

Enclosure in No. 19.

The LONDON MANAGER AND SECRETARY, Pacific Cable Board, to the HIGH COMMISSIONER.

The Pacific Cable Board, Queen Anne's Chambers, London, S.W.,

27th January, 1910.

SIR,—

I am instructed to amplify the information contained in my letter of the 6th instant regarding the position in which the Board now stands with regard to the introduction of "deferred" rates.

As stated in the letter to which I refer, the Board has been unable to obtain from the Atlantic cable companies any reduction in the existing rate of 1s. between the United Kingdom and Bamfield, and has failed to secure from the Canadian Pacific Railway the same terms for traffic handled by Marconi as apply to the traffic transmitted by cable companies.

It is argued by the companies that the Official Code, which will be supplied to all telegraph-offices of any importance, will enable, in most cases, a greater reduction to be made in the cost of a message than can be effected by any reasonable lowering of rates, and it will render the illegitimate use of a plain code impossible.

The introduction of a deferred rate for code messages has been opposed on the grounds that the strict application of a time-limit delivery would cause so much annoyance as to render its observance impracticable, and that, unless a time-limit was imposed, competing cable systems would almost insensibly improve the "deferred" service until there would be so little advantage in making use of the "ordinary" service that nearly all traffic would be sent at the deferred rate.

The British Post Office, which is opposed to the introduction of a deferred rate, is in favour of the proposed Official Code, and is actively engaged in its preparation.

The Board is now anxious to await the result of the trial of the official code system, and, having in view the fact that the acquisition of the control of the Canadian Pacific Railway direct telegraph-line will eliminate one of the difficulties of introducing a deferred rate, the time that must elapse before the publication of the Official Code will bring us nearer to the date when the adoption of the latter scheme might be practicable.

I have, &c.,

The High Commissioner for New Zealand, London.

A. W. BAXENDALE.

REDUCTION OF RATE FOR PRESS CABLE MESSAGES.

No. 20.

MR. THOS. TEMPERLEY, Sydney, to the Right Hon. the PRIME MINISTER, Wellington.

SIR,—

Australasian Press Association, Sydney, 4th December, 1909.

I happened to be one of the oversea delegates who attended the Imperial Press Conference in England last June, and took an active part in the effort to obtain not only cheaper cables, but more effective communication by the all-red cable line. You are doubtless familiar with the conditions affecting that line, yet I beg, for the purposes of this communication, that you will bear with me while I briefly refer to them. It is generally known that the whole of the news of the Northern Hemisphere—of Europe, Asia, and even Canada and the United States—has been transmitted to Australasia *via* London by a combination of companies known as "The Eastern Extension," while the Pacific cable, which is the national line of the Empire, has been excluded from participating in the service, and practically boycotted so far as the transmission of news is concerned. Moreover, there is but one stereotyped statement of any happening in the Northern Hemisphere—whether political or otherwise—cabled and received by the entire Press of Australia and New Zealand. I may add that it has been charged against this service more than once that it is not altogether free from bias. Further, it is known that the Metropolitan Press Association contracts with the newspaper-proprietors who receive their cables that they shall take the service for a number of years, and also binds them under a penalty bond to publish no other, thus maintaining a complete monopoly of cable service, as well as an effective control over the establishment of new dailies. The New Zealand papers, for example, are bound to this service for the next two or three years, to the complete exclusion of any other.

The proprietors of the provincial newspapers of Australia, whom I was authorised to represent at the Press Conference, are desirous, as a whole, of establishing another cable service, to be independent of the Metropolitan Press Association, and use the Pacific cable for the purpose; but the most prominent of their number, and those in the best position to support a cable service, find themselves bound exclusively to the Metropolitan Association.

It is now proposed by members of the Press who are associated with me in this movement to establish an office in London and one in Canada, and make a start without delay, by supplying Australia with a service of about eight hundred words per day. The project is, however, under the circumstances a formidable one, and is rendered all the more difficult by the passive influence of the Metropolitan Association, which is sufficiently strong to shut out all hope of financial assistance not only from the principal provincial papers, but from the Governments of either the Commonwealth or State Parliaments.