

present complication of services and variety of conditions involved loss to the telegraph service both through the large number of mistakes made in dealing with the messages and through the deterrent effect which they had on the public. It would, therefore, be in the general interest to arrange a simple and uniform scheme.

I.

The first question on the agenda concerned the minimum number of words. There were three minimum numbers at present used—24 to Australasia, 25 to America, and 30 to South Africa. It would be an advantage if these could be reduced to one.

Sir H. Primrose remarked that the difference between the Australasian and American services arose because in the American service no charge was made for the cable transmission of the indicator. He thought that on the analogy of the rules for the deferred service a charge ought to be made for the indicator. As regards the question of uniformity, he suggested that the difficulties, so far as the public were concerned, might be avoided if the rates were published in the form of a word rate with a minimum charge of so-much, without specifying the number of words which the minimum charge covered. This arrangement would also, he thought, have the advantage of not suggesting to the public that they should fill out their messages beyond what was necessary, so as to reach a specified minimum number of words.

Mr. Hibberdine said that the Eastern Company were quite prepared to reduce the minimum number of words in their South African service, and also to charge a single-word rate beyond the minimum, but in that case they could not maintain the present rate of one-fifth of the ordinary rate. They would be willing to adopt quarter-rates, as in the Australian service; but in that case they would have to reduce the minimum to 20, so as to give the public an adequate compensation for the increase in the rate. The charge to South Africa would then be 7½d. a word, with a minimum of 12s. 6d. The company would hesitate to abandon charging by groups of 5 words (which they found profitable) unless they had a quarter-rate. They could not reduce the South African minimum to 24 with a proportionate reduction on the present charge.

Sir H. Primrose was not prepared to say that the Pacific Cable Board would hold out for a 24-word minimum against a 20-word minimum—that would be a matter for consideration; but he was sure the Board would not be willing to go below 20 words.

Mr. Hibberdine said that the Eastern Company would also not be willing to have a minimum lower than 20 words.

The Chairman was disposed to agree that a minimum of less than 20 words was unsuitable. A minimum of 12 words had been proposed by the Australian Post Office, but that seemed to be inconsistent with the idea of a cable letter.

Mr. S. J. Goddard thought that the Western Union Company could not agree to a 20-word minimum, which would be equivalent to a reduction of rates. The present cable-letter rates had not been in operation very long, and the company were not yet able to appreciate their effect upon the traffic. The American cable-letter business was larger in amount than that with any other country, and any reduction would therefore affect the Western Union Company most.

The Chairman pointed out that on New York messages the Western Union Company at present charged a lower rate for words within the minimum than for words beyond the minimum. Would it be possible for them to compensate themselves for a reduction in the minimum number of words by increasing the word-charge within the minimum to the word-charge beyond the minimum?

Mr. Goddard thought that the company would be unwilling to interfere with the present rates in any way until they had had more experience of them. He would put before the company's executive at New York the question of reducing the minimum to 20, but he thought there was very little chance of an alteration at present.

II.

The Chairman then proceeded to the second point on the agenda—the question of a single rate for each service. He remarked that the present system, under which the public had to choose between four combinations of post and telegraph, was an embarrassment and a source of irritation. The number of errors was large, and although they were decreasing as the officers of the Department became more familiar with the service, he thought they would continue numerous so long as the arrangements were as complicated as they were at present. He did not think it necessary or desirable to abandon the posting, since that would take away the special character of the cable letters, but he thought it should be left to the discretion of the Administrations to employ post or telegraph as might seem fit, the charge to the public being the same in either case.

Mr. Hibberdine said that the Eastern Company were strongly in favour of a single rate. The present system was very troublesome in working, and it was, they felt, unfair to the large inland towns, especially in South Africa. The company thought that transmission should be by telegraph throughout, but they would be willing to hand over to the Government messages which they did not themselves deliver, to be posted or telegraphed to destination at its discretion. He added that the company would like delivery on Monday, but they did not press for that, though they thought it bound to come.

Sir H. Primrose said that under the present arrangement all the principal towns in Australia were on an equal footing, since the cable letters were delivered by Tuesday without payment of an extra charge. It was true that this did not apply to country places, but the receivers in those cases would not mind a little delay. It was the business people in the large towns who objected to delay; but he was anxious not to give special facilities to these people. In particular he would strongly resist delivery on Monday, which would, he thought, result in a large transfer of deferred traffic to the cable-letter service. The Board could not afford this. They had only adopted the cable-letter system on the assumption (which had so far, he thought, been justified) that the system would create new business. He had no objection to telegraphic delivery in itself, so long