the rate of interest and the estimated expenses of the cable being now much higher than would probably be paid for a similar service.

Before communicating with Victoria I should be glad to hear from you whether you believe that your Company would co-operate in bringing about a reduction, and upon what terms.

I am, &c.

W. R. GIBLIN.

W. WARREN, *Esq., Manager T. and V. Cable.*

Tasmania and Victoria Submarine Telegraph,
George Town, Tasmania, 29th April, 1881.

DEAR SIR,

I HAVE to acknowledge the receipt of your favour of 21st instant, and in reply, beg to inform you that I have communicated with my Managing Director, by wire, with regard to the proposed reduction of Cable charges, and the amount that will be required by the Company for the same.

I have called his attention to the amount of the present subsidy paid by the Tasmanian Government, and asked, in the event of Victoria not contributing towards the sum required for the proposed reduction, that he will be good enough to name the amount that would be required from Tasmania *only* for a reduced rate on messages sent from this Colony.

I will communicate with you again on receipt of the Managing Director's reply.

Hon. W. R. GIBLIN, *Hobart.*

I remain, &c.

W. WARREN.

Treasury, Hobart, 3rd May, 1881.

DEAR SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 29th ultimo, intimating that you had telegraphed to your Director in London asking for his instructions in regard to my letter of the 21st of the same month, and I am glad to learn that you propose to communicate with me again on receipt of his reply.

I have, &c.

W. R. GIBLIN.

W. WARREN, *Esq., Low Heads.*

Recvd. 12. 5. 81.

*Tasmania and Victoria Submarine Telegraph,
George Town, Tasmania, 9th May, 1881.*

SIR,

I HAVE the honor to inform you that a reply from my Managing Director arrived this morning relative to the proposed reduction of Cable charges. It is to the following effect:—

That this Company are willing to reduce their present tariff by one-half; viz., 2s. for 10 words, for the traffic originating in Tasmania,—that is to say, on all messages sent from this Colony,—provided the Tasmanian Government reduce their charge in like proportion, and agree to pay this Company an increase to the present subsidy of £800 per annum, making the total yearly payment £5000.

Should Victoria, however, be willing to join with Tasmania in paying a subsidy for the proposed reduction of tariff *both ways*, this Company would share the risk in making such a reduction, and accept the sum of £1200 per annum in addition to the amount of the existing subsidy.

I trust these terms may prove satisfactory to you.

Should you wish to see me in reference to this matter, I will come to Hobart on receipt of a telegram from you requesting my attendance.

I have, &c.

W. WARREN, *Manager.*

Hon. W. R. GIBLIN, *Colonial Treasurer, Hobart.*

*Tasmania and Victoria Submarine Telegraph,
George Town, Tasmania, 29th June, 1881.*

SIR,

I HAVE the honor to inform you that I have received a letter from Colonel Glover respecting the proposed reduction of cable charges, and he has requested me to inform you that the matter was laid before the Board of Directors, and it was decided that a reduction of 50 per cent. could be made on messages emanating from Tasmania, provided the Government increase the subsidy to £5000 per annum.

Should, however, the Victorian Government wish the reduction extended to messages from their side, and are prepared, in conjunction with Tasmania, to increase the subsidy to £5400 per annum, the Company will participate in the risk, and reduce its tariff throughout.

The proposed reduction would be a loss of £1800 per annum to the Company. To meet this, if the two Governments—Tasmania and Victoria—will pay £1200 per annum, or two shares, the Company will then risk its share in the scheme, viz. £600.

I trust these terms may be satisfactory to you, and that you will be good enough to favour me with a reply as soon as possible.

I have, &c.

W. WARREN, *Manager.*

Hon. W. R. GIBLIN, *Colonial Treasurer, Hobart.*

Treasury, Hobart, 2nd July, 1881.

SIR,

I HAVE the honor to acknowledge the receipt of your letter of the 29th June with reference to the proposed reduction of Cable charges.

I very much regret that the disturbed state of political affairs in Victoria for some months past and at the present time has precluded the possibility of my obtaining the favourable attention of the Government of that Colony to the proposals I desire to make. The next few days may, however, afford an opportunity, of which I will, in that case, avail myself of endeavouring to effect an arrangement which will enable me to settle with you for the reduction, which all must feel is very desirable, and which, I am confident, would not involve anything like the "loss" to your Company which you at present estimate.

I have, &c.

W. WARREN, Esq., Manager

Tasmania and Victoria Submarine Telegraph, George Town.

W. R. GIBLIN.

Treasury, Hobart, 27th July, 1881.

SIR,

I HAVE the honor to solicit your attention to a proposal for reduction of the rates charged for telegraphic messages between Victoria and Tasmania, in which I desire, on the part of the Government of this Colony, to enlist the assistance and co-operation of the Government of Victoria:

You are aware that at present telegraphic communication between the two Colonies is maintained by the Eastern Extension Telegraphic Company, Limited, to whom the cable uniting Tasmania and Victoria belongs. This Company receives a subsidy of £4200 per annum, which is paid exclusively by Tasmania, and charges 4s. for a ten-word message, to which must be added 1s. to Victoria, and 1s. to Tasmania, for the use of the land lines of the two Colonies, making in all 6s. for a message of 10 words.

During the past three years attempts have been made to procure a reduction of the cable rates; and in May, 1879, some correspondence took place between the Government of Victoria and that of Tasmania on the subject, the then Government of Victoria being desirous to bring about this reduction.

In June, 1880, I endeavoured, when in Melbourne, to obtain an interview with Mr. Cuthbert, the then Postmaster-General, in order to negotiate in the matter, but was unable to see him. I learned, however, from Mr. Jackson, the Deputy Postmaster-General, that Mr. Cuthbert was decidedly in favour of joining the Tasmanian Government in bringing about a reduction, but owing to political troubles that arose almost immediately, I had no favourable opportunity of bringing the matter again under the notice of the Government of Victoria.

The rapid growth of the mining industry in Tasmania, and the large amount of Victorian energy and capital that is now finding an outlet in Tasmanian ventures, impresses upon me that no further time should be lost in again seeking the co-operation of Victoria in trying to secure the boon of cheaper telegraphy between the two Colonies. The commerce between Victoria and Tasmania has always been considerable, but recent events seem to indicate that a large number of Victorians will henceforth have a keener interest in Tasmanian affairs, and will find increased telegraphic communication a great assistance to them in their enterprises.

The Telegraph Company are prepared to reduce the cable charges to 2s. for a ten-word message, if the annual subsidy is increased from £4200 to £5400, and if the Government of Victoria and Tasmania would reduce the charge for their land line on a similar message from 1s. to 6d. each, so that such a message might be transmitted, say, from Melbourne to Hobart or Launceston, for 3s.; and *vice versa*. If the subsidy were equally shared, as it ought to be, between our two Colonies, we would gladly join your Colony in assenting to this proposal; but, bearing in mind that for 11 years past Tasmania has, single handed, borne the burden of the subsidy of £4200 per annum,—although your population equally with ours (or more than ours) has received the benefit of the cable communication,—I would venture to suggest that the large and wealthier Colony may very properly now accept the liability for the additional £1200 asked for, assured that the increase in the number of messages, and the facilities thereby given to business, would be an adequate recompense to Victoria for the outlay.

I shall be glad to hear from you, at your earliest convenience, whether your Government are prepared to assist in this matter in the manner suggested.

I have, &c.

W. R. GIBLIN, Colonial Treasurer.

The Postmaster-General, Victoria.

*Post Office and Telegraph Department, General Post Office,
Melbourne, 11th August, 1881.*

SIR,

I HAVE the honor to acknowledge the receipt of your communication of the 27th ult., submitting a proposal for reduction of the rates charged on telegraphic messages between Victoria and Tasmania, and requesting the co-operation of this Government in order to effect that object.

In reply, I would beg to observe that the rates charged on cable messages forwarded between Victoria and Tasmania have for a long time past been considered excessive, and a serious obstacle to the free use of the telegraph, which, in the interests of both Colonies, for business and social purposes, is felt to be in the highest degree desirable.

In the Memorandum of your predecessor, dated 23rd May, 1879, forwarded in response to a communication from this Government urging that steps be taken to bring about such a reduction as that now again suggested, it was stated that if Victoria would join Tasmania in recommending the reduction proposed, and "further guarantee the Cable Company against loss of revenue as compared with their average receipts for the preceding three years. . . . it would rest with Tasmania and Victoria to make up the difference."

The payment now demanded by the Cable Company (£1200) may be taken as the amount required to guarantee the Company against loss upon the proposed reduction in the rates; but it does not appear that Victoria can be fairly called upon to defray this extra charge, having in view the former proposition that the two Colonies (Victoria and Tasmania) should jointly make up any loss the Company might sustain by reducing the cable charges without an increase of the subsidy.

In each of the last two years the revenue derived by Victoria upon messages sent to and from Tasmania amounted to no more than £810; and although a reduction in the rates to one-half would probably lead to such an increase of business that no monetary loss would be sustained on this account by either Colony, such a large augmentation of business would manifestly conduce much more to the benefit of your Colony than to Victoria, whose capital is said to be so largely employed in developing the resources of Tasmania.

It is moreover pointed out that, consequent upon the refusal of Tasmania to pay anything toward the subsidy for the duplicate cable between Port Darwin and Penang, a much larger amount than would otherwise be necessary has to be paid by Victoria, now called upon to contribute to that subsidy the large sum of £15,800 per annum.

Taking into consideration, however, the advantages that would certainly result from the reduction of rates, by promoting the more general transmission of both private and press messages between the two Colonies whose interests are so closely allied, this Government is prepared to reduce the rate along its land lines from one shilling (1s.) to sixpence (6d.) for ten words, and would also contribute a moiety (£600) of the additional subsidy required by the Cable Company, in order that the proposed arrangement may be brought into operation without further delay.

I have, &c.

HENRY BOLTON, *Postmaster-General.*

*The Hon. the Colonial Treasurer,
Hobart, Tasmania.*

Treasury, Hobart, 23rd August, 1881.

SIR,

I HAVE the honor to acknowledge receipt of your letter, dated 11th instant, which reached me on the 20th, and am glad to find that the Government of Victoria are prepared to co-operate with this Government in endeavouring to procure a reduction of the charges for the use of the Telegraph Cable between Victoria and Tasmania.

It is admitted that the proposal I had the honor to make on the 27th ultimo would be more beneficial to Tasmania, if accepted, than that made by my predecessor on the 23rd May, 1879; but I would submit for your consideration that the proposal involves nothing unreasonable. When it is considered that this Colony has had to bear alone the direct subsidy of £4200 per annum for twelve years past to enable Telegraphic communication to be maintained, I think it will be conceded that what we now ask is less than might fairly be claimed. Looking at the relative population and wealth

of the two Colonies, and the advantage to each of Telegraphic communication in consequence of the great community of trading interests which exists between them, I do not think that it would be unfair for the two Colonies to divide the burden equally : thus—

	£
Cable subsidy	4200
Further subsidy proposed	1200
	<u>£5400</u>

which, if borne between the two Governments, would give £2700 by Tasmania and £2700 by Victoria.

But even if, as your letter states, the telegraph business conduces “much more to the benefit of Tasmania than Victoria” (a proposition I am not prepared to admit), and in consequence the subsidy were divided into thirds,—two-thirds borne by Tasmania and one-third by Victoria,—the Victorian one-third would still be £1800 per annum, or £600 more than the contribution which is now asked for.

Having regard to the circumstance that, if my proposal of the 27th ultimo were fully acceded to by your Government, the relative contributions to be paid by the two Colonies would be—

	£
Victoria	1200
Tasmania	4200

While under your counter proposal the subsidies would be—

	£
Victoria	600
Tasmania	4800

I venture to suggest that you will be good enough to take the matter again into consideration, and trust that on so doing your Government will be enabled to take a more favourable view of my original proposition, and add this to those measures of peaceful progress which I am sure it will be your desire to foster.

Without in the least underrating the advantage to Tasmania of cheaper cable rates, I am confident that every month is making it more desirable to Victorians, and in Victorian interests, that there should be more economical means of telegraphic communication with Tasmania; and I therefore hope that your Government may, upon reconsideration, see the way clear to assent to the request contained in my former letter.

With reference to the duplicate cable between Port Darwin and Penang, it always appeared to this Government that the proposal was an ingenious, and as it proved successful, attempt on the part of the Cable Company to induce the Colonies to pay for that which the state of the then existing cable made a necessity for the Company; but, waiving all this, the Government of Tasmania were prepared to join with the other Colonies and bear their quota of the duplicate cable subsidy if the submarine cables between New Zealand and Australia, and Tasmania and Australia, were also made matters of Australasian concern.

As our Parliament is in Session, I should be glad to hear again from you hereon as early as may be convenient; and, in the meantime,

I have, &c.

W. R. GIBLIN.

*The Hon. HENRY BOLTON, Postmaster-General,
Victoria.*

General Post Office, Melbourne, 31st August, 1881.

SIR,

I HAVE the honor to acknowledge the receipt of your letter, dated 23rd instant, with further reference to the conditions upon which a reduction may be effected in the rates charged on telegraphic messages transmitted between Tasmania and Victoria, and requesting reconsideration of the proposal contained in your communication of the 27th ult. that this Government should pay the whole amount of the additional subsidy (£1200) required by the Cable Company before assenting to its rates being lowered to one-half the present charges.

In reply, I beg to state that, in deference to your wish, renewed consideration has been given to the subject; but I regret that the Government has been unable to arrive at any other conclusion than that already communicated.

The reasons assigned for Victoria being expected to contribute towards the Cable subsidy appear to be based upon the assumption that the maintenance of the Submarine Telegraph is a matter of equal importance to the two Colonies, whereas the facilities it affords for the transmission of intelligence—social, commercial, and political—from Victoria and all other parts of the world, must be of special and peculiar value to the people of Tasmania, in whose interests the Cable communication was primarily, if not exclusively, established.

The increase, previously adverted to, in the amount of Victorian energy and capital now being expended in connection with Tasmanian enterprises (and consequently diverted from those of Victoria) will naturally tend more directly and permanently to the advantage of the Colony in which such means of development are employed; and this can hardly be admitted as a fair argument in support of the claim upon this Colony for a large pecuniary contribution towards the further promotion of the same object.

There is, however, an earnest desire on the part of the Government of Victoria to facilitate in every practicable way telegraphic intercourse between the two Colonies. With this view it has agreed to reduce the rate upon its land lines for a ten-words message from one shilling to sixpence (although the present rate—one shilling—to all the other colonies will still be continued), and, in addition, to pay £600 per annum toward the extra subsidy demanded by the Cable Company.

It is hoped that this offer will be accepted at once, in order that the proposed arrangement, which is felt by all concerned to be most desirable, may be adopted without further delay; and also that it will be followed by a material reduction in the rates on press messages, similar to the concessions now allowed to the press in this and the adjacent colonies, in order to admit of more complete reports of general news, both to and from Tasmania, being transmitted for publication daily.

I have, &c.

HENRY BOLTON, *Postmaster-General.*

The Hon. W. R. GIBLIN, M.H.A., Colonial Treasurer, Hobart.

Treasury, Hobart, 16th September, 1881.

SIR,

I HAVE had the honor to receive your letter of the 31st ultimo, written in reply to mine of the 23rd, in which you inform me that renewed consideration has been given by your Government to the proposals submitted to you for effecting a reduction in the rates charged on telegraphic messages transmitted between Tasmania and Victoria.

I regret to learn that your Government is unable to accept the proposal that the whole of the additional subsidy should be paid by Victoria in consideration of the heavy burden borne by Tasmania; and, without change in the views I held on the date of my last letter to you stating the case for this Colony as clearly as possible, I am ready to admit that the proposed reduction is one which is felt by all concerned to be most desirable, and should be adopted without delay; and therefore, at the earliest opportunity, this Government will submit and recommend to Parliament that the additional subsidy be guaranteed the Cable Company, in order to bring about the change as quickly as possible, one moiety of the subsidy of £1200 being paid by each Government.

May I ask you to favour me with a copy of the latest scale of charges and regulations for the transmission of press messages.

As soon as the Legislature of this Colony assents to the proposal, I hope to communicate with you again.

I have, &c.

W. R. GIBLIN.

The Hon. the Postmaster-General, Victoria.