

laying of an additional 545 miles. Of course the remainder of the proposed route would be exactly the same as has been advocated by this company. I ask you again to discard from your minds any fear that Queensland or New South Wales is anxious to bind the other colonies or to do any underhand work. The object we have in view, and the object we have accomplished, has been to establish communication between New Caledonia and the colonies. No one will deny that the commercial advantages of that enterprise are very great, especially to several of the other colonies who are not called upon to contribute at all towards the guarantee, but are to have the use of the cable at the ordinary rates. Therefore, if anything, I think we deserve the thanks of the different colonies for having undertaken that business ourselves. I am in a position to say that Captain Audley Coote, who is now in Brisbane, is prepared, if necessary, to lay proposals before us for the immediate extension of that cable. I am not aware whether we are in a position to deal with the matter; but he has substantial guarantees from other countries for this extension. We want to have an absolutely independent cable. That is Queensland's notion, whatever the other colonies may think. We do not think a monopoly should be enjoyed by one company; we think it better to have two companies, independent of one another, so that, if one cable is interrupted, we can use the other. Besides, competition is the soul of business. That is why I think an unwise thing has been done by the other colonies in continuing the guarantee to the present company. If the suggestion I made at the Sydney Conference, when the agreement was made with the present company, had been adopted, you would have fared much better. My suggestion was that instead of reducing the rate to 4s. you should make it 6s., because you were deceiving the public by making them pay 4s. over the counter and then paying another 2s. out of the Treasury. By fixing the low rate you prevented opposition, and absolutely played into the hands of the present company. If you had fixed the public rate at 6s. it would have been an inducement to another company to come forward, but now no other company could start unless they charged the same low rate as the present company, whilst the present company is getting additional money out of the Treasury all the same. There has not been a fair chance for a company to start this Pacific cable. But I am perfectly satisfied that this cable will be constructed; and I believe the negotiators of the proposed extension from New Caledonia are in a good position to carry it on. We have never suggested that a French company, or any foreign company, should construct the cable; that is a matter for consideration when the proposals are made. We have merely bound ourselves to guarantee a cable from New Caledonia here; all the rest is as open to us as to the other colonies. I shall have much pleasure in supporting the proposal of the Hon. Mr. Ward to the extent to which he has gone, because that is what Queensland has been striving for during the last eighteen years.

Mr. C. TODD (S.A.): Without venturing to express any opinion as to whether a Pacific cable should be laid or not, perhaps you will allow me, Mr. President, to place before this Conference the financial aspect of the question. Cables are not laid for philanthropic purposes. Companies lay cables that shareholders may get dividends. First, I must tell you that the existing cables and the land lines of Australia, including Western Australia and South Australia, are capable of doing five times the present amount of business. The amount of business done at present under existing rates—which you tell us are too low, because they shut out opposition—keeps pretty steady at 1,200,000 or 1,300,000 words. The promoters of the Pacific cable scheme, when they laid their plans before us, proposed a rate of 4s. Out of that they would have to pay at least 1s. for transmission over the Atlantic cables and across the continent of America. Then 1,300,000 words would have to be divided between two companies, because the rates would be the same by both routes. That would reduce the number of words at the present rate of business to 650,000 words a year, which, at 3s. a word, would amount to £97,500. It would really be less, as Government and Press messages would be charged reduced rates. The cost of these cables has been estimated by the promoters themselves at £2,000,000. The working expenses—including all their stations and staff, maintenance, steamers, and the ordinary renewals and repairs which would have to be effected in a cable extending over 8,000 miles—may be put down at about £60,000 a year. That is the experience of cable companies in other parts of the world. Then the life of a cable can only be put down at twenty years; therefore a reserve fund or an amortisation fund, as it is called, must be put aside during those twenty years for renewals. That would amount to a charge of £75,000 a year. In addition to that, there would be interest to pay upon debentures, which was estimated by the promoters themselves at £40,000; so that the total cost of the Pacific cable would be something like £175,000 a year. The revenue, at 3s. a word, as I have said, is £97,500 a year, or £80,000 less than the yearly expenditure. They asked us for a subsidy, in the first instance, of £100,000. With regard to that subsidy I may point out that the Imperial Government have steadily and firmly set their faces against any subsidy to a cable company. When we wanted to reduce the rates *via* Port Darwin we made an application to the Home Government to induce them to take a portion of the burden entailed by the reduced rates, pointing out that England would derive as great a benefit from the reduction as the colonies; but the answer was, "No." Therefore the promoters of the Pacific cable scheme will not be able to look to the Imperial Government for one penny.

The PRESIDENT: They will get it, all the same.

Mr. C. TODD: It does not appear at present that they will do so. The Home Government stated at the Imperial Conference held in 1887 that they could not subsidise one line without subsidising the other. They would feel bound to assist a cable to India and Australia by the present route, quite as much to assist the Pacific cable. Is it likely, I ask, that we can get £30,000 of the subsidy from the United Kingdom and Canada? Canada, we know, takes a very strong and sentimental interest in this scheme, and is prepared to support it; but suppose, for the sake of argument, that the United Kingdom and Canada did contribute £30,000 out of the subsidy, that would leave the Australian colonies a subsidy of £50,000 to be divided between them. That may be roughly divided as follows:—Victoria, £15,000; New South Wales, £15,000; New Zealand, £8,500; Queensland, £5,000; South Australia, £4,000; Tasmania, £2,000; and Western Australia, £500. We see that the revenue of this company, including the subsidy of £80,000, will only amount to £177,500, while the expenses, including £40,000 interest on debentures, will amount to £175,000, leaving no profit for the shareholders. If we exclude the

£40,000