

Enclosure 2 in No. 34.

[From the *Electrical Review*]

IN one of the leading Australian papers, the Melbourne *Argus*, a considerable amount of space has been devoted to the issues of 26th and 30th August to the proposed Pacific cable. We made reference to these last week, and pointed out that the information offered was simply a rehash of the numerous erroneous and misleading statements which have been so liberally offered for colonial consumption by those interested. We have so frequently exposed the fallacies and inaccuracies which have been so often and so skilfully advanced that we do not care to devote further space to going over this ground again at present. An element of novelty has, however, been introduced into the matter in a further article published, as if by an afterthought, in the Melbourne *Argus* of the 6th ultimo. Here, in a column or so of matter relating to the Cape-Australia cable (with which we have already dealt), we find the following; "During the discussion on the Pacific scheme it was frequently suggested that the Eastern Extension Company might put up rates on the expiration of the Government subsidies in 1899, but, of course, all possibility of this would cease were the Cape route adopted. In any case, it is hardly likely that a company which controls nearly one-half the cable mileage of the world—viz., 75,000 nautical miles out of a total of 165,000—would damage either its own reputation or the interests of its shareholders by any such suicidal act. As Mr. P. B. Walker, Secretary of Telegraphs in New South Wales, points out in one of his reports, no attempt was made by the cable company to raise the rates when the New Zealand and New South Wales Governments declined to continue the subsidy on that line." The first part of this statement does not appeal to our recollection, although we have followed the discussion closely. The idea has possibly arisen in the mind of the writer owing to the fact that the Eastern Extension Company have not replied to the inquiries urgently made by the colonial Governments as to whether they proposed to reduce the existing tariff on the expiry next year of the annual subsidy (£32,400) which has been paid to the company by the colonial Governments for the last nineteen years. This seems all the more probable in view of the suggestion in this paragraph that "all possibility of this would cease were the Cape route adopted." As regards the latter portion of the statement—viz., that "no attempts were made by the cable company to raise the rates," &c.—this statement is, if possible, still more inaccurate and misleading than the rest of the information given in these articles. The editor of the Melbourne *Argus*, who writes with assumption of minute knowledge, should refer to a telegram, dated 20th September, 1886, addressed to Sir Julius Vogel, then representing the New Zealand Government, by the late Sir John Pender, then Chairman of the Eastern Extension Company, who, referring to the subject mentioned in the above extract from the *Argus*, wires: "The company have done everything possible to conciliate your Government and to meet the requirements of the telegraphing public, and if our guarantee proposal had been accepted it would have given the public a cheaper tariff than it is possible to obtain by any other means without entailing considerable expenditure on the colony. Under the circumstances, however, the company have no alternative but to raise the tariff for intercolonial telegrams from 1st October to 10s. per ten words, and 1s. for every additional word, in order to recoup the loss of the subsidy." This gives a flat contradiction to the statement we are dealing with, and, as a matter of fact, the tariff actually *was* raised over the cable between New Zealand and New South Wales. Having nailed this statement to the counter, there is little in the article worth further attention. It may perhaps be an indiscretion to suggest to the editor of the Melbourne *Argus* that in matters connected with the Eastern Extension Cable Company he might apply to Mr. W. Warren, the manager of that company in Australasia, to have his information verified. In the article we refer to, and which is published as an editorial, we find a table purporting to give the subdivision among the various companies and Governments concerned of the rate per word received for telegrams from Australia to London. It is curious to find in this schedule of proportions that the division of the cable route on the English side of India is described in this Australian editorial as "cis-Indian." This would have been described as *ultra-Indian* had the table above referred to, and which appears as part of the article, been really drawn up in Australia, instead of having been supplied, as we are justified in believing, from some (apparently) competent source in London. We can only inquire of ourselves how much more of the information we have proven to be misleading springs from the same source.

[Extracts from Parliamentary Paper F.-8 of 1900.]

No. 57.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,

London, S.W., 29th July, 1899.

(Memorandum.)

PACIFIC CABLE: I beg to transmit herewith copy of correspondence between the Colonial Office and the Eastern Extension, Australasia, and China Telegraph Company on the subject of the all-British Pacific-cable project.

The Hon. the Premier, Wellington.

WALTER KENNAWAY,
For the Agent-General.