

The annual Intercolonial Postal and Telegraph Conference met at Hobart on the 1st February last, at which all the colonies were represented.

The question of the telegraph-cable guarantees overshadowed all others, from the fact that Victoria had announced its determination to withdraw from the guarantee agreements, and had this been carried into effect the other colonies would have been compelled to withdraw as well. An increase in the international cable rates would have followed, while New Zealand would either have had to consent to the intercolonial cable rates being raised or become responsible for the colonies' share of the loss on the intercolonial traffic, which amounted to about £11,000 last year. But, after considerable negotiation, and on the representatives of the other colonies agreeing to the following resolution, proposed by the Postmaster-General of this colony, Victoria was prevailed upon to continue its guarantee :—

"That the several colonies agree to guarantee international revenue to the Eastern Extension Telegraph Company of £227,000 per year and to make up any loss below that amount, provided the total payment in any one year shall not exceed £10,000, and to guarantee a revenue of £20,000 on the New Zealand cable, and to make up any loss below that sum, provided the payment in any one year shall not exceed £9,000, provided always that rates not higher than those now ruling be charged by the Eastern Extension Telegraph Company during currency of such guarantee such arrangement to be from year to year, and terminable at two months' notice."

It may be explained that under the old agreements the colonies guaranteed the Eastern Extension Telegraph Company a revenue of £237,736 a year in respect of the international cable traffic, and £26,258 on the New Zealand-Sydney cable business, the company in the latter case bearing one-quarter of any loss.

The resolution was cabled to the Chairman of the company, in London, for his consideration, and he replied :—

"Desiring to meet colonies' wishes as far as possible, and believing commercial outlook improving, and consequently traffic likely increase, I believe I could induce Board and associated administrations to accept Conference proposal, provided arrangements be made for fixed period of at least five years, so as to run concurrently with subsidy agreement."

The proviso was subsequently accepted by the Conference, and the resolution amended as follows :—

"That the several colonies agree to guarantee international revenue to the Eastern Extension Telegraph Company of £227,000 per year, and to make up any loss below that amount, provided the total payment in any one year shall not exceed £10,000 and to guarantee a revenue of £20,000 on the New Zealand cable, and to make up any loss below that sum, provided the payment in any one year shall not exceed £9,000, provided always that rates not higher than those now ruling be charged by the Eastern Extension Telegraph Company during currency of such guarantee such arrangement to be for a fixed period of five years."

As the guarantee is now for a fixed term, and one of finality, it should be regarded by the colonies as satisfactory.

It was also agreed by the other colonies to share Victoria's loss on the Victorian-Tasmanian cable in the following manner :—

"That the representatives of the several colonies contributing to the guarantee have agreed to share with Victoria, as regards the Tasmanian cable, the guarantee of that colony in the usual proportion (population basis), to pay the first £1,000 of the loss in any one year, and half of any additional loss beyond the £1,000, this guarantee being in addition to the subsidy of £4,200 a year at present contributed by the Colonies of Victoria, New South Wales, Tasmania, South Australia, and West Australia."

The direct financial effect to the colonies of the new arrangement will be seen from the following table :—

TABLE showing the Estimated Contributions to the several Guarantee Funds under the New Arrangement.

	Victoria.	New South Wales.	New Zealand.	South Australia.	Tasmania.	Western Australia.	Total.
	£	£	£	£	£	£	£
Eastern Extension Company	1,672	1,660	907	471	215	75	5,000
South Australia	669	665	361	189	86	30	2,000
Tasmania	1,717	1,705		482	221	75	4,200
	260	258	154	76	35	7	790
New Zealand cable	1,934	1,920	{1,053 2,892}	543	248	86	8,676
	6,252	6,208	5,367	1,761	805	273	20,666
Present payments	8,181	7,339	6,818	2,077	951	322	25,688
Saving	1,929	1,131	1,451	316	146	49	5,022

New Zealand not only secured a substantial annual saving, but found it unnecessary to propose to increase the New Zealand-Sydney cable press rates from 1d. to 1½d. per word, which had previously been determined upon. The maintenance of existing cable rates is also assured for the next five years at a much less direct cost to the colonies than was the case under former agreements.