

Eastern Extension Company make the offers they do because the Pacific scheme is not a certainty, and in the hope that through the acceptance of their offers it may pass into the limbo of abortions. According to cable of yesterday Mr. Chamberlain still regards the construction of the Pacific cable as dependent upon the decision of the Premiers of the interested colonies. If by interested colonies is meant the entire colonies of Australasia, the position is already serious, since three of them—West Australia, South Australia, and latterly New South Wales, through Mr. Lyne—have signified acceptance of the Eastern Company's offers. If the colonies agreeing to contribute to the Pacific cable are alone meant, we have thus far only New South Wales as a weak point. New Zealand, Victoria, and Queensland are now strenuously backing up Canada in their opposition to the Eastern Company's offers, and in their representation that these offers are really meant to put an end to the Pacific project.

That this would be the effect of the acceptance of the company's offers—that, in other words, the question is not the possession of the two cables, but the loss of the independent Pacific line through acceptance of a continued monopoly—is apparent from the circumstances and from the offers of the company themselves. The company have built up an enormous reserve fund out of past privileges, and are perfectly prepared to spend money largely in the retention of their monopoly. That is their conspicuous motive in the offered reduction of rates, which has not been offered where, as in India, their monopoly is not threatened, and which would never have been offered here but as a block to competition. In a Queensland departmental report of October last, extracts from which appear in another column, after referring to the rates proposed by the company (4s. per word, and a reduction to 2s. 6d. as traffic increases), and to the condition of direct access to the public, these words are quoted: "With this right being conceded, the company had no fear of the competition of the Pacific cable, which would, of course, be under Government control." This is significant language. The State cable would have hard-and-fast rates; the company could cut below them. When the Postmasters-General of Victoria and New South Wales, agreed in October, that they could support the company's scheme if no "cutting rates" were adopted they were out of court; the company were, in fact, offering to cut rates. But the special right which delivers the company from "fear of competition" is that of direct access to the public. The report just referred to says, "The result of such a concession would be to enable the company to make contracts with the chief cable users that would enable them to monopolise the large bulk of the business for a number of years."

Now, what to common-sense is the result, on a State scheme not yet absolutely decided, of this prospect of cut rates and a retained monopoly? It becomes altogether too costly, and has to be abandoned. Thus, Mr. J. S. Larke, writing to the Queensland Premier on behalf of Canada, in October, says, "If the concession is granted, and the Eastern Extension Company secured the monopoly of the business, the share of the loss of Canada in working the Pacific cable would be £30,000 per annum—a sum which, I venture to say, its people would not care to undertake; and it is questionable if the Imperial Government would do so either, judging from the fact that it fixed its responsibility some time ago at a maximum of £20,000. This would put an end to the Pacific cable"—which is the end and aim of the whole proceedings. Those who make a comparison of expense favourable to the Eastern Company's scheme neglect to observe that it is the acceptance of this scheme which puts the Pacific cable out of the question on score of expense.

But now, suppose the Pacific cable blocked, and the Eastern and allied companies once more masters of the situation—as they will be if their scheme is accepted—what then about the cost? They give no definite promise beyond the reduction to 4s. a word; they can make their own terms about the increase of traffic; and they can make their own terms in their private arrangements with their principal customers. Are their services likely to be less costly to the colonies than a cable which for the first time breaks the monopoly, and which is run purely in the public interest? We invite Queenslanders to reflect on their experience of large private monopolies. Would any of us be willing at this moment to have the Post Office in the hands of a single company which could make what terms it pleased? If it were a question of taking the Post Office out of the hands of a private monopolist, who had burdened his helpless customers with heavy rates in past years, would we be cajoled by offers to reduce the rates in fear of the possible loss of a lucrative business, or would we sit easy under the condition that the old monopolistic company should still make its own terms with its customers? Why should we, with world-wide acceptance of State control of the Post Office, prefer the continuance of a private monopoly to State control of our ocean telegraphy? Why should we carry longer on our shoulders this old man of the sea, who in fear of being unseated promises to sit so much more easily upon us, when in fact we can use our own hands instead of his? Other pressing reasons for the change we cannot stay to notice here. But we hold it apparent to common-sense that if ever there was a case in which State action is to be preferred to the action of a money-making company it is the present case of Australasia in relation to ocean telegraphy.

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The Hon. the PREMIER, Brisbane, to the Hon. the PREMIER, Wellington.

(Telegram.)

Brisbane, 1st February, 1900.

At Sydney conference, Queensland, Victoria objected to definite reply being given Eastern Extension Company's proposals until full information obtained from Pacific Cable Joint Board regarding probable effect of adoption of proposals on prospects of Pacific scheme. I entirely concur in your view respecting such proposals; and think Victoria will join us in opposing if joint board report adversely. Would strongly urge you endeavour induce Tasmania fall in with our view.