

1928.  
NEW ZEALAND.

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IMPERIAL WIRELESS AND CABLES CONFERENCE, 1928.

SUMMARY OF REPORT.

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*Laid on the Table of the House of Representatives by Leave.*

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[NOTE.—THE NUMBERED PARAGRAPHS IN THE SUMMARY CORRESPOND TO THE NUMBERED PARAGRAPHS IN THE FULL REPORT, BUT ARE IN THE MAJORITY OF CASES A SUMMARIZED VERSION ONLY.]

SUMMARY.

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PART I.

PART I of the report is introductory and indicates the meetings held, the witnesses called, and the terms of reference, which were as follows: "To examine the situation which has arisen as a result of the competition of beam wireless with cable services, to report thereon, and to make recommendations with a view to a common policy being adopted by the various Governments concerned."

PART II.

Part II describes briefly—

- (i) *Telegraphic communications between various parts of the Empire before the advent of the beam services;*
- (ii) *Imperial beam wireless services, with some particulars of rates, ownership of stations, operation of services, and important conditions contained in the licenses;*
- (iii) *The effect of beam services upon cable systems in the following main paragraphs of the report:—*

18. It has been represented to us that cable undertakings affected by wireless-rate reduction and Indo-European land-line service have been brought to a serious position by a twofold reduction in receipts, resulting from the operation of lower rates introduced as a means of countering the beam competition, and from loss of traffic to the beam services. On the Canadian service, where the wireless and cable rates are the same, no crisis has, however, at present arisen.

Note to paragraph 18: In the case of the Pacific cables, the reduction to the existing rates was effected on the 1st February, 1927—*i.e.*, prior to the opening of the beam service, and as a result of the completion of the new cable at the end of 1926.

20. The present beam rates on the Australian, South African, and Indian services—assuming the existing traffic to be maintained or the increase continued—yield a very high profit, and these rates could be substantially reduced and still give a handsome return on the capital invested. Therefore the beam services could always afford to undercut the cable rate, and, if competition were unrestricted, could render cable systems unremunerative. Having regard to these considerations, it was suggested to us that those responsible for the cable companies might be pressed, unless a satisfactory means could be found of obviating the effect of acute competition, to liquidate their undertakings at once and distribute their large reserves amongst their shareholders rather than to remain in operation and dissipate their resources.

- (iv) *The necessity for the retention of cable systems.*

21. Many parts of the Empire are not at present, and may not for some time to come, be served by wireless. The existing wireless services are subject to fading and occasional prolonged interruption, which would be a serious hindrance to urgent commercial telegrams if cables were not available. It is obvious also that cables have a value for strategic purposes. Wireless offers a cheap service but not all-sufficing, and it remains important for commercial and other purposes that the majority of the cables should be kept in operation.