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INVESTIGATION SHOWING THE EFFECT ON THE REVENUE OF THE PACIFIC CABLE OF CERTAIN HYPOTHETICAL DIVISIONS OF THE TRAFFIC BETWEEN THE EASTERN AND THE PACIFIC ROUTES.—
CALENDAR YEAR 1904.

Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster,
London, S.W., 19th July, 1905.

Ordinary Traffic between United Kingdom and Australasia only.

THE traffic of the year with the United Kingdom in "ordinary" business—i.e., excluding Government and Press—computed in paid words, was as follows:—

	Eastern. Words.	Pacific. Words.	Total Words.
New South Wales	380,145	86,518	466,663
Queensland	16,558	75,654	92,212
Victoria	446,872	59,585	506,457
South Australia	162,428	5,121	167,549
West Australia	261,704	9,747	271,451
Tasmania	15,905	5,230	21,135
Total Australia	1,283,612 (84·15%)	241,855 (15·85%)	1,525,467 (100%)
New Zealand	75,827 (23·46%)	247,590 (76·54%)	323,417 (100%)
Grand total	1,359,439 (73·53%)	489,445 (26·47%)	1,848,884 (100%)

Taking 1s. 6d. as very approximately the net receipt of the Pacific cable on every "ordinary" full-paid word between Australia and the United Kingdom, after deducting all "payments" and dropping fractions of pounds, the Pacific cable obtained, from 241,855 words carried, £18,139. Had it carried half the traffic, or 762,733 words, it would have obtained £57,205, or a gain of £39,066. Had it carried five-twelfths of the traffic, or 635,611 words, its receipts would have been £47,671, or a gain of £29,532.

Taking 1s. 10d. as the net receipt of the Pacific cable on every "ordinary" full-paid word between New Zealand and the United Kingdom, the Pacific cable actually received £22,696 for the 247,590 words carried. Had the cable carried only half the traffic, or 161,708 words, its receipts would have been £14,823, a loss of £7,873. Had the Pacific cable carried five-twelfths of the traffic, or 134,757 words, its receipts would have been £12,353, or a loss of £10,343.

Combining Australia and New Zealand traffic together, the actual receipts of the Pacific Cable Board were £40,835. If it had carried half the traffic of Australia and New Zealand, it would have received £72,028, an increase of £31,193. If it had carried five-twelfths of the traffic, it would have received £60,024, or an increase of £19,189.

If the Pacific cable be assumed to have carried the same "ordinary" traffic for all States in 1904 as it actually did carry, except in the States of New South Wales and Victoria, and if in those two States it had carried half the whole traffic in "ordinary" words, its receipts would have been as follows:—

With all States except New South Wales and Victoria	£ 29,877
With New South Wales and Victoria	36,492
Total	66,369

or a gain of £25,534 in the actual receipts of the year.

Had the proportions been five-twelfths of the New South Wales and Victoria traffic, the results would have been as follows:—

With all States except New South Wales and Victoria	£ 29,877
With New South Wales and Victoria	30,410
Total	60,287

or a gain of £19,452 on the actual receipts of the year.

To summarise: The financial results to the Pacific Cable Board on account of "ordinary" traffic between the United Kingdom and Australasia would be as follows, under the various conditions stated of "ordinary messages only":—

	£	Increase. £
(1.) Actual revenue of 1904	40,835	...
(2.) Hypothetical revenue with the Australian and New Zealand traffic divided equally between the two routes	72,028	31,193
(3.) Hypothetical revenue if divided in the proportions of five-twelfths to the Pacific and seven-twelfths to the Eastern	60,024	19,189
(4.) Hypothetical revenue if the Pacific cable received half of the revenue from New South Wales and Victoria, and received the actual amount it carried for the other States	66,369	25,534
(5.) Ditto in proportions of five-twelfths Pacific and seven-twelfths Eastern	60,287	19,452