

Conference take into consideration the appointment of a representative of a Postal Conference to be held at Vienna."

The Hon. J. Gavan Duffy thought that it would be advisable to adjourn. The heads of the departments had been meeting during the day, and had other business to transact.

The Conference was then adjourned until 11 o'clock on Wednesday morning.

FRIDAY, 6TH MARCH, 1891.

*Reduced Cable Rates.*

The Hon. B. S. Bird resumed discussion on the reduced cable rates. In moving the adjournment of the debate on the cable-subsidy question, he had expressed a hope that further consideration would in the interim be given to it, and would result in some way being seen to a proposal in which the whole of the colonies represented at the Conference would be able to agree. From the conversations he had held, however, with the other representatives, he fancied that the only possible agreement would be found in a proposal to endeavour to get a reduction of rates by the Eastern Extension Company without any guarantee being given by the colonies represented here. Mr. Unmack, in his last address to the Conference, had pointed out that, while they were only going to get a four-shilling tariff, that, added to the guarantee, would really mean 6s. [Mr. Unmack: "Hear, hear"]; and he threw out a suggestion that it might be well for the colonies to endeavour to induce the Eastern Extension Company to take the whole of the risk of loss by the reduction of rates, and let the colonies be content with a six-shillings-a-word tariff. Well, if this were practicable—if the company would agree to it—it would no doubt be a better condition of things than they had at present, and might be better than what they proposed with Queensland and New Zealand standing out. There was so strong a desire for unanimity that it would be much to be regretted if they could not act unitedly in the matter. He would be very pleased if there were any chance of getting even the six-shilling tariff introduced, with the whole risk of loss in the traffic to fall on the company only. But he had great doubts whether the company would agree to any such proposal; in fact, he thought it would not. There was no doubt, however, that the colonies had become so accustomed to the expectation of the four-shillings-a-word tariff that they would be dissatisfied if any higher tariff were introduced. He believed they would sooner take the whole of the guarantee upon themselves than be free from it and have the six-shilling tariff. He knew the Tasmanian people looked forward to the four-shilling rate, and would be disappointed with anything higher; and he believed, as he had said before, that his Government would be prepared to bear some additional cost over what they were now paying—or at any rate, risk some additional loss—in order to secure the great advantage of reduced rates. But he must emphasize the position his colony maintained in regard to its contribution, which position had also been taken up by South Australia, and which it had maintained in all the correspondence on this question—namely, that their joining in the contributions to secure the reduced rates was conditional not only upon the colonies dividing the guarantee amongst them, as the company proposed, but also upon the pooling of all the subsidies which the various Colonies of Australasia paid—including that for the Straits line by Tasmania, and the overland line by South Australia—so as to equally protect them against undue loss. They would remember the Adelaide Conference agreed to a resolution which pledged the colonies represented there (with, perhaps, the exception of Queensland) to secure South Australia against loss arising from the reduced charges in connection with her overland line. He thought, as he said then, that South Australia was entitled to consideration in view of the large outlay she had incurred, and had borne alone the last few years, in establishing and maintaining the transcontinental line. She ought not to be called upon to join in the guarantee against loss to all the other colonies unless herself secured against loss on the overland line; and if New Zealand joined in the guarantee, that colony also should join in securing South Australia against loss in connection with the reduced rates. Several remarks had been made during their sittings as to the willingness of Victoria, New South Wales, South Australia, and Tasmania not to insist on Queensland and New Zealand paying any share of the subsidies, if they would join them: but while all would be prepared to welcome them he thought they should insist on the terms he had set forth. Unless the Conference was disposed to adopt the idea of asking Sir John Pender to introduce a six-shilling tariff, the company taking the whole risk of loss, Tasmania would be prepared to bear her portion of the risk on the reduction to 4s., on those conditions—viz., guarantee to the company, guarantee to South Australia, and all the subsidies being pooled, and the guaranteeing colonies bearing their fair share of the whole. There was one clause in the agreement to which reference had been made, which he felt sure would have to be expunged; that was the clause which bound them while the agreement was in force to do nothing which would tend to lessen the traffic on the Eastern Extension lines. In so many words, that meant they were to reserve to the Eastern Extension Company a monopoly so long as the agreement lasted. He would therefore, while agreeing generally to the terms of the agreement proposed by Sir John Bray to be adopted, suggest that that particular clause be expunged. He thought there would be no objection to that. Whether the company would then agree remained to be seen, but he did not think they ought to do anything that would cause the least show of hindrance to the laying down of a Pacific cable. He was hopeful until that morning that the prospects of such a cable were improving—that the United States would be willing to give a subsidy to a cable so far as Honolulu, but by a telegram in the paper that morning he saw they had declined to do so, and the prospects therefore faded for the present. Perhaps their general desire was rather for a cable to the Canadian coast; but, wherever it came from, he felt they ought not to bind themselves to any contract which would throw a barrier in the way of a Pacific cable being laid. Mr. Unmack had spoken as if their entering into that agreement with the Eastern Extension Company would throw some obstacle in the way of a Pacific cable. Now, were they entering into a binding