

Government had decided not to contribute to the subsidy, and therefore could not expect to participate in the reduction.

"On the 20th August, 1885, Victoria wired, having received advice from its Agent-General, intimating that the Berlin Conference had practically arranged a reduction of cable rates, and urging Queensland and New Zealand to join in the subsidy, otherwise they would not share in the benefit.

"On the 27th August, 1885, South Australia and Victoria respectively communicated with Queensland relative to the offer of the Eastern Extension and China Telegraph Company at the Berlin Conference to assist duplication by laying a cable from the Roper River to Normanton at its own expense, &c., which the Victorian, South Australian, and New South Wales representatives at the Conference recommended for acceptance, provided Queensland, Tasmania, and, if possible, New Zealand joined in the subsidy to the Port Darwin cable. The Executive Council of Queensland considered these matters on the 10th September, 1885, and decided to reply that it was considered undesirable to acquiesce in any of the proposals now made.

"On the 27th January, 1886, Mr. Pender wired an offer to reduce the cable charges by 2s. 3d. per word, making, with South Australia's reduction, 2s. 6d. per word, providing the non-contracting colonies joined in the subsidy and in extending it for six and a quarter years, at the same time repeating the company's offer to lay the Roper River-Normanton cable at a cost of £70,000, to connect Queensland and South Australia under a traffic arrangement with the two colonies. He subsequently, on 4th February, 1886, informed the Agents-General that his company would unconditionally reduce the cable rates by 1s. 4d. per word from the 1st July, 1886, and make a further reduction of 1s. 4d. per word conditionally upon the extension of the term of the subsidy, and upon the non-contributing colonies joining in it.

"On the 2nd March, 1886, Queensland replied as follows to the proposal: 'This Government does not think the proposed reduction in rates by any means adequate, having regard to the length of time for which the subsidy is asked. But, apart from the question of rates, this Government is not disposed to join in any subsidy which will tend to have the effect of discouraging the establishment of another independent line of telegraphic communication between Australia and Europe.'

"On the 22nd June, 1886, the chairman of the cable company offered, as the proposal to extend the subsidy, &c., had been declined, to lower the rates to any figure the colonies might fix, down to limit of out-payment, if the colonies would guarantee the average receipts over the cables for the previous three years. On the 15th July, 1886, he was informed, in reply, that his proposal for a guarantee could not be entertained.

"At the Sydney Postal Conference in 1888 Queensland again declined to join in the subsidy, or in any guarantee to the existing cable company, on the grounds that it would prevent her from subsidising or joining in the subsidy to any independent line of cable communication.

"At the Postal Conference in Adelaide, in May, 1890, Queensland again declined to join in the subsidy or guarantee for the same reason.

"The statement showed that almost yearly from the date mentioned the authorities had, in some form or another, opposed the further subsidy of the Eastern Extension Company, and had encouraged the establishment of an independent telegraphic communication between Australia and Europe. Under those circumstances the Conference would not be surprised that Queensland required stronger reasons than had been advanced before she abandoned a principle advocated consistently and persistently for the past fifteen years. It had always been insisted, and it was still insisted, that they should have a distinct service throughout, independent of and unconnected with the Eastern Company. They had always urged that it was dangerous to be dependent upon one company, and to subsidise a monopoly prevented the establishment of a rival cable. The Queensland proposal would enable them to obtain such rates as could never be granted by any company holding a monopoly. They recognised the services of the Eastern Extension Company as the pioneers of the system of cable communication, and the moral obligation they owed to it, and they felt that the company should be treated in a fair and generous, and, if possible, liberal manner; but at the same time they were bound to say they had not seen any patriotism on the part of the company. They had been charged extreme rates, and the company had been enabled to pay high dividends, to add considerably to its reserve fund, and to construct many lines of new cable out of the profits. They still maintained that it was necessary to have separate communication. It had been stated by one gentleman that in consequence of Federation being in the air Queensland should accommodate herself to the position, and join in the subsidy. All he could say was that Queensland had never been backward in the cause of Federation; on the contrary, she had been foremost in it in every sense of the word. They felt that by this action they were studying the interests of Australasia. With all respect to the Conference, it appeared to him that the question of obtaining a separate cable had been too much overlooked. Looking at the monetary aspect of the case, he said that Queensland had paid higher rates for many years, and she was perfectly prepared to continue the payment of the higher rates if it was deemed expedient to impose them. But in all justice he asked why Queensland alone, with her small cable business of £14,000 per annum, should be singled out for the purpose of having imposed upon her special rates of taxation, when the Imperial Government, which was using the cable to an even greater extent than the whole of the colonies combined, was not to be so charged. The Eastern Extension Company are now offering to bear half the cost upon the reduction, which would lower the expense to those using the cable to about 6s. per word. Why then deceive ourselves by making believe we get a four-shilling rate? Why not plainly tell the company we are willing to pay 6s. without any guarantee? That would be acting on correct business principles, and encourage further opposition on the part of those contemplating the construction of a Pacific cable. They had been told that the new arrangement was only an experiment, but he objected to any experiment which was opposed to the principles the colony had always advocated; besides, once let the public have a taste of a four-shilling rate and you cannot re-establish a higher one."