

1880-81.
—
VICTORIA.

R E P O R T

UPON THE AFFAIRS OF THE

POST OFFICE AND TELEGRAPH DEPARTMENT

FOR THE YEAR

1880.

PRESENTED TO BOTH HOUSES OF PARLIAMENT BY HIS EXCELLENCY'S COMMAND.

By Authority:

ROBT. S. BRAIN, ACTING GOVERNMENT PRINTER, MELBOURNE.

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APPROXIMATE COST OF REPORT.

Preparation—Not given.		
Printing (375 copies)	£ s. d. 140 0 0

R E P O R T.

In presenting the Annual Report upon the affairs of the Post Office and Telegraph Department, as required by section 57 of the Act 29th Vict. No. 298, it is believed that the particulars furnished will be found of general interest, as showing a large extension of business in the various branches of the Department, and the progress of the measures taken to make the Postal and Telegraph service increasingly conducive to the convenience of the public.

REVENUE AND EXPENDITURE.

Revenue.

The gross Postal Revenue for the years 1879 and 1880, including Commission on Money Orders, &c., was—

1879	...	...	...	...	...	£197,675
1880	...	...	...	...	...	204,171

showing an increase of £6,496, or 3·28 per cent.

The gross Telegraph Revenue for the years 1879 and 1880 was—

1879	...	...	...	...	...	£56,704
1880	...	...	...	...	...	61,478

showing an increase of £4,774, or 8·4 per cent.

The total Postal and Telegraph Revenue for 1880 amounted to £265,649, as against £254,379 for 1879, showing an increase of £11,270, or 4·43 per cent.

Expenditure.

The gross Expenditure of the Department for the year 1880, including collections on account of other Governments and commission to licensed vendors of postage stamps, amounted to £383,414, as against £351,854 for the year 1879, showing an increase of £31,560, or 8·96 per cent.

REVENUE.			EXPENDITURE.		
	£	s. d.		£	s. d.
Revenue, including postage fees on registered letters, commission on money orders, commission allowed to licensed vendors; also collections on account of other Governments	204,171	16 2	Salaries and wages, occasional assistance, and overtime	182,374	14 3
Electric Telegraph collections, including amounts collected on account of other colonies and the Tasmanian Submarine Telegraph	61,478	16 9	Contingencies	22,453	10 1
Deficit	117,764	4 10	Manufacture and issue of Duty Stamps	5,100	19 5
	383,414	17 9	Commission to licensed vendors of postage stamps	3,778	13 9
			Iuland mail service	111,975	15 10
			Gratuities to masters of vessels	2,027	13 7
			Estimated amount of postal collections on account of other Governments	2,200	0 0
			Steam postal communication with Great Britain <i>via</i> Suez, San Francisco, and Torres Straits	39,299	17 3
			Electric Telegraph collections on account of Tasmanian Submarine Telegraph	1,332	8 8
			Due by other colonies	1,259	13 8
				72	15 0
			Subsidy for the duplication of the Telegraph Cable between Penang, Singapore, Banjoeanjanje and Port Darwin	14,130	18 7
				383,414	17 9

The sum of £16,756 8s. 3d. has also been expended on telegraph lines—formerly borne by the Public Works Department.

The above statement shows a deficit of £117,764 4s. 10d., as against £97,474 6s. 2d. in 1879. The increase, £20,289 18s. 8d., is explained by the following items not included in the expenditure of the previous year—

Subsidy for duplicate cable	...	...	£14,130	18s. 7d.
Manufacture and issue of duty stamps	...	...	5,100	19s. 5d.

There is also an increase in cost of steam postal communication for foreign mails of £6,988 11s. 6d.

The sum paid to the Railway Department for conveyance of mails in 1880 was £33,412 11s. 11d.

The value of telegrams sent on the Government Service was £23,881 13s. 7d., and it is estimated that the postage on official correspondence transmitted would certainly exceed £30,000.

In several of the country offices the Postmasters and Telegraph Managers also undertake the duties of Receiver and Paymaster, which entails additional expense on this Department.

The value of the Duty and Fee Stamps issued (all of which are manufactured in and at the cost of this Department) during the year is the following—

Duty	...	...	...	£95,552	4s. 2d.
Fee	...	...	...	51,414	13s. 1d.

which does not form any part of the revenue of the Post Office.

COMPARATIVE STATEMENT OF CORRESPONDENCE, 1879-80.

STATEMENT showing the Estimated Number of Inland Letters, Packets, and Newspapers Posted in the Colony of Victoria, also the Number of Ship Letters, Packets, and Newspapers Despatched and Received, during the Years 1879 and 1880 respectively.

Number of Post Offices.	Years.	INLAND LETTERS, including Official Correspondence and Post Cards.	SHIP LETTERS.				Total Letters.	Increase 1880 over 1879.
			Despatched.		Received.			
			Colonial.	British and Foreign.	Colonial.	British and Foreign.		
	1879	20,000,000	872,762	460,613	1,321,078	561,195	23,215,648	} 4½ per cent.
	1880	20,750,000	979,544	474,987	1,462,244	528,374	24,195,149	
1879: 1,069 1880: 1,100	Years.	INLAND PACKETS.	SHIP PACKETS.				Total Packets.	Increase 1880 over 1879.
			Despatched.		Received.			
			Colonial.	British and Foreign.	Colonial.	British and Foreign.		
	1879	2,740,000	115,726	52,325	35,741	147,572	3,091,364	} 15½ per cent.
	1880	3,200,000	128,188	38,175	40,579	151,538	3,558,480	
	Years.	INLAND NEWSPAPERS.	SHIP NEWSPAPERS.				Total Newspapers.	Increase 1880 over 1879.
			Despatched.		Received.			
			Colonial.	British and Foreign.	Colonial.	British and Foreign.		
	1879	6,840,000	691,772	620,175	696,686	1,226,774	10,075,407	} 5½ per cent.
	1880	7,100,000	801,628	699,264	846,144	1,193,504	10,640,540	
Number of letters registered in Victoria in 1879			...	...	218,076	} Increase 1880 over 1879, 10½ per cent.		
" " " 1880			...	...	241,248			

STEAM POSTAL COMMUNICATION.

The new contract for conveyance of English and foreign mails fortnightly between Melbourne and Ceylon came into operation in February 1880, the first steamer being despatched on the 6th of that month. The service has since been performed with great regularity, the outward mails having been delivered in many instances a full day before the time prescribed in the contract.

The average time occupied in transport of the mails between London and Melbourne has been 39 days 2½ hours, and the homeward mails 41 days 12 hours, making the course of post for receipt of replies about 88 days.

In March 1880 it was announced that the ships of the Orient Steam Navigation Company, which, since 1877, had been running about once a month—outward *viâ* the Cape of Good Hope, and homeward *viâ* Suez—would call on the homeward voyage at Naples, and it was subsequently determined by this company to run their vessels fortnightly, which increased frequency commenced from Melbourne in April last.

Mails containing correspondence specially endorsed for transmission by these steamers have accordingly been despatched, the masters of each vessel having been paid the usual gratuity of 1d. per letter placed on board at this port, as provided by the Post Office Statute.

The unexpected opportunity thus presented of forwarding fortnightly mails by two competing lines of steamers has led to some discussion with respect to the contract entered into with the Peninsular and Oriental Steam Navigation Company, and an opinion has been expressed that, in undertaking this service alone, the Victorian Government acted in an unfriendly spirit towards the neighboring colonies, which, it is assumed, would have been willing to join in a federated mail arrangement for the mutual advantage of all concerned. It should not, however, be forgotten that, at the Postal Conference held in Sydney in 1873, with this express design, and at which all the colonies were fully represented, no such joint action as that suggested was found practicable, and the result was that Victoria alone entered into the Galle contract, New South Wales and New Zealand established, for their mutual benefit, the San Francisco line, and Queensland made a contract of its own for the Torres Straits service.

During the whole course of the last Galle contract it was proved indisputably that the line *viâ* Suez and Brindisi was the most expeditious postal route, and its maintenance was therefore deemed a matter of necessity unless a direct through service could be established.

Tenders were accordingly invited for—

- (1.) A direct service between Southampton or Plymouth and Melbourne, *viâ* Suez and Aden, every four weeks ; or,
- (2.) A service from Aden or Ceylon to Melbourne every four weeks.

The former service provided for the steamers coming direct to Melbourne, which was to be the terminus of the line, as it contemplated the conveyance of first, second, and third class passengers at fixed rates ; but in the latter it was provided that the steamers should call at King George's Sound and Glenelg, and they were to be allowed to proceed to any other Australian port.

In ultimately accepting a tender for a fortnightly service, to call at King George's Sound and Glenelg (or the Semaphore), with permission for the steamers to proceed to Sydney to coal and re-fit, it can hardly be maintained that Victoria evinced an unfriendly disposition to the other colonies, the more especially as this colony consented to forego the £5,000 per annum previously paid by South Australia for the deviation to Glenelg ; and, as a guarantee that she did not wish to make a profit at the expense of her neighbors out of what at the time appeared to everyone a most favorable contract, stated her willingness, after the lapse of a reasonable time, to revise the transit rates upon which their contributions were based if the financial results should be found to justify that course.

The new contract has also been objected to on the ground that the mails are conveyed by a "round-about" route, that is, by way of King George's Sound and Point de Galle.

Although for many reasons a service direct from Adelaide to Aden would perhaps have been preferable, it should be borne in mind that the Imperial Government has undertaken to carry the Australian mails, free of cost, between Brindisi and Ceylon, and gives to the colonies a proportion of the postage collected on letters outward ; one of the considerations that induced the Home Government to make these liberal concessions being that the Crown colony of Western Australia would be served under this arrangement. The deviation to Point de Galle does not increase the distance to Aden by more than about 350 miles, or say 30 hours steaming. Some additional delay is also occasionally involved by waiting at Ceylon ; but mails for India and the East, which it will be acknowledged are of some importance to the Australian colonies, are conveniently and expeditiously transmitted thence to destination ; and one further advantage is that, in case of accident to a steamer, the delay of mails is not likely to be so great as it would be if the vessels called at no port between Australia and Aden. This was illustrated in the case of the *Hydaspes*, which was disabled through the breaking of her screw on the voyage from Aden, and, notwithstanding this mishap, only five days' delay occurred in the receipt of mails at Melbourne, the *Assam*, from Bombay, having brought them on. Nor should the fact be overlooked that it is only upon these conditions a fortnightly

service could be secured for £85,000 per annum, the company contracting to perform the entire voyage from Brindisi to Melbourne in 895 hours (37 days 7 hours), and from Melbourne to Brindisi in 910 hours (37 days 22 hours), inclusive of all stoppages, with penalties of £100 for every day's delay beyond the appointed times between Melbourne and Ceylon. The greatly accelerated speed, with the increased frequency, was fairly considered at the time the contract was entered into a most advantageous arrangement for postal purposes, the more especially as no formal offer for either a service direct from England upon any modified conditions, or a branch service from Aden, was submitted.

Relative to the increased amount of the net loss to Victoria under the new contract—which, now that the accounts for the year have been made up, it is ascertained will be considerably less than was at first anticipated, hardly exceeding £18,000 for the past year—it is pointed out that rapid and regular steam postal communication between Australia and England, so essential from both a mercantile and social point of view, can only be obtained by a large expenditure, which the postages collected have never been expected to cover. During the period of the last four-weekly contract, with five-sixths of the postage on outward correspondence, accounted for by the Home Government, the contributions received from the other colonies, and a special subsidy of £5,000 from South Australia, the average loss to Victoria amounted to £14,000; and although the loss under the fortnightly service will be greater, the public at both ends derive a substantial benefit by the transmission of the whole mail *viâ* Brindisi, in the reduced time and at reduced rates of postage, 2d. being saved on every letter posted, and 1d. on each newspaper.

It should, moreover, be remembered that the other colonies, as well as Victoria, have, in like manner, to bear a heavy expense on account of steam postal communication with Europe; the loss to New South Wales, on account of the San Francisco contract, being stated to be, in 1879, £20,661, which, with the contributions paid to the Galle and Torres Straits services, show her loss to be, in that year, no less than £24,105.

In view of the foregoing facts, it is difficult to understand the grounds upon which the new contract, so generally approved of at the time it was entered into, should now be described in terms which are certainly calculated to convey a very erroneous impression respecting a mail service which has been performed every alternate week (instead of every four weeks as formerly), with almost invariable regularity, and at a very moderate increase of annual cost above that previously incurred.

It is true that, consequent on the spirit of competition that has arisen, steamers of the Orient line have, on several occasions, made more rapid passages homeward than the contract steamers, but this is chiefly due to the fact of the former being engaged in a strictly commercial enterprise, perfectly free from any penal conditions as to times of departure and arrival, and proceeding direct from Adelaide to Aden.

It is only necessary to add that the fortnightly despatch of steamers by the Orient line, the delivery of homeward mails *viâ* Naples, and the more recent adoption of the Canal route from England are changes in the arrangements of the company which have been gradually developed, subsequent to the date of the present contract, at which time there was no visible indication of any intention to establish such a service as that now in existence. There is indeed reason to believe that no idea was then entertained of the successful results which have lately been achieved, and which could not have been foreseen when the contract was necessarily concluded for continuance of the European Postal Service.

It was generally considered that, as the fortnightly service had been obtained for a less amount than had previously been paid for the slower four-weekly mail, it would be a great financial success. Two circumstances not contemplated at the time have, however, occurred to prevent the fulfilment of this expectation.

I. In consequence of the abandonment of the Southampton route by the Home Government, of which no intimation was received in this colony until after the new contract had been signed, it became necessary, in the public interest, to reduce the rates of postage *viâ* Brindisi to those previously charged on correspondence transmitted *viâ* Southampton, and to enter into a new arrangement with the Imperial Government for division of the postage collected. As previously reported, under this arrangement the Home Government accounts to Victoria, on outward correspondence, for 2½d. per half-ounce letter, retaining 3½d. per letter, as well as the whole of the postage on packets and newspapers; on homeward correspondence Victoria retains

the whole of the letter postage and accounts for half the packet and newspaper postage. The Imperial Government pays the Italian and French transit charges on all correspondence both ways.

In order to meet objections raised by the Governments of New South Wales and New Zealand when this proposal was under consideration, and to admit of the postal rates *viâ* Brindisi being generally reduced to those charged *viâ* San Francisco, and formerly *viâ* Southampton, it was arranged by the Right Honorable H. C. E. Childers, on behalf of Victoria, that the other colonies should receive the same proportions of postage by the former as by the latter route, viz., 4d. out of 6d. of the outward letter postage and half the postage on packets and newspapers.

To admit of this arrangement being carried out, it was agreed that Victoria should repay to the Imperial Government the sums over-credited, viz., 1½d. per half-ounce on outward letters, and half the postage on packets and newspapers.

The amount of the repayments to be made to the Home Government on account of correspondence for other colonies, together with the half postage to be accounted for on homeward packets and newspapers posted in Victoria, largely reduces the amount payable to this colony by the United Kingdom, from which, in 1879, a sum of £14,741 3s. 11d. was received.

The correspondence which took place with Mr. Childers upon the subject will be found in Appendix Y.

II. When the arrangement for these repayments was made, it was understood that the homeward postage *viâ* Brindisi would, in all the colonies, be reduced to former Southampton rates, in which case it was anticipated that an increased extent of correspondence, naturally resulting from the establishment of additional facilities for rapid and regular communication with Europe, would be posted and forwarded *viâ* Galle from all the colonies, and that the loss under the new arrangement would be at least partially met by the payments made to Victoria for conveyance of the mails to Galle.

The colonies of New South Wales, New Zealand, South Australia, and Tasmania, however, still collect the high rates *viâ* Brindisi, enforced prior to the abandonment of the Southampton route, viz.:—Letters, 8d.; newspapers, 2d.; packets, 2d. per ounce.

The maintenance of these charges deters persons who have long been accustomed to send their letters, &c., at the lower rates, from using the Galle route, in consequence of which the extent of correspondence despatched thereby is actually smaller under the fortnightly than under the four-weekly service, and the contributions of the colonies named towards the cost of the contract are considerably less than was anticipated.

The amount of those contributions is further lessened by the sum (£5,000) formerly paid by South Australia for the deviation to Glenelg, to which this Government has consented to forego any claim.

When it was found that the colonies before mentioned had not reduced the postage *viâ* Brindisi, as it was understood they would do, the following memorandum, addressed to the Chief Secretary, was forwarded to the Government of New South Wales, on the 30th July 1880, and similar memoranda were also sent to the other colonies referred to:—

With reference to the circular despatch, dated the 16th March last, from the Right Honorable the Secretary of State for the Colonies to His Excellency the Governor, respecting the reduction of postage on letters, packets, and newspapers, transmitted *viâ* Brindisi, and the arrangement agreed to by the Imperial Government at the instance of the Right Honorable H. C. E. Childers, on behalf of this colony for division of the postage collected, the Postmaster-General begs to draw attention to the fact that the Post Office Department of New South Wales continues to collect, on correspondence forwarded *viâ* Brindisi, the rates of postage charged prior to the abandonment of the Southampton route, viz.:—Letters, 8d.; newspapers, 2d.; packets, 2d. per ounce.

2. Under the now arrangements, the postal rates *viâ* Brindisi collected in the United Kingdom on correspondence addressed to all the Australian colonies and in Victoria on homeward mail matter, are the same as charged *viâ* San Francisco. On outward correspondence, the Home Government accounts to Victoria for 2½d. per half-ounce letter, retaining 3½d. per letter, as well as the whole of the postage on outward packets and newspapers. On homeward correspondence, Victoria retains the whole of the letter postage, and accounts for half the postage on packets and newspapers. The Imperial Post Office defrays the cost of transit through Italy and France both ways.

3. In order, however, to meet objections raised by New South Wales, at the time this proposal was under consideration, and to admit of the postal charges *viâ* Brindisi being assimilated to those *viâ* San Francisco, it was agreed that that colony should receive the same proportions of postage by the former as by the latter route, viz., two-thirds of the postage on outward letters, and half the postage on