

companies. We do not know where we stand or are likely to stand in the next few months in regard to our existing lines. In the disjointed position we are in at the present moment I am not in a position to give the proposal of Mr Thynne that practical sympathy that I would like to do, but I hope that the deliberations of this Conference will lead to a larger amount of sympathy and interest in this proposal. I gathered from the speech of Mr Ward that his mind is turning to the possibility of the fear of competition causing the existing lines to maintain the rates we are now paying, and I think the existing companies should take warning that unless they are prepared to maintain low rates competition will step in. Although they have laid three lines of cable between here and Java, we know difficulties are constantly arising, and there is nothing to prevent another company constructing another line of cable home, and entering seriously into competition with them. We shall be thrown back directly on the old position, there will be no agreement between the Colonies, but we will each have to make our own arrangements.

Dr COCKBURN There is nothing more conspicuous in the past history of South Australia than that we have always done our utmost in the interests of Australasian telegraphy, but on all former occasions when South Australian representatives have taken part in discussions on this subject, they have always refrained from voting, and I shall follow the same course to-day. I do not know that I need say anything at all, except that I am anxious that no false impressions should get about in regard to the recent developments which have taken place in connection with the proposal to lay this cable. Mr Thynne quoted some figures in regard to the estimated traffic on this line, prepared by an eminent engineer and an enthusiastic advocate of the scheme, Mr Sandford Fleming. At present the cable sends 1,400,000 words a year. If we estimate that the Pacific cable takes half of this, I think it is a very liberal estimate indeed, when we consider that only $4\frac{1}{2}$ per cent. of the messages come from America. This gives us 700,000 words a year as their business. Of course the reduction in the rates may lead to an increase of business, but our experience in cable traffic has not been that a reduction has always led to any great increase of business as anticipated. The reduction which was effected on the existing line was not followed by such a large increase as some anticipated. We must not, therefore, be too sanguine that any decrease in the rates will lead to an increase of business. Mr Thynne spoke of the low tenders, but I would ask do these tenders fulfil the conditions we anticipated it would be necessary to fulfil in connection with this cable, and if the Government are to undertake this work, it is necessary that the repairs should not be a very great item. A cable may very well stand a strain of three years, but it will be after this that the danger will come in. It will necessitate extreme carefulness if the subsequent maintenance of the cable is to be undertaken by the Government. There is one other matter to which I would like to call attention. We ought not to shut our eyes to the fact that all authorities on this subject have laid stress on the fact that it is absolutely necessary for a commercial undertaking of this nature to have a duplicate line, and that a single line has never yet been known to pay commercially. Then again, with regard to Mr Fleming's estimate, he leaves out of his calculations in regard to working expenses any calculation in regard to repairing-ships, no allowance is made either for a sinking fund. I think we should abstain from dealing with the matter until we are in possession of some full information in regard to it.

Mr WARD I have no desire to detain the Conference, but I would like to make reference to one remark which fell from Dr Cockburn in regard to the effect of the reduction of the rates upon our cable business. In 1892 the number of international messages sent by New Zealand was 2930, valued at £11,279 10s. 9d. In 1893, the year following the reduction, there were 6114 messages of the value of £20,934 0s. 10d., an increase of 3184 messages, and £9654 10s. 1d. in value. The outward intercolonial business in 1892 was 15,758 messages, valued at £11,576 18s. 9d., and in 1893, 28,293 messages of the value of £7753 11s. 2d., an increase of 12,535 in the number of messages, but a decrease in value of £3823 7s. 7d. The number of intercolonial messages increased by no less than 79.55 per cent., but the value decreased 33.03 per cent., the decrease being due to the rates over the intercolonial cable having been reduced by over three-fourths—from 8s. 6d. to 2s. for the first ten words, and from 1s. to 3d. for each additional word. My experience is, therefore, that where the rates are materially lowered there is generally a large increase of traffic. As the amendment proposed by Mr Cook meets my views, and also those of the Conference, I hope Mr Thynne will see his way to withdraw his motion in its favour.

Mr THYNNE I would like to say a few words in reply to the gentlemen who have addressed themselves to this question. In the first place some of the speakers have expressed some dissatisfaction with the action of Canada in not submitting some more extensive and complete proposal than they have, but if we remember the fact that the Ottawa Conference only concluded its sittings in July last, and that the result of the tenders has practically only recently arrived in Australia, we will see that it is premature to complain of nothing having been done upon those tenders. It seems to me that the Canadian Government have done everything in the matter that they could be expected to do. They have lost no time in ascertaining the cost of the cable, and communicated that information to us. Our Conference has been fixed at an earlier period than usual, and consequently we are not in receipt of the full information from the Canadian Government that we would have liked. We have not received any detailed explanation of what they propose to do; they have not had time to consider it. It is for us now to take those tenders into consideration and see how far we are prepared to go in regard to them. We must somehow be brought together on a business foundation, so that we can meet each other on some definite lines, and have some