

bear any further loss. Now, what chance was there of any loss during the first year? Personally, he did not think there was the least prospect of such a contingency. They would be merely placing their names to a bond without involving any risk; and their action would not militate against the Pacific cable, in which Queensland and New Zealand were particularly interested. The colonies were free to enter into any arrangement they thought just; and, as he had said before, the arrangement suggested would not involve the payment of a further subsidy, but merely the giving of a guarantee against a supposed loss.

The Hon. B. S. Bird looked upon the subject under discussion as the most important of those before the Conference, and he thought it would be a good thing if all the colonies could take a unanimous view of it. It was only fair that England should join in the guarantee to the Eastern Extension Company, and that she did not do so showed a spirit of selfishness to be regretted. The Imperial Government was prepared to share with the colonies in the advantages of the reduced rates, but it would not contribute towards any loss the new arrangement might involve. Tasmania took the view that the advantage to the colonies in the immediate future would more than compensate for any present outlay. The Conference ought to consider whether a joint representation from the colonies would not have the effect of inducing England to share the guarantee. In the agreement with Sir John Pender it might be arranged that New Zealand and Queensland could come in for one year; and at the end of that time, if they did not find the arrangement satisfactory, they could withdraw upon two months' notice, and the expense would then fall *ad valorem* upon the other colonies. Sir John Pender disapproved of differential rates, saying that it was probable Queensland and New Zealand, if they stood out, would participate in the benefit of the agreement without cost to themselves. There was a very marked appearance of selfishness in the proceeding. Even if the higher rates were continued in the outstanding colonies, the commercial community could avail themselves of the new order of things by sending their messages to agents in the other colonies. When the matter was looked at fairly and squarely, Queensland must see the benefit of what was proposed. If there was an increase of only 10 per cent. in the messages despatched—and it would probably be much more—the amount which Queensland would be called upon to pay would be very small indeed, whilst the advantage to the Government and the community would be more than compensated. The business from that colony amounted to £27,000 in the year; and if the rates were reduced to half, there would be a clear saving of £13,000, which was more than Queensland would hold herself liable for. New Zealand stood on rather a different footing. She was at a disadvantage in having to pay such high rates in getting the messages to the mainland of Australia, and perhaps some special concession might be made.

The Hon. T. Unmack said that Queensland had maintained a position for years past antagonistic to the further subsidy of any cable system which was not independent of and unconnected with the Eastern Extension Company. That opinion was a well matured one, seeing that it had been adhered to by the various Governments which had been in existence in the colony for the past fifteen years. With the object of laying the whole facts before the Conference he had prepared a short historical sketch of the proceedings which had taken place since 1876:—

“On the 14th September, 1876, the Executive Council of Queensland, in connection with correspondence received from the Secretary of State for the Colonies on the subject of duplicating cable communication, passed a minute to the effect that the Council are of opinion that the Government should not contribute to the construction of any duplicate cable between Singapore and Australia which is not directly connected with the telegraph lines of this colony, and is not independent of the control of the Eastern Extension and China Telegraph Company.

“At the Sydney Postal Conference in January, 1877, motions were submitted by Queensland to the effect that any duplicate system should be by a distinct route throughout from that now in use; and that it is desirable that a submarine cable should be laid from Singapore to Cape York, in Queensland, the Government of that colony undertaking, in the event of such cable being laid, to connect their existing land-lines therewith; but both motions were negatived.

“At the Melbourne Postal Conference in May, 1878, a resolution was passed as follows: That the Governments of New South Wales and Victoria be empowered to enter into an agreement and contract with the Eastern Extension and China Telegraph Company for a second cable from Singapore direct to Banjoewangie, avoiding the Java land-lines, and thence direct to Port Darwin, for an annual subsidy of not exceeding £32,400. Queensland's representative, who refrained from voting on this motion, proposed the following amendment: ‘That it is essential there should be a complete system of telegraph communication between British India and the continent of Australia unconnected with the existing lines of the Eastern Extension and China Telegraph Company, and under the control of an independent company or proprietary,’ which was negatived.

“On the 4th September, 1878, the agreement for the construction of the second cable from Singapore direct to Banjoewangie, and thence direct to Port Darwin, for an annual subsidy of £32,400, was entered into with the Eastern Extension and China Telegraph Company by Victoria and New South Wales ‘on behalf of the Australian Colonies and New Zealand,’ and upon receipt of a copy of it, which was sent for the information of the Queensland Government, the Queensland Postmaster-General made the following minute: ‘I note that the agreement purports to have been made on behalf of the Australasian Colonies. The Governments of Victoria and New South Wales have no authority to bind this colony to any agreement, and as we are in no way a party to the present one, and have not been in any way consulted as to its terms, some of which seem open to great objection, notice should be given that we do not confirm it in any way, and refuse to be bound by it.’ Victoria was advised in accordance with this minute.

“In June, 1879, South Australia intimated that the reduction in rate of 50 per cent. on Government messages, and 75 per cent. on Press messages, under the agreement, was applicable to those colonies only who contributed to the subsidy for the second cable, and asked if Queensland intended to so contribute. To this a reply was sent on the 16th of the same month to the effect that this