

When asked in the Victorian Assembly, in August last, what action the Victorian Government proposed taking Mr. Duffy said, "No reply could be given until the matter had been considered by the colonies. It must, however, be considered in relation to the effect it may have on the Pacific cable."

Now, apparently, without consulting either this colony or New Zealand, both of which are included in the Australian compact for the Pacific cable on precisely equal terms and responsibilities with Victoria and New South Wales, the Postmasters-General of the two latter colonies meet in secret conclave and despatch a cable message to England intimating that they "would recognise the proposed Cape cable upon the condition that no 'cutting rates' were adopted as against the Pacific cable."

Mr. J. S. Larke, in his letter to the Premier of this colony, dated the 4th instant, 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."

If the action of the Postmasters-General of Victoria and New South Wales is indorsed by their respective Governments, and presumably it is or the cablegram would not have been sent to England, it should call forth the strongest protest from the other Australasian guarantors to the Pacific scheme, as it is antagonistic to the objects sought to be obtained by the promoters of that cable from the first occasion on which the scheme was suggested, and all through the various conferences and meetings which have been held from time to time to bring it about: that was, a reduction of the excessive rates charged, and the breaking-down of a gigantic and unscrupulous monopoly. Latterly, added to this has been the idea of an all-British cable, but the main reason given for years was the reduction in the rates. All attempts to effect the latter hitherto have been met with extortionate demands for subsidies and guarantees, and it has only been the prospect of a competing cable that has brought the monopolistic company to make their present offer to lay a cable from the Cape to Australia without subsidy or guarantee, but with the right to establish their own receiving and distributing centres throughout the colonies, which, however, is equivalent to a very heavy subsidy. Some two years ago the chairman of the company, at one of its half-yearly meetings, stated that the establishment of cable communication by the Pacific as proposed would mean a loss to the company of £250,000 per annum, and therefore he could assure the shareholders that no stone would be left unturned to prevent a Pacific cable being laid. Every effort has therefore been tried to obstruct the scheme throughout whilst the negotiations were being considered, and this last attempt is for no other purpose. The plausible offer now made, whilst appearing to be very liberal in foregoing any demand for subsidy or guarantee, would, if accepted, be the death-blow to the Pacific scheme. By the enormous subsidies the E.E.A. and C.T. Company has received, which are stated by the *Electrical Review* of 7th July last to largely exceed a total of £3,000,000, it has accumulated a reserve which places it in a position to work at a heavy loss, if need be, to compete with the Pacific cable. In this way it might hope to weary the Governments interested in working the cable under heavy losses. It may, however, be pointed out that this line of opposition has not been overlooked in the past, and in advocating the Pacific route it has from time to time been shown that the Governments in working the line could as well afford to send messages free of charge as continue to pay exorbitant subsidies to a monopolistic company. A review of the action of the company can lead to no other conclusion than that its object is to charge the highest possible rates with the view to the payment of big dividends. For example, whilst the rate from Queensland to England is 5s. 1d. per word, the same charge is made per word between Queensland and India. For some time India has been asking for a reduced rate, but is still met with a demand for a subsidy or guarantee to make up the loss sustained; and, with a characteristic duplicity, it has been stated that the reduced rate given to Australian messages was made on the guarantee of £32,400 by the Australian Governments. This is not correct. The £32,400 was not a guarantee, but a subsidy for the laying of the so-called duplicate cable, and a guarantee of a certain fixed revenue had also to be given to secure the present rates. That such a statement should have been made by the chairman of the company shows clearly how the company presume on the ignorance of the public.

In the communication above referred to, made by the acting-manager of the company, and which appears in full in the *Sydney Morning Herald* of the 29th August, a number of cases are cited where the privilege of having their own receiving and distributing offices have been given to cable companies; but they do not appear to be equally applicable to Australia. We have to deal with three large companies bunched into one which form a gigantic monopoly, and to break down this monopoly the various Governments concerned have combined to lay and work their own cable in the interests of the people governed.

The company urge that this is an interference with private enterprise; but, if so, it has only been brought about by an unscrupulous monopoly; and it is contended that it is the function of a Government, particularly in young countries such as Australia, to protect the interests of its own people and to foster and encourage trade in every legitimate way possible.

It is to be regretted that the vexatious delays which have taken place have afforded the company so many opportunities for the exercise of its insidious influence on the Governments, the Press, and the public. Early in 1895, and soon after the Ottawa Conference, Queensland was urged to undertake the laying of the cable on her own responsibility. Had she done so, the work could have been carried out at little more than half the estimated cost of the cable now, and most of the difficulties which have taken place would have been solved.

In view of all the circumstances, the Queensland Government should strenuously protest against the proposed concession for collecting and distributing cablegrams.

Post and Telegraph Department, Brisbane, 12th October, 1899.