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VICTORIA.

POSTAL AND TELEGRAPH CONFERENCE 1892.

REPORT OF PROCEEDINGS

OF THE

CONFERENCE HELD IN VICTORIA,
AUGUST, 1892.

MINUTES OF PROCEEDINGS, REPORT OF PERMANENT HEADS OF
DEPARTMENTS, PAPERS LAID BEFORE CONFERENCE, AND
REPORTS OF THE DEBATES.

PRESENTED TO BOTH HOUSES OF PARLIAMENT BY HIS EXCELLENCY'S COMMAND.

By Authority:

ROBT. S. BRAIN, GOVERNMENT PRINTER, MELBOURNE.

No. 170.—[1s.]—1700.

POSTAL AND TELEGRAPH CONFERENCE, 1892.

REPORT OF THE DELEGATES TO THE INTERCOLONIAL POSTAL AND TELEGRAPH CONFERENCE HELD IN MELBOURNE DURING AUGUST, 1892.

1. The Colonies of New South Wales, South Australia, and Victoria were represented at the Conference.

2. The Conference sat on the 13th and 15th August.

The following were the resolutions carried, viz. :—

Relating to Postal Service.

(1) That the amendments in the system of Telegraph Money Orders as recommended by the Permanent Heads of Departments be adopted.

(2) That as the existing mail contracts with the Peninsular and Oriental and the Orient Steam-ship Companies expire in February, 1895, the Permanent Heads of the Postal Departments of the various contracting Colonies prepare a report for the next Conference, with a view to a more advantageous basis of arrangement being carried out.

Telegraph Service.

(1) That in view of the heavy loss sustained by the principal Colonies in connexion with the cable guarantee dated 31st March, 1891, it be a recommendation to the respective Governments concerned that the following alteration in the tariff be adopted, with the concurrence of the Eastern Extension Cable Company, and brought into operation on the 1st October next, viz. :—

Ordinary messages to be increased from 4s. to 4s. 9d. per word.

(2) That the extra cost of 9d. per word be apportioned as follows, viz. :—

To Cable Companies, 7d.

To South Australia, 2d.

(3) That the proposal by the Government of New Zealand to join the Colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the Colonies mentioned.

(4) That the Honorable the President of the Conference be authorized to communicate with the Eastern Extension Cable Company and the Governments of the other agreeing Colonies (other than New South Wales and South Australia) conveying the result of this Conference, and to have charge of all correspondence relating thereto and of the arrangements necessary to bring the resolutions of the Conference into effect upon their being confirmed by the various Governments.

Other matters were considered and withdrawn (and for such see Minutes of Proceedings).

Appended to this Report will be found :—

1. Minutes of the Proceedings.
2. Report of Heads of Departments.
3. Papers laid before Conference.
4. Report of the principal proceedings.

Signed on behalf of Victoria,

W. A. ZEAL.

Signed on behalf of New South Wales,

JOHN KIDD.

Signed on behalf of South Australia,

J. H. GORDON,

Minister of Education.

15th August, 1892.

POSTAL AND TELEGRAPH CONFERENCE, 1892.

MINUTES OF THE PROCEEDINGS.

GENERAL POST OFFICE, MELBOURNE, SATURDAY, 13TH AUGUST, 1892.

The Conference met at noon, when the undermentioned gentlemen, representing the colonies herein named, were present, viz.:—

VICTORIA.

The Hon. WILLIAM AUSTIN ZEAL, M.L.C., Postmaster-General.
JAMES SMIBERT, Esq., Deputy Postmaster-General and General Superintendent of Telegraphs.

NEW SOUTH WALES.

The Hon. JOHN KIDD, M.P., Postmaster-General.
S. H. LAMBTON, Esq., Secretary to the Post Office Department.

SOUTH AUSTRALIA.

The Hon. JOHN HANNAH GORDON, M.P., Minister of Education.
CHARLES TODD, Esq., C.M.G., M.A., F.R.S., Postmaster-General and Superintendent of Telegraphs.

The Hon. J. KIDD proposed, and the Hon. J. GORDON seconded—

“That the Hon. W. A. Zeal be appointed President,” which was unanimously agreed to.

Mr. W. B. Crosbie was appointed Secretary, upon the nomination of the Hon. the PRESIDENT, seconded by the Hon. J. H. GORDON.

The Hon. the PRESIDENT then moved, and the Hon. J. H. GORDON seconded—

“That the Press be admitted.”

Carried unanimously.

The Hon. the PRESIDENT read a telegram he had received from the Hon. B. Stafford Bird, M.P., Postmaster-General of Tasmania, regretting his inability to attend the Conference, and stating that Tasmania will agree to what New Zealand has proposed.

The Hon. the PRESIDENT tabled a telegram he had received from the Hon. J. G. Ward, M.P., Postmaster-General of New Zealand.

1. *Re-arrangement of Cable Subsidies and of Guarantee, so that New Zealand may be included, and the reduction of rates on cable between New South Wales and New Zealand.*

The Hon. J. H. GORDON moved—

“That the proposal by the Government of New Zealand to join the colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned.”

Conference adjourned at 1 p.m. until 2.30 p.m.

AFTERNOON SITTING.

On the Conference resuming, the Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That Mr. Warren, the manager in Australia of the Eastern Extension Cable Company, be heard on the subject of the offer of the New Zealand Government.”

Carried unanimously.

Mr. WARREN then made a statement on the subject.

Debate on the subject adjourned until Monday, on the motion of the Hon. J. KIDD.

2. *Establishment of communication by Telephone between the capitals of the colonies of New South Wales, South Australia, and Victoria.*

The Hon. the PRESIDENT tabled a return furnished by the Telegraph Engineer, Victorian Post Office and Telegraph Department, showing approximate cost of establishing communication between the colonies by telephone, and the estimated revenue to be derived therefrom (*vide* page 15).

After some discussion, the Hon. J. H. GORDON proposed that the consideration of the subject be postponed *sine die*.

Carried.

3. *System of Telegraph Money Orders with a view to prevent frauds.*

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That the matter be referred to the Permanent Heads of the Departments represented at the Conference, to bring up a report on the same by Monday.”

Carried.

4. *The advisability or otherwise of the colonies continuing the Guarantee to the Eastern Extension Cable Company and the South Australian Government beyond the period at present fixed.*

The Hon. the PRESIDENT moved, and the Hon. J. H. GORDON seconded—

“That the consideration of this question be postponed until Monday.”

5. *Compulsory registration of articles of small value.*

The Hon. J. H. GORDON moved—

“That the matter be remitted to the Permanent Heads, with a view to their bringing up a report for the Conference on Monday.”

The Hon. J. KIDD seconded the motion, which was carried unanimously.

The Conference adjourned at 4.40 p.m. until Monday next, the 15th inst., at 11 a.m.

W. B. CROSBIE,
Secretary.

W. A. ZEAL,
President. }

GENERAL POST OFFICE, MELBOURNE, 15TH AUGUST, 1892.

Present:

VICTORIA.

The Hon. WILLIAM AUSTIN ZEAL, M.L.C., Postmaster-General, President.
JAMES SMIBERT, Esq., Deputy Postmaster-General and General Superintendent of
Telegraphs.

NEW SOUTH WALES.

The Hon. JOHN KIDD, M.P., Postmaster-General.
S. H. LAMBTON, Esq., Secretary to the Post Office Department.

SOUTH AUSTRALIA.

The Hon. JOHN HANNAH GORDON, M.P., Minister of Education.
CHARLES TODD, Esq., C.M.G., M.A., F.R.S., Postmaster-General and Superintendent
of Telegraphs.

The Conference having assembled at 11 a.m., the minutes of the proceedings on the 13th inst. were read and confirmed.

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“The adoption of the report of the Permanent Heads on the following matters:—

“(a) Establishment of a system to provide against frauds in connexion with telegraph money orders.

“(b) Compulsory registration of articles of small value.”

Carried.

The Hon. J. H. GORDON read a telegram which he had just received from the Hon. John Forrest, Premier of Western Australia, to the effect that if all other contracting colonies agree to accept New Zealand's proposal, Western Australia will agree also.

The Hon. J. KIDD moved, and the Hon. the PRESIDENT seconded—

“That in view of the heavy loss sustained by the principal colonies in connexion with the cable guarantee dated 31st March, 1891, it be a recommendation to the respective Governments concerned that the following alteration in the tariff be adopted, with the concurrence of the Eastern Extension Cable Company, and brought into operation on the 1st October next, viz.:—

“Ordinary messages to be increased from 4s. to 4s. 9d. per word.”

Carried.

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That the extra rate of Ninepence (9d.) per word be apportioned as follows, viz.:—To cable companies, Sevenpence (7d.); to South Australia, Twopence (2d.).”

Carried.

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That the Hon. the President of the Conference be authorized to communicate with the Eastern Extension Cable Company and the Governments of the other agreeing colonies (other than New South Wales and South Australia) conveying the result of this Conference, and to have charge of all correspondence relating thereto and of the arrangements necessary to bring the resolutions of the Conference into effect upon their being confirmed by the various Governments.”

Carried.

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That the proposal by the Government of New Zealand to join the colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned.”

Carried.

The Hon. J. H. GORDON moved, and the Hon. J. KIDD seconded—

“That, as the existing mail contracts with the Peninsular and Oriental and the Orient Steam-ship Companies expire in February, 1895, the Permanent Heads of the Postal Departments of the various contracting colonies be instructed to prepare a report for the next Conference, with a view to a more advantageous basis of arrangement being carried out.”

Carried.

The Hon. J. KIDD moved a vote of thanks to the Hon. W. A. Zeal for the able manner in which he had presided over the proceedings of the Conference, and for the hospitality and kindness with which the delegates had been received.

The Hon. J. H. GORDON seconded.

Carried.

The PRESIDENT returned thanks for the compliment paid him.

The Hon. J. H. GORDON proposed a vote of thanks to the Secretary, Mr. W. B. Crosbie, for the able manner in which he performed his duties.

The Hon. J. KIDD seconded the motion, which was carried.

Mr. CROSBIE acknowledged the vote.

The Hon. J. KIDD moved a vote of thanks to the Heads of Departments present for the assistance they had rendered the Conference.

The Hon. J. H. GORDON seconded.

Carried.

Mr. SMIBERT acknowledged the vote of thanks on behalf of the Permanent Heads.

The Conference adjourned at 1 p.m., to meet at 3.30 p.m. to formally close proceedings.

AFTERNOON SITTING.

The Conference re-assembled at 3.30 p.m.

The Secretary submitted the draft report of the delegates on the proceedings of the Conference, which was adopted and signed.

The Conference adjourned *sine die*.

W. B. CROSBIE,
Secretary.

W. A. ZEAL,
President.

REPORT OF THE PERMANENT HEADS ON THE UNDERMENTIONED SUBJECTS WHICH WERE REMITTED TO THEM BY THE CONFERENCE.

1. Establishment of a system to provide against frauds in connexion with telegraph money orders.
2. Compulsory registration of articles of small value.

To provide against Fraud in connexion with Transmission of Telegraph Money Orders.

It is obvious that the remitting of money by means of telegraphic money orders must, in spite of all precautions, be attended with some risk, and we are unable to suggest any system which would afford absolute security from fraud.

We recommend, however, that, in addition to existing precautions, the following regulations be adopted:—

- (1) That money order telegrams should be numbered consecutively, and in transmitting the advice the number should appear as a prefix in the body of the message.
- (2) That they should be transmitted through the chief office, which, after verifying the number, should advise the paying postmasters.
- (3) Postmaster or officer in charge to be held personally responsible for every money order telegram transmitted from his office.
- (4) Postmaster on no account to allow any operator or officer in the department unattached to his office, or even his own officers when off duty, to have access to the instrument.

Compulsory Registration of Articles of Small Value.

Having considered this question, we would point out that compulsory registration is required by the postal laws of the colonies, and the principle is recognised by the regulations of the Universal Postal Union. It would, in our opinion, lead to friction and endless disputes between the officials and the public if it were made a function of the former to fix the value of articles of jewellery, &c., with a view to determine whether an article should be registered or not.

In those colonies where the system has been in operation for several years we find no difficulties have arisen, and we maintain that the additional security afforded by registration, even of articles of small value, is provided at a very reasonable cost.

JAMES SMIBERT.
CHARLES TODD.
S. H. LAMBTON.

15th August, 1892.

COPIES OF TELEGRAMS RECEIVED BY THE POSTMASTER-GENERAL, MELBOURNE
FROM THE HONORABLE J. G. WARD, POSTMASTER-GENERAL OF NEW
ZEALAND.

Hon. Postmaster-General, Melbourne.

Eastern Extension Telegraph Company has approached Government with desire arrange reduction New Zealand-Sydney cable rates. Company's General Manager for Australasia now here. Am of opinion substantial reduction essential in interest present users cable, as well as induce large domestic business. I therefore proposed to company a rate of Threepence per word for international and Two shillings for first ten and Threepence each additional word for intercolonial messages, and asked what proportions of the loss it would bear. Company replied that it would accept the reduced rates and bear one-fourth the loss, on condition that this colony guarantees remaining three-fourths and take part with Australia in the general guarantee arrangement. The value of the New Zealand-Sydney cable traffic, based on the average of last three years, is stated by the company at £22,326 intercolonial and £3,932 international, a total of £26,258; and New Zealand three-fourth's liability at £13,160, and the company's fourth at £4,387, if no increase of traffic take place. The company's proposals are very reasonable, and if other colonies will join New Zealand in sharing the loss I will be prepared to recommend Government to accept company's offer of our share of the loss on intercolonial cable traffic. I propose that we bear one-third, and the balance, £8,773, to be shared by ourselves and other colonies on basis population; New Zealand to join other colonies in the guarantee arrangement, including South Australian land line, but not duplicate subsidy. I trust colonies will entertain proposal, as, in addition to securing large reduction intercolonial cable rates, the fact of New Zealand joining in the guarantee may also be the means of inducing Queensland to come in. Have sent similar telegram to Postmasters-General other colonies except Queensland. Hope for an early and favorable reply.

28.8.92.

J. G. WARD,
Postmaster-General, Wellington.

The Hon. the Postmaster-General, Melbourne,

I should have stated in previous message that with proposed reduced intercolonial rates an increase of 50 per cent. may be looked for.

28.8.92.

J. G. WARD,
Postmaster-General, Wellington.

No. 1.

NEW ZEALAND AND THE CONTRIBUTING COLONIES.

TABLE showing the proportions to be paid by each Colony towards the combined Guarantees, viz., "The New Zealand Cable" (as proposed by New Zealand), "Eastern Extension Company," and "South Australia," on the basis of Population, *excluding* Queensland.

Colony.	Population on 5th April, 1891.	New Zealand Cable Guarantee Fund. Proposed.*		Eastern Extension Guarantee Fund.		South Australian Land Line Guarantee Fund.		Total Amount paid out.														
		£	s.	d.	At Present.		Proposed.		At present.		Proposed.											
					£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.						
Victoria ...	1,140,405	2,984	6	9	11,250	13	4	9,204	14	5	4,257	16	9	3,488	10	11	15,508	10	1	15,622	12	1
New South Wales ...	1,132,234	2,913	6	4	11,170	1	1	9,138	15	4	4,227	6	7	3,458	11	8	15,397	7	8	15,510	13	4
South Australia ...	320,431	824	9	10	3,161	4	3	2,586	6	10	1,196	7	4	978	16	2	4,357	11	7	4,389	12	10
Tasmania ...	146,667	377	7	8	1,446	18	10	1,183	16	4	547	12	0	448	0	4	1,994	10	10	2,009	4	4
Western Australia ...	49,782	128	1	10	491	2	6	401	16	3	185	17	4	152	1	4	676	19	10	681	19	5
New Zealand ...	620,030	1,595	7	7	...	...	...	5,004	10	10	...	...	...	1,893	19	7	...	...	...	8,493	18	0
Totals ...	3,409,549	8,773	0	0	27,520	0	0	27,520	0	0	10,415	0	0	10,415	0	0	37,935	0	0	46,708	0	0

* The loss to New Zealand Cable by reduction of rates proposed, based on last year's traffic, and allowing for no increase, would be £17,546, of which—

Eastern Extension bears one-quarter	£4,386	10	0
New Zealand bears one-quarter	4,386	10	0
And New Zealand and other Colonies bear one-half	8,773	0	0
	<u>£17,546</u>	0	0

General Post Office, Adelaide,
19th August, 1892.

CHARLES TODD,
Postmaster-General and Superintendent of Telegraphs.

No. 2.

QUEENSLAND, NEW ZEALAND, AND THE COLONIES.

TABLE showing the Proportions to be paid by each Colony towards the combined Guarantees, viz.:—The "New Zealand Cable" (as proposed by New Zealand), "Eastern Extension Company," and "South Australia," on the basis of Population, including Queensland.

Colony.	Population on 5th April, 1891.	New Zealand Cable Guarantee Fund. Proposed.		Eastern Extension Guarantee Fund.		South Australian Land Line Guarantee Fund.		Total Amount paid out.											
		£	s.	d.	At Present.	Proposed.	At Present.	Proposed.	At Present.	Proposed.									
Victoria ...	1,140,405	2,630	11	6	11,250	13	4	4,257	16	9	15,508	10	1	14,005	6	9			
New South Wales ...	1,132,234	2,611	14	6	11,170	1	1	4,227	6	7	3,100	11	0	15,397	7	8	13,904	19	9
South Australia ...	320,431	739	2	9	3,161	4	3	1,196	7	4	877	9	7	4,357	11	7	3,935	4	4
Tasmania ...	146,667	338	6	4	1,446	18	10	547	12	0	401	12	9	1,994	10	10	1,801	4	5
Western Australia ...	49,782	114	16	8	491	2	6	185	17	4	136	6	6	676	19	10	611	7	6
Queensland ...	393,718	908	3	9	...	...	...	...	...	...	1,078	3	5	...	...	...	4,835	5	2
New Zealand ...	620,030	1,430	4	6	...	...	...	...	...	...	1,697	18	3	...	...	...	7,614	12	1
Totals ...	3,803,267	8,773	0	0	27,520	0	0	10,415	0	0	10,415	0	0	37,935	0	0	46,708	0	0

General Post Office, Adelaide,
19th August, 1892.

CHARLES TODD,
Postmaster-General and Superintendent of Telegraphs.

POSTAL AND TELEGRAPHIC CONFERENCE, 1892.

REPORT OF THE DEBATES.

SATURDAY, 13TH AUGUST, 1892.*Present :*

VICTORIA.

The Hon. W. A. ZEAL, M.L.C., Postmaster-General, President.
 JAMES SMIBERT, Esq., Deputy Postmaster-General and General Superintendent of Telegraphs.

NEW SOUTH WALES.

The Hon. JOHN KIDD, M.P., Postmaster-General.
 S. H. LAMBTON, Esq., Secretary to the Post-office Department.

SOUTH AUSTRALIA.

The Hon. J. H. GORDON, M.P., Minister of Education.
 CHARLES TODD, Esq., C.M.G., M.A., F.R.S., Postmaster-General and Superintendent of Telegraphs.

(1) *Re-arrangement of Cable Subsidies and of Guarantee, so that New Zealand may be included, and the Reduction of Rates on Cable between New South Wales and New Zealand.*

The Hon. J. H. GORDON said that certain proposals had been made by the New Zealand Government, who, with the Government of Queensland, were the only two refusing to join in the proposals for the reduction of cable rates made by the Adelaide Conference of 1890. It was a matter of regret on the part of the guaranteeing colonies that those two colonies had stood out of the friendly arrangements by which communication with England had been cheapened and expedited, and it was a matter of congratulation that there was now a possibility of bringing New Zealand in, with the further probability that if that colony joined, Queensland would also come in and establish permanently a reduction of cable rates on a basis that would be fair to all the colonies. It had been felt by the colonies joining in this guarantee that they had perhaps not been treated quite as fairly or generously as might have been expected by New Zealand and Queensland. He was bound to admit that that feeling had to some extent obtained in South Australia, where they had undergone large expense and made great sacrifices in establishing trans-continental communication with Europe. New Zealand, however, had now made certain proposals, which were contained in the following telegrams:—"Eastern Extension Telegraph Company has approached Government with desire to arrange reduction New Zealand-Sydney cable rates. Company's general manager for Australasia now here. Am of opinion substantial reduction essential in interest present users cable as well as to induce large domestic business. I therefore proposed to company a rate of 3d. per word for international and 2s. for first ten and 3d. each additional word for intercolonial messages, and asked what proportion of the loss it would bear? Company replied that it would accept the reduced rates, and bear one-fourth loss, on condition that this colony guarantees the remaining three-fourths and takes part with Australia in the general guarantee arrangements. The value of the New Zealand and Sydney cable traffic, based on the average of the last three years, is stated by the company at £22,326 intercolonial and £3,932 international, giving a total of £26,258; and New Zealand's three-fourth liability would be £13,160, and the company's fourth £4,387 if no increase of traffic takes place. The company's proposals are very reasonable, and if other colonies will join New Zealand in sharing the loss, I will be prepared to recommend Government to accept company's offer for share of the loss on intercolonial cable traffic, and propose that we bear one-third, and the balance (£8,773) to be shared by ourselves and the other colonies on the basis of population, New Zealand to join the other colonies in the guarantee arrangement (including South Australian land line), but not in the duplicate subsidy. I trust the colonies will entertain the proposal, as, in addition to securing a large reduction in intercolonial cable rates, the fact of New Zealand joining in the guarantee might also be the means of inducing Queensland to come in. Have sent similar telegram to the Postmasters-General of other colonies, except Queensland, and hope for an early and favorable reply.—J. G. WARD, P.M.G., New Zealand." In a later telegram the New Zealand Postmaster-General said:—"I should have stated in previous message that, with proposed reduced intercolonial rates, an increase of 50 per cent. may be looked for." He would state shortly the position of the New Zealand traffic from figures agreed upon by the heads of the Departments. The intercolonial traffic last year was £22,326, and international traffic, £3,932, or a total of £26,258. That was the traffic at the present cable rates. At the reduced rates that were now proposed the cable receipts would be £8,711, leaving a loss, presuming there was no increase of business, of £17,547. This loss would be borne—one-fourth by the Eastern Extension Telegraph Company, £4,387; one-fourth by New Zealand, £4,387; the other two-fourths by New Zealand, Victoria, New South Wales, Tasmania, Western Australia, and South Australia, in the following proportions:—New Zealand, £1,595 7s. 7d.; Victoria, £2,934 6s. 9d.; New South Wales, £2,913 6s. 4d.; South Australia, £824 9s. 10d.; Tasmania, £377 7s. 8d.; Western Australia, £128 1s. 10d.; making up the total of £17,547. While this was the loss to the contributing colonies upon the immediate transaction, it would not really mean any appreciable loss when the fact was considered that New Zealand came in with the other colonies and took its share of the guarantee to the Eastern Extension Telegraph Company and to South Australia for the land line. Those guarantees were arranged taking as the basis the population at the time of the Conference in 1890; and, although on the one hand they paid away that sum, they got an almost equivalent reduction in connexion with the liability upon the guarantee fund. Taking New South Wales, their present contribution was £15,397 7s. 8d., while under the proposed arrangement it would be £15,510 13s. 4d., or an increased contribution of about £113, even

reckoning it upon the basis of the present business; but he need hardly point out that, seeing the large business New South Wales did with New Zealand, the increased business resultant upon the reduction of the cable rates to New Zealand might be assumed to be so large that, instead of leaving New South Wales a loss of £113, it would probably give her a profit of some thousands. In the case of Victoria the present contribution was £15,508 10s. 1d., while the proposed contribution would be £15,622 12s. 1d., or an addition of £114. Victoria, having a larger trade with New Zealand than any other colony except New South Wales, would soon also wipe out the deficit and largely reduce the liability. South Australia at present contributed £4,357 11s. 7d., and under the proposed arrangement would contribute £4,389 12s. 10d., or an increased payment of £32. South Australia did not do much business with New Zealand, and it was not likely to affect us much one way or the other. Tasmania now paid £1,994 10s.; under the new arrangements she would pay £2,009 4s. 4d. Western Australia now paid £676 19s. 10d.; she would then pay £681 19s. 5d. New Zealand would pay £8,493 18s., on the basis of population, whereas at present she was paying nothing to the guarantee funds. In making this proposal it must be admitted that New Zealand was taking what might be considered a very handsome share of the liability in connexion with the reduction of the cable rates. She would pay, to begin with, £4,387 towards the original guarantee of the loss; she would come in with her share, on the basis of population, on the remaining half with a contribution of £1,595 7s. 7d.; in addition to which she made her contribution to the two guarantee funds (to which at present she paid nothing) of £5,004 10s. 10d. to the Eastern Extension Company, and £1,893 19s. 7d. to the South Australian Land Line Guarantee Fund, making the total contribution of New Zealand £12,880 18s. It will appear, therefore, that, though on the basis of the original contribution the other colonies lost a good deal, in one way it was robbing Peter to pay Paul, because they got it all back in another way through New Zealand's contributions to the two funds. He thought that the proposition was one that would benefit them all. That was the opinion of his Government, and that it would actually give a money relief on the increase of business, to say nothing of the permanence and stability which would be given to the present means of communication with the mother country. Then he would draw attention to what he hoped would be the result of New Zealand joining—that was the inclusion of Queensland.

The Hon. J. A. KIDD.—You might leave that out of the question.

The Hon. J. H. GORDON said that, as a universalist, he would give them another chance. He would show how the figures came out, without going into detail, if Queensland came in. Instead of Victoria's present contribution, she would only pay £14,005 6s. 9d.; New South Wales would pay £13,904 19s. 9d.; South Australia, £3,935 4s. 4d.; Tasmania, £1,801 4s. 5d.; and Western Australia, £611 7s. 6d.; Queensland contributing £4,835 5s. 2d.; and New Zealand, £7,614 12s. 1d. Though these figures might not at once come into force, he was in hopes they would eventually be arrived at if Queensland could be induced to join. He hoped that the cablegrams they had from America, to the effect that Sir George Dibbs had been negotiating for a second cable, were erroneous. He believed it would be an unfortunate thing if a second cable were established, and would result in loss to all concerned; he thought it would be patent to any one that there was no room at the present rates for a paying second cable on a fresh route. He thought the proposals of New Zealand were exceedingly fair, and it was only putting on a nominal increase upon the present liability of the other colonies. He moved—"That the proposal by the Government of New Zealand to join the colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned."

The Hon. JOHN KIDD said there was no doubt that the offer of New Zealand was a very reasonable one, but the position was forced upon the Government of New South Wales that the amount of the guarantee was rather a serious item. They did not anticipate that they would have had anything like the £15,000 to pay until after the year had closed. The Government had been considering the matter, and had some serious intentions as to withdrawing from the guarantee. The bulk of the guarantee really fell upon New South Wales and Victoria. In looking through the business done, it was in evidence how much South Australia had availed itself of the cable service since the guarantee was entered into. The figures for Victoria were not twice as much as those for South Australia, and the figures for New South Wales were only about one-third more, so that South Australia had got very much the better of Victoria and New South Wales by the larger use they were able to make of the service; therefore the population basis was not the correct one to go on after all, because New South Wales had to contribute nearly four times as much as South Australia to the guarantee. The same remarks applied to the subsidy, but his principal contention was that the New South Wales Government were anxious to relieve themselves of the guarantee altogether. As, however, New Zealand had come in, the increase of business that would accrue with the reduction from 9s. 6d. per word to 2s. 6d. would more largely benefit Victoria and New South Wales than South Australia, and that was a point in favour of agreeing to New Zealand's proposal, and he thought that, with a small modification of the rates which he intended to propose, Victoria and New South Wales, as well as the other contracting colonies, would be quite willing to continue the guarantee. He thought he would be able to show that a small increase of the rates all round would relieve Victoria and New South Wales of their heavy liability, and might enable them to see their way to continue the guarantee. He did not see why there was a necessity, in the first instance, for a reduction from 9s. 6d. to 4s. 2d. a word, which was throwing an additional burden upon the people of each colony, many of whom did not use the cable service at all. He did not see why they should continue the guarantee if the rates were to be fixed on such a scale as compelled the colonies to meet such a large sum as they had to meet in the past year, and, probably, would have to meet in the present year, in the way of guarantee, for what really seemed to be after all a kind of class interest. He thought the delegates would see that it was only reasonable to agree to such a modification as he would suggest. It would have been better if New Zealand had agreed to become party to the subsidy as well as the guarantee, but he thought the guarantee would work out in such a way that it would leave very little for the colonies to make up. And if they had a slight modification of the rates, they might be able to see their way to continue the guarantee and settle the whole question. He was quite willing to second Mr. Gordon's proposal so long as it was understood that it would not embarrass dealing with the further question of withdrawing from the guarantee unless the modification was made. The guarantee was terminable by giving two months' notice at the end of any one year, though the agreement was not very clear as to whether the colonies, as a whole, had to terminate it. He thought,

however, it was so indefinite that any colony, if it found it could not pay this large guarantee, could give notice and withdraw from the agreement. As far as the finances of his colony were concerned, they were very anxious to be careful as to continuing the guarantee unless in a modified form. The subsidy was quite burden enough for that particular interest, and they were not prepared to continue the guarantee unless in a modified way. The modifications would not interfere with the volume of business, and it could be so arranged that those requiring the use of the cable would not feel it very much, and the colonies coming in now would so modify and lessen the risk of the colonies interested that in a very short time they would work out the guarantee altogether. The thing to be regretted was that they had made such a large reduction as from 9s. 6d. to 4s. 2d. a word. Had they made a more reasonable reduction there would have been very little guarantee to be paid. The colony of Victoria had thought proper to revert to a 2d. postage, and he should think they would be in accord with New South Wales in the desire to be very careful as to any increased burden they took upon their shoulders, and also to lessen those they had as much as possible, always providing that the service was not impaired, and he did not think it would be impaired by the modifications he intended to impose. He had not the figures with him at the time, but if it were allowed to stand over until Monday he would submit the matter again. Coming back to South Australia, with the large business they were doing, it was an easier matter to continue the guarantee, because the amount they were paying was not anything like the amount New South Wales and Victoria were paying in proportion to the service they were getting. The New South Wales people were using the cables to the full extent under the 4s. 2d. rate, and as they were paying nearly four times as much subsidy as South Australia, it was out of proportion that they should only use the wires one-third more. As soon as the time worked round, the company might see their way to make a reduction on their own account, but it would be a satisfaction to the colonies to know that by a slight modification of the rates in this way they would not have the risks upon their own shoulders. If the guaranteeing colonies continued to guarantee under the modified scale he would second the motion.

The Hon. J. H. GORDON suggested that Mr. Kidd might move his proposals in the way of an amendment on the motion.

The Hon. JOHN KIDD would like to point out that it could in no way affect the New Zealand people. It would be no modification of their proposal as between the colonies, so that they could raise no objection to the modification. At the present time they were paying full rates, and no doubt they had submitted this proposal for the purpose of being able to give their own people the same reasonable service which the guaranteeing colonies had had secured to them, and the slight modification would not be likely to influence them, except that they would be glad to be relieved of some portion of their obligations. He could not submit an amendment until he had the figures which had been promised to him by Mr. Todd. As to Mr. Gordon's proposal, the sooner New Zealand came in the better; but even if New Zealand came in to-morrow, the modification he proposed would be a proper one to make in connexion with the cable service, and they would be just as free to deal with the question of continuing the contract with the Eastern Extension Company.

The Hon. J. H. GORDON said they could not alter the arrangement with the company until April, 1893; if Mr. Kidd meant to go on with the present arrangement until 1893, and then make a modification, he could follow him, but any modification could only take effect from April, 1893, and they were proposing that New Zealand should come in at once, and take her share of the responsibility of the liability up to the end of the present year. It would be proper for Mr. Kidd to second his motion, on the understanding that the agreement should continue until April, 1893, and then there could be a modification of the rates. He would like to say that although on paper the bulk of the guarantee fell on New South Wales and Victoria, there was this fact to be borne in mind, that the Trans-Continental line was an essential for direct communication with England, that line was built by South Australia, and for many years the other colonies derived all the benefit from it. Of later years all the greater colonies had come in and shared the liability which South Australia had incurred, but still he thought, in fairness, they should remember what South Australia had done. As a matter of fact, the burden of the liability of communication with Europe rested upon the small colony of South Australia. The public debt of the colony was loaded with over half-a-million for the construction of the line, and though they were not paying so much to the funds as the other colonies, he hoped that the other colonies would remember that fact. The colony of New South Wales was charging only 1d. on intercolonial messages, but charging cable messages 2d., and he submitted that messages to England should only be charged as colonial messages. Another fact that did not appear on the papers was that though South Australia appeared to be doing a larger business, it was not really so, because the whole of the press messages from the other colonies were sent to Adelaide, and the business they appeared to do was not really their own business, but the business of New South Wales and Victoria and the other colonies. He thought it only right to point out these facts, with a view of perhaps impressing Mr. Kidd before he submitted his amendment.

The Hon. JOHN KIDD said he only referred to this incidentally, and not with any idea of affecting the resolution on which the subsidy or guarantee was based. He only wanted to relieve the taxpayers, and at the same time avoid injury to the service.

The Hon. J. H. GORDON moved, and the Hon. JOHN KIDD seconded, "That Mr. Warren be heard."
—Carried.

Mr. Warren was called in.

MR. WARREN said Mr. Ward wished him to inform the Conference that he was very anxious that New Zealand should come into the guarantee, if the present contributing colonies would favour the proposal for the reduction of the rates. He could not entertain the proposal to come into the subsidy, because the offer had been made at the last Conference, held at Sydney, that New Zealand should come in without that contribution. Mr. Ward was very anxious that the rate should exist between New Zealand and the colonies of, say, 3s. to Sydney, 3s. to Melbourne, 3s. 6d. to Adelaide, and 4s. to Western Australia, but he (Mr. Warren) pointed out that would be a matter to settle afterwards—let them get the matter of the guarantee settled, and then they could arrange for their own proportions afterwards. Mr. Ward said that New Zealand was prepared to take 6d. for the first ten words, and $\frac{1}{2}$ d. for each additional word; he (Mr. Warren) told him he did not think the Conference would take the $\frac{1}{2}$ d.; they might come in for 6d. for the ten words, that was their present rate in New Zealand, in addition to the present cable rates. The cable rates were 8s. 6d.

Mr. TODD.—And New Zealand take 6d. internal rate and New South Wales takes 1d. internal rate, but, between New Zealand and South Australia, New South Wales takes 1s. transit rate.

The PRESIDENT.—What is the rate from New Zealand to South Australia?

Mr. TODD.—8s. 6d. cable, and 1s. New South Wales rate, and 1s. the South Australian rate.

Mr. WARREN.—Mr. Ward was very anxious that some uniform arrangement should be carried out—say, take 1s. each or 6d. each; that would send a message of ten words from any part of Victoria to any part of New Zealand for 3s.

The PRESIDENT.—What was Mr. Ward's object in suggesting this?

Mr. WARREN.—The company suggested it. Mr. Ward wanted a cheap intercolonial rate, and they said if he came into the general scheme probably the company would entertain his proposal.

Mr. TODD.—It was not of your seeking?

Mr. WARREN.—No. They wanted a cheaper rate for some time past. I went down to see what arrangements could be made. They were talking about laying a cable of their own at a cheaper rate; I asked if it was not possible for them to come to terms. They said, "If you offer us cheaper rates it can be done, no doubt." That was between the colonies.

The Hon. JOHN KIDD.—Had that anything to do with the Eastern Extension Company?

Mr. WARREN.—No; it was simply to try and get New Zealand to join.

The Hon. JOHN KIDD.—In 1889 they sent double the messages they did in 1891.

Mr. WARREN.—The same number, but in an indirect way.

Mr. TODD.—Is there not a considerable delay through New Zealand messages having to be sent through Sydney?

Mr. WARREN.—Yes. I saw several of the merchants in Wellington, and they said they were very anxious to get a direct communication, as they found their messages were delayed for hours.

The Hon. JOHN KIDD.—By sending them to Sydney or Melbourne they get a cheaper rate?

Mr. WARREN.—Yes, but in regard to press work, there is the Press Association, and they get a certain amount of news which is supplied to all the papers in New Zealand, according to the grade of the paper. Take a first-class paper; it would have to pay £500 entrance-fee, and so on. Next, they have reduced it down to £200, £150, and £100. Mr. Ward does not approve of this. He thinks if a low rate were given for press messages the papers would be able to pass their messages. The company have arranged to pass press messages for 1d. per word. The messages to the Press Association would not be altered.

Mr. SMIBERT.—Mr. Ward does not mention the rate at all for press messages; what do you propose for your company?

Mr. WARREN.—Individual messages 1d. per word for cable, and afterwards the ordinary rate.

The Hon. J. H. GORDON.—On your estimate of the present business, and your estimate of the future business, how long do you think it would be before this guarantee would be wiped out altogether?

Mr. WARREN.—I should think in two years at the outside, probably in the first year. All the colonies are now suffering from great depression, but I think in four or five years at the outside they will wipe the whole thing off.

The Hon. J. H. GORDON.—You think in four or five years the whole liability would be wiped out by additional business?

Mr. WARREN.—Yes, I think so.

The PRESIDENT said he was pleased the members of the Conference had conducted themselves in such a fair and equitable manner in dealing with proposals of an intercolonial character, and though he agreed with what Mr. Kidd said, they could not shut their eyes to the fact that the more the colonies were connected with each other the better the feeling which would be brought about, and the better the result to business generally. As to the subsidy the two larger colonies had to pay, as far as this colony was concerned, the loss had been a very serious one, and he quite agreed with Mr. Kidd as to the large and unnecessary reduction that took place on the cable messages. If a small increase took place, he had no doubt the large deficit would be avoided, and the proposal to make a slight increase was worthy the serious consideration of all the colonies. He had great pleasure in supporting the resolution. Though he had not brought the matter under the notice of his colleagues, he was sure they would show the same amount of fairness and equity in considering the matter as they did in all matters of an intercolonial nature.

The Hon. JOHN KIDD thought Mr. Gordon's proposition might be put as relating to the end of the current year.

The Hon. J. H. GORDON accepted the suggestion, but thought it might rather mislead the New Zealand Government to think they were falling in altogether with their proposal, without giving them notice of the *arrière pensée* that Mr. Kidd was going to propose. He thought there should be an *addendum* to the telegram to New Zealand, stating that the Conference intended to make some amendment at the end of the year.

The Hon. JOHN KIDD.—Suppose we do not add that to it, but, in conveying what has been done to the New Zealand Government, state that it is in the province of any guaranteeing colony to give notice two months previous to the expiration of any year during the guarantee.

The Hon. J. H. GORDON suggested that the debate be adjourned, and on the Monday he would bring down an amendment, to the effect that the present arrangement be continued to the end of the present year, and, after that, a modification of the rates be agreed to.

The Hon. JOHN KIDD thought that would meet the point. He would like to say that he had received a telegram from the Postmaster-General of Queensland, to the effect that they were determined not to give way; that they had made their minds up not to have anything to do with the Eastern Extension Company in any way.

Mr. SMIBERT said when he was in Queensland that was the idea they impressed upon him.

The Hon. JOHN KIDD said when he was in Hobart the Postmaster-General of Queensland emphatically stated he would be no party to any agreement with the company, so the Conference need not expect any change there. There was either a falling-off in the business of Queensland, or they were doing their business in an indirect way. The figures were given in 1889 at £53,000, and in 1891 it had fallen down to £20,000.

The Hon. JOHN KIDD suggested the adjournment of the debate.

Debate adjourned accordingly.

(2) *Establishment of communication by Telephone between the Capitals of the Colonies represented at this Conference.*

The PRESIDENT said this question had been forced upon the consideration of the Postal Department by the Chamber of Commerce and other mercantile bodies in Melbourne. A deputation from the Chamber of Commerce was to wait upon him on Wednesday, with a view of making further inquiries. He had an estimate prepared by an officer of the Department as to what it would cost to have a telephone line between any one of those large centres, and the results were as follow:—

Estimate for erection of Double Telephone Wire on existing poles between Melbourne and Adelaide.

Distance, 483 miles, viz.: Melbourne to Serviceton, 285 miles; Serviceton to Adelaide, 198 miles.

Copper wire, No. 10 gauge, at 287 lbs. per mile—					
Wire required (125 tons at £80)	...	...	...	£10,000	0 0
Erection (including brackets, pins, insulators, and labour, at £10 8s. per double mile)	...	...	...	5,023	4 0
				<u>£15,023</u>	<u>4 0</u>
Proportion, Melbourne to Serviceton, say	...	...	...	£8,900	0 0
Financial results on the whole—					
Interest on outlay, at 5 per cent.	...	...	...	£750	0 0
Maintenance, at 10 per cent.	...	...	...	1,500	0 0
Cost of working, say ...	...	...	...	500	0 0
				<u>£2,750</u>	<u>0 0</u>
Possible revenue at different rates, 313 days of 12 hours. Possible number of conversations of 5 minutes' duration, 45,072; only half this number realizable, viz., 22,536.					
The latter number, at 5s., will give revenue of	...	...	...	£5,634	0 0
" " 4s. " "	...	...	...	4,507	0 0
" " 3s. " "	...	...	...	3,380	0 0
" " 2s. " "	...	...	...	2,253	0 0

13th August, 1892.

GEORGE SMIBERT, Telegraph Engineer.

Estimate for erection of Double Telephone Wire on existing poles between Melbourne and Sydney.

Distance, 576 miles, viz.: Melbourne to Albury, 190 miles; Albury to Sydney, 386 miles.

Copper wire, No. 10 gauge, at 287 lbs. per mile—					
Wire required (150 tons, at £80)	...	...	...	£12,000	0 0
Erection (including brackets, insulators, pins, and labour, at £10 8s. per double mile)	...	...	...	5,990	8 0
				<u>£17,990</u>	<u>8 0</u>
Say £18,000.					
Proportion, Melbourne to Albury	...	...	...	£5,937	0 0
Financial results on the whole—					
Interest on outlay, at 5 per cent.	...	...	...	£900	0 0
Maintenance, at 10 per cent.	...	...	...	1,800	0 0
Cost of working, say ...	...	...	...	500	0 0
				<u>£3,200</u>	<u>0 0</u>
Possible revenue at different rates, 313 days of 12 hours. Possible number of conversations of 5 minutes' duration, 45,072; only half this number probably realizable, viz., 22,536.					
The latter number of conversations at 5s. each	...	...	...	£5,634	0 0
" " 4s. " "	...	...	...	4,507	0 0
" " 3s. " "	...	...	...	3,380	0 0
" " 2s. " "	...	...	...	2,253	0 0

13th August, 1892.

GEORGE SMIBERT, Telegraph Engineer.

So that it would be a very costly undertaking, and it would require a considerable patronage to make it pay. It seemed that 4s. a message was the lowest price that could be charged to get anything like a profitable return.

The Hon. JOHN KIDD said it was a very serious matter to enter upon at all.

The Hon. J. H. GORDON said that under the present conditions those figures given by the Chairman had to be qualified by this other fact—that, although the cost was given at so much between Melbourne and Adelaide, and the probable revenue at so much, the revenue must be calculated minus what was taken off from the telegraphic service, and the chances were that, instead of resulting in a profit, it would land the colonies in a loss of some £5,000 or £6,000. The colony of South Australia was hardly prepared to risk any loss in the revenue, and unless the telephonic revenue were fixed at a price which would not only yield a revenue upon the original outlay, but would recoup the telegraphic service for any loss through a

telephonic service, he could not recommend his Government to adopt it. They had as good and complete a telegraph service as any in the world, and unless the telephonic rate were fixed at a price at least double 5s., he was not prepared to recommend it at present. He thought any rate such as that quoted by the President as the basis for negotiation was outside the question. He would propose that this matter be postponed *sine die*.

The PRESIDENT said he only brought the matter under the notice of the Conference, not with a view of having it passed, but to let the deputation that proposed calling on him know that the various Governments were not prepared to undertake any responsibility in the matter. He quite concurred in what Mr. Gordon said.

The Hon. J. H. Gordon's suggestion was agreed to.

(3) *System of Telegraph Money Orders with a view to prevent Frauds.*

The PRESIDENT said this was with reference to a fraud which had lately been committed on the Victorian Postal Department in a very ingenious manner. It appeared two adventurers came to this colony, and went down to a station in Gippsland. One called at the telegraph office at Traralgon, and, introducing himself to the postmistress as a member of the Department in Melbourne, asked to be allowed to send a message through the wire to his brother operator in Melbourne. Taking advantage of this, he telegraphed a money order communication to his confederate, and telegraphed the code word to the man in Melbourne, and by that means enabled a certain sum of money to be telegraphed as being available in Melbourne. His confederate called at the office, and obtained the sum of £40 from the telegraph master at Melbourne. At first he thought of causing some kind of delay in the payment of those telegrams, and they issued an order that no payments should be made immediately on receipt of the telegraphic order—that an hour should pass after the receipt of the order; but this interfered so much with the carrying out of business that they had to cancel that order and revert to the old system. He (the President) brought the matter under the notice of the Conference to see if some simple means could be adopted to avert those frauds, which might be carried out to a large extent if it were allowed to go unchecked.

The Hon. J. H. GORDON moved—"That the matter be referred to the heads of the Departments, with a view to bringing a report up on Monday."

Mr. SMIBERT said the system of delaying payment for an hour had caused great confusion, and the whole value of the telegraphic money order system was destroyed. The difficulty was that there were a number of discharged employés wandering over the colony who were experts, and those men could go outside an office and hear what was going on.

Mr. TODD thought there might be a certain password adopted, which would go from one to the other. For every message going from Geelong to Melbourne, Melbourne would look for the next password, and a discharged operator would not know that. He (Mr. Todd) made it a rule in Adelaide that an operator should not come to an instrument without permission from the officer in charge. Directly an officer went off duty, he could not come on again to the instrument without going on duty again or without the express permission of the officer in charge.

The motion was carried.

No. 4 was made an order of the day for Monday.

(5) *Compulsory Registration of Articles of Small Value.*

The Hon. J. H. GORDON said in South Australia there was a compulsory registration of all articles of value. A deputation of jewellers waited upon him a few days ago, and pointed out it was advisable for him to have some limitation. People sent pipes and Waterbury watches (worth 15s.) and brooches to have pins put in, and they represented that for such articles it was a great hardship if they had to pay registration both ways. It struck him the request was reasonable, and he told the deputation he would alter the regulation according to their request. He did not know at the time that the rule applied to all the colonies. He would like to know if it would not be a fair thing, with regard to the repairing trade, if the regulations were altered to make it unnecessary to register an article of less value than £1. It might facilitate the transmission of those small articles and yet not involve any risk of loss. He would move.—"That the permanent heads be asked to report upon the matter."

The Hon. JOHN KIDD seconded the motion.—Carried.

Adjourned to Monday next, at Eleven o'clock.

[SECOND DAY.]

MONDAY, 15TH AUGUST, 1892.

The minutes of previous meeting were read and confirmed.

Mr. SMIBERT presented the report which had been drawn up by the permanent heads.

The Hon. J. H. GORDON moved the adoption of the report.—Carried.

Resumption of debate on the Hon. J. H. Gordon's proposition—"That the proposal by the Government of New Zealand to join the colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned."

The Hon. JOHN KIDD said there seemed to be some misapprehension in regard to the business the Conference had in hand. It was looked upon that they had simply to deal with the proposal of New Zealand to come into the guarantee, but he thought before they committed themselves to that they ought to deal with the second order, viz.:—"The advisability or otherwise of the colonies continuing to guarantee to the Eastern Extension Cable Company and the South Australian Government beyond the

period at present fixed." He thought it would be better to take that as the first order of the day. The modification he intended to submit would come better under that head, and, contingent on that being agreed to, they could then deal with the proposal of New Zealand.

The Hon. J. H. GORDON moved—"That the first order of the day be postponed until the second order had been considered."

Carried.

The Advisability or otherwise of the Colonies continuing the Guarantee to the Eastern Extension Cable Company and the South Australian Government beyond the period at present fixed.

The Hon. JOHN KIDD said he would like to go back into the history of the proposal with regard to the cable service, the reductions that had been made, and the guarantee that was given on those reductions being adopted. His honorable friend, Mr. Gordon, was president of the Conference that sat in Adelaide in 1890, when the question was first opened; and it appeared from his address that he was in hopes that New Zealand and Queensland would not only come into the guarantee but would be induced to come in under the subsidy as well. With that idea, and having in view also the prospect that Great Britain might come under the guarantee as well, they could very well afford to look upon the guarantee as a very small matter, considering that the other colonies would share any loss. He did not intend to weary the Conference with long quotations, but that was the substance of his honorable friend's address. He also found that Mr. Gordon drew the attention of the members of the Conference to a letter that had been sent by Sir John Pender, the Chairman of the Eastern Extension Telegraph Company, proposing to reduce the rates from 9s. 4d. for ordinary messages, 7s. 1d. for Government messages, and 2s. 8d. for press messages, to 5s., 4s. 5d., and 1s. 10d. respectively. If anything like that had been agreed to there would have been no necessity to-day to discuss the matter at all, as the proposal he intended to make would come within the suggestions made by Sir John Pender on behalf of the cable company. Sir John, no doubt, had fuller information, and could make better comparisons as to the probable loss than the members of the Conference could do, and doubtless that fact induced those members to look upon it in a very light manner. They did not anticipate that the loss under the guarantee would be very much, and the various members who spoke at the Conference seemed to think that very little loss would be sustained even with less rates than Sir John Pender proposed. He wished to impress upon this Conference that if Sir John Pender's proposed reductions had been adopted there would have been actually no loss, because the revenue would have been maintained through the increase of business; but he found that the representative from Victoria—the Hon. F. T. Derham—made the proposal that the rates for cablegrams should be 4s. for the public, 2s. for Government messages, and 1s. 10d. for the press, the Eastern Extension Telegraph Company bearing half the loss of revenue, and the other half being equitably divided between Great Britain and the Australian colonies, to be tried for three years. The representative of Victoria took it for granted that not only would Great Britain come in, but the other colonies, which afterwards refused, would come in. Even if the reductions proposed by Mr. Derham had been carried out, and Great Britain had joined in the guarantee, the loss would have been very much smaller than it was at the present time, which loss had fallen upon Victoria and New South Wales. Mr. Derham had quoted some very interesting figures, showing that the increase in consequence of reductions was comparatively small up to 1886. First of all the rates were reduced from £9 9s. 6d. per message of 20 words to 10s. 8d. per word, in 1876. Though that was not a reduction if you wanted to send 20 words, there was a facility given for sending a few words; but even with that the revenue, which in 1875 was £104,000, fell off in 1876 to £77,308, so that the reduction did not seem to bring much increase of business. In 1875 the messages were 9,709, but in 1876 they had fallen off to 6,665. There was something inexplicable about that. The increase of business did not take place until 1877, when the messages numbered 12,479, and the revenue was £153,242. That went on until, in 1886, the company reduced the rate to 9s. 4d. a word. The reduction was so small as to lead to a very moderate increase in the business. The business for 1885, the preceding year, was £276,551. The reduction in 1886 so affected the money receipts that there was an absolute falling off to £256,527, or a reduction of about £20,000 from one year to the other. In 1889 it was still further reduced to £237,000, so that, looking at it in that way, the company were not unreasonable as to what they required to be made up—that is, they were prepared to allow the £237,000 to govern the income, whereas they might have fallen back on the income of 1885 or 1885. Mr. Derham went on to draw the conclusion from that that by the very large reductions he proposed the business would be more than doubled; but his expectation seemed to be far more than was actually realized; and in dealing with the question of reducing the cable rates in connexion with the charges it would have been better to have accepted Sir John Pender's basis instead of the other, because if a 5s. rate would not induce business, he did not think it reasonable to expect that a 4s. rate would bring in much more business. He did not think the business would vary very much; the increase would go on just in proportion to what it had been, even with the 5s. rate, so long as the Government rates and press rates were made about the same; and rather than go on incurring this liability he was very anxious that the Conference should agree to a slight modification, so that they might be in a position to lessen the risk considerably, seeing that Queensland would not come in and Great Britain would not assist them in any way. He hoped that the modification he was going to propose would be agreed to by the Conference, otherwise he was afraid that when the amount that New South Wales would have to pay as her share was submitted to Parliament they would pass a resolution to terminate the agreement altogether. The expectations of Mr. Derham had not been realized, and he considered the subsidy was burden enough without the additional burden of the guarantee. It was at the Sydney Conference of 1891 that they agreed to come under the agreement for reduced cable rates. On Saturday, 28th February, 1891, Sir John Bray stated, at Sydney, that the loss under the proposed new agreement was really an imaginary one. Fifty per cent. would be borne by the company itself, and the remainder would be divided proportionately amongst the different colonies. He (Sir John Bray) "regretted exceedingly that the English Government had taken the action it had in refusing to be a contributor. What was proposed at the Adelaide Conference would, in his opinion, with the certain increase of business, involve a loss extending only over one year or thereabouts; and considering that the Government, press, and private messages would be affected by the reduction, he thought that the two outstanding colonies might fairly unite with the others in the subsidy." They all knew the history of that. Sir John Bray was disappointed in his expectations that the loss would be more imaginary than real.

His honorable friend, Mr. Duffy, was still more hopeful, if possible; he thought there was no possible risk at all, and he said, speaking in reference to Federation, which was to be one of the inducements to Queensland to come in, that "He thought it rather hard that Queensland should exhibit a desire to stand outside the general arrangements. Mr. Unmack should remember that they were not entering into any permanent but merely into an experimental arrangement for twelve months. The colonies already paid so much hard cash in subsidy to the cable system, and the present proposal was merely a guarantee against loss. The revenue of the Eastern Extension Company was about £231,000, and in reducing the rates the company was prepared to bear one-half of any loss which might accrue, and it only asked that the Australasian colonies should bear any further loss. Now what chance was there of any loss during the first year? Personally he did not think there was the least prospect of such a contingency. They would be really entering their names to a bond without involving any risk, and their action would not militate against the Pacific cable, in which Queensland and New Zealand were particularly interested. The colonies were free to enter into any arrangement they thought just, and as he had said before, the arrangement suggested would not involve the payment of a further subsidy, but merely the giving of a guarantee against a supposed loss." That, of course, no doubt, led up to the supposition that no loss at all was to be incurred by entering into this guarantee. The Hon. B. S. Bird, from Tasmania, seemed to share in that opinion, and expressed his great regret that as it was only an imaginary sort of thing England and New Zealand could not be persuaded to join in. Mr. Unmack went on to reason the matter out, and he seemed to take a more practical view of it. He said, "The Eastern Extension Company are now offering to bear half the cost upon the reduction, which would lower the cost to those using the cable to about 6s. per word. Why then deceive ourselves by making believe we get a 4s. rate? Why not plainly tell the company we are willing to pay 6s. without any guarantee? That would be acting on correct business principles, and encourage further opposition on the part of those contemplating the construction of a Pacific cable. They had been told that the new arrangement was only an experiment, but he objected to an experiment which was opposed to the principle the colony had always advocated; besides, once let the public have a taste of a 4s. rate and you cannot re-establish a higher one." He seemed to have reasoned out that a considerable loss would be involved, and he would not take the responsibility of joining in the guarantee. That Conference had discussed the question very fully, they went over it several times, and his predecessor, the Hon. D. O'Connor, seemed to share in the expectations of other members of the Conference that they would come out without any loss. He (Mr. Kidd) would not detain them further than to point out that it appeared this agreement as to guarantee was entered on under the misapprehension that very little or no loss would be incurred, so much so that, as far as New South Wales was concerned, they had made no provision on the last estimates to cover any loss. They had not obtained any information as to how the matter was going on, and it had never seemed to strike them as necessary to make any inquiry whatever. They knew they had to guarantee their proportion, but they thought it would be of such a trifling character that it would be unnecessary to make any special provision for it in the estimate, but now they had to make provision for their loss of last year, amounting to £15,000. They would have to submit that to Parliament as soon as Parliament met, and the Government looked upon it as a very serious matter indeed, so much so that as they were always agreeable to pay their proportion of the subsidy, they did not think they would be really involved in anything beyond that, and unless the agreement was modified, he did not think New South Wales would be able to continue. That was the reason he intended to submit a modification of the rates which he did not think would be felt or would affect the amount of business done. He thought there would be a steady increase, notwithstanding the proposals he intended to make, and in view of that, it would get rid of the guarantee, and they would be able to enter into this agreement with the New Zealand Government which was, however, altogether apart from the general guarantee. With regard to the offer of the New Zealand Government, it was very well to say that the loss of New South Wales would be a mere nothing—a couple of hundred pounds a year or so—by accepting the New Zealand offer with its increased responsibility and its increased service, but he did not exactly take that view of it, he felt obliged to deal with the New Zealand offer as it stood. Taking that offer by itself, he thought it was a reasonable one, and that his Government could enter upon this guarantee, because the reduction of the tariff from 9s. 4d. to 2s. 6d. or 3s. would cause an increase of domestic business with the Telegraph Department in this colony. Very few people would be unable to send a telegram at that rate, whereas 9s. or 10s. was a bar to doing business with New Zealand. He thought it likely there would be three or four times as much business done with New Zealand as was done now. If they fell in with their offer, taking it apart from the other, he thought it a very good thing for the colony to agree to—and New South Wales would be very glad to fall in with New Zealand and accept her offer, and no doubt it would be to the advantage of New Zealand to fall in with his proposed modification. He had intended to propose a modification in the Government and press rates, but he had altered his intentions; he did not intend to propose any increase in the Government rates, and for the reasons stated in the letter by Sir John Pender, he would not propose any increase in the press rates. If Sir John Pender thought 1s. 10d. was a fair thing for press rates as against 5s. for ordinary rates, he did not think it would be wise for him (Mr. Kidd) to propose any increase. It was simply going back to his own proposal, and he could not take exception to that. Before he read Sir John Pender's letter he had intended to propose to increase the press rates by 2d. and the Government rates by 1d., but that, however, was not worth considering seriously. He would move, "That in view of the heavy loss sustained by the principal colonies in connexion with the cable guarantee dated 31st March, 1891, it be a recommendation to the respective Governments concerned that the following alteration in the tariff be adopted, with the concurrence of the Eastern Extension Cable Company, and brought into operation on the 1st October next, viz:—Ordinary messages to be increased from 4s. to 4s. 9d. per word." He had at first thought they should not disturb the present year by any alteration, but on thinking it over he came to the conclusion that the sooner they brought it into operation the better. On the returns for the year ending 30th April, 1892, he found that the increased rate of 9d. per word would amount to £37,429. The loss sustained last year was £55,000, so that would only leave about £17,500; the half of that, for which they were liable, would be £8,750. As he had said he left untouched the Government and the press rates; and he thought the Conference would agree with him that while this difference of 9d. per word would make a large difference in the risk they were incurring, those using the cable would do just as much business as ever, and in a very short time the company would be able if they thought fit to go back to the old rate of 4s. In the meantime they got rid of the responsibility under the guarantee, and he hoped that with the increase of business ends would be made to meet at the end of the

present financial year; he thought that would be far better than waiting until the end of the year. He thought with the increased business likely to accrue there would be very little loss to the company below the £237,000, which was the basis on which they calculated, or for the guaranteeing colonies. If they did not adopt this modification he would be inclined to say, "Let us withdraw from the guarantee and throw the responsibility upon the company." But recognising that they would not lose much by this, and it would suit all parties, he thought they ought to adopt it conditionally on the companies falling in with it. He hoped the Conference would see its way clear to get rid of this large responsibility under the guarantee, because the colony of New South Wales could not afford it, and, even if they could, he did not think Parliament would vote it. Of course they would have to vote whatever they were responsible for, but he was quite sure a resolution would be submitted to terminate the agreement. He would like to say that he was not proposing to divide the 9d. in any way between the South Australian Government, who were interested in the land line, and the company. If Mr. Gordon thought well to support the proposition he could make any suggestion he thought necessary, but New South Wales would have nothing to do with that, so he did not think it necessary to embody it in his resolution.

The Hon. J. H. GORDON said he had just received the following telegram from the Postmaster-General of Western Australia:—"If all other colonies agree, we will agree also."

The PRESIDENT seconded the Hon. John Kidd's proposal.

The Hon. J. H. GORDON said that in view of the proposition of the Hon. John Kidd, he would only oppose it with great hesitation, if at all. He confessed (and he thought the feeling would be shared by the other delegates) that he did not like to take a retrograde step in a matter like the telegraph service, and it was not without hesitation that he agreed to it; but Mr. Kidd had pretty clearly demonstrated that the expectations that were formed when this reduction was made had not been realized. It was impossible to controvert his arguments showing that the increase of business that the former Conference expected had not come about, and perhaps it was a pity that at the Adelaide Conference they made such a heroic reduction as from 9s. to 4s. for ordinary messages, instead of accepting the proposal of Sir John Pender for a reduction to 5s. only. The subsidy payable by the various colonies in addition to the amount for which they were liable under the guarantee was rather a large amount, and under the circumstances mentioned by the Hon. John Kidd, one could clearly see the difficulties the New South Wales Government would have in having to propose on the estimates an unexpected charge of £15,000 for the past year, and probably another £15,000 for next year, neither of which amounts was contemplated by the Government. Under those circumstances he would support the proposition on behalf of his Government, inasmuch as Government rates and press rates were left untouched, so that what was after all the greatest public convenience, viz., the free interchange of public information, would not be interfered with. He did not think the extra 9d. a word would be such a heavy strain on the mercantile community, on whose behalf the rest of the community had been bearing a considerable burden. The reduction had resulted in a loss, but by raising the rate on ordinary messages to 4s. 9d. per word, they would reduce the loss to some £18,000, of which the colonies would pay half and the cable company the other half, which would be a comparatively light burden, taking the place as it did of the present loss of £55,000. Under these circumstances and inasmuch as it was much better for the colonies to pay this extra rate on ordinary messages than have the whole arrangement break down, which it would do if the colony of New South Wales dropped out, he did not think the company would grumble if they looked at the matter fairly and considered that the expectations of the increased business had not been realized, that the colonies were still bearing their proportion of the subsidy and were willing to bear a fair proportion of the loss. In any case it was better to pay the extra 9d. per word than have the agreement at present existing break down, and the rates restored to their old figures. Coming to the question of the date at which it was proposed this new arrangement should come into force, it appeared to him, seeing the numerous interests that had to be consulted, that the 1st October would be too early. The Cable Company would have to communicate with all the countries through which their lines passed who got a contribution from the rates, and a re-adjustment would have to be made with all of them, and it was pretty clear that no fresh arrangement could be arrived at so early.

The Hon. JOHN KIDD said he was not proposing a reduction that was going to affect the profits of any of those countries, he was proposing an increase, and it was always easier to negotiate when you were going to pay a little more than when it meant a loss. He did not think there would be any difficulty in arranging for the 1st October, people were always ready to have an increase, they did not want time to consider the question.

The Hon. J. H. GORDON admitted there was something in the argument, but still if there was the extra 9d. to divide there might be a good deal of communication as to who would take the spoil.

The Hon. JOHN KIDD would let them take the 9d. and divide it out afterwards. He did not anticipate there would be the slightest delay. He did not see why the suggestion should be made to still continue a losing game. The Governments of the colonies had been very generous in regard to the subsidy, and they would not have been so generous if they had anticipated this heavy loss. He hoped the Conference would see its way to agree to his motion, as it would make it much easier for him to meet Parliament if he could say they had agreed to this.

The Hon. J. H. GORDON thought that a fair adjustment of the rates would be that the South Australian transit rates should be raised to 7d., leaving 4s. 2d. to be divided among the other interests. He would move to that effect.

The PRESIDENT said that the matter had been placed before them in such a clear, business-like manner, that it would be unnecessary for him to enlarge upon it. He thoroughly agreed with the arguments of Mr. Kidd; it seemed too much to expect the Governments of the various colonies to continue to make this heavy loss, when by a slight alteration of the tariff, affecting only one interest, a great deal of the deficit could be made up. He agreed with Mr. Kidd that Mr. Derham did somewhat over-estimate the probable results that would be obtained by the alteration; but no doubt this estimate was framed during a time of great prosperity, and since then there has been a period of commercial depression all over the world. He did not think it would be necessary to revert to the old rates; there might be such an increase of business that a further reduction could be made before many years, especially if they could get the assistance of all the colonies in their undertaking. He was afraid they could not get Queensland, but it was a great thing to get New Zealand to come in. The Government interests and press interests being fully considered, he thought no harm would be done by asking the public to bear a portion of the loss, which would still amount to £17,500.

The resolution was put and carried.

The Hon. J. H. GORDON moved—"That the extra rate of 9d. per word be apportioned as follows:—To cable companies, 7d.; to South Australia, 2d."

Seconded by the Hon. JOHN KIDD and carried.

The Hon. J. H. GORDON moved—"That the Hon. the President of the Conference be authorized to communicate with the Eastern Extension Cable Company and the Governments of the other agreeing colonies (other than New South Wales and South Australia) conveying the result of this Conference, and to have charge of all correspondence relating thereto, and of the arrangements necessary to bring the resolutions of the Conference into effect upon their being confirmed by the various Governments."

Carried.

Order No. 1.

The Hon. J. H. GORDON moved—"That the proposal by the Government of New Zealand to join the colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania, in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned."

The Hon. JOHN KIDD seconded the motion, which was carried.

European Mail Contracts.

The Hon. J. H. GORDON moved—"That, as the existing mail contracts with the Peninsular and Oriental and the Orient Steam-ship Companies expire in February, 1895, the permanent heads of the Postal Departments of the various contracting colonies be instructed to prepare a report for the next Conference, with a view to a more advantageous basis of arrangement being carried out."

Seconded by the Hon. JOHN KIDD and carried.

The Hon. JOHN KIDD proposed that the thanks of the Conference be tendered to the President for the able manner in which he had presided over their deliberations, and the successful way in which business they had in hand had been concluded. He also took the opportunity of thanking him for his extreme kindness and hospitality to them since their arrival.

The Hon. J. H. GORDON seconded the motion, thanking him for the able and business-like way in which he had presided, and for the generous courtesy he had extended to the delegates attending from other colonies.

The motion was carried.

The PRESIDENT felt much gratification at the kind and courteous way in which the motion had been carried. It had been almost a labour of love for him, there had been no discord of any kind, and the way in which the respective proposals had been met by New South Wales and South Australia augured well for an even closer union than there had hitherto been.

Votes of thanks were passed to the Permanent Heads of Departments and to the Secretary.

The Conference then adjourned *sine die*.