

managed to inspire amongst a certain class of officials. We omitted, however, sufficiently to emphasize the fact that in the letter to the Chancellor of the Exchequer, dated the 12th November, 1897, and in which the Marquis of Tweeddale leaves in abeyance the prolongation of the cable beyond the Cape, to Australia, the clause intended to quash competition is left unchanged. If this clause had been acceded to, it would have prevented the Government from assisting by subsidy any one who might desire to compete, on equal terms, with these already subsidised companies in either Africa, India, China, or Australasia. This absurd request was summarily dismissed in the draft instructions to the departmental Committee.

Perhaps that portion of the scheme on which we are trying to throw light, which relates particularly to the Eastern Extension Company is the most interesting. We refer to the suggested prolongation of this cable from the Cape to Australia, which is now for convenience put into the background. We have frequently drawn attention to the delays and interruptions which occur on the Australian land-lines, and find support for the views we have so often expressed, in a letter dated the 25th February last, addressed to the Chancellor of the Exchequer by Mr. J. Denison Pender, who, as a director of the Eastern Extension Company, writes with full knowledge of the subject. Mr. Pender, in the course of his letter, writes: "I have the honour to inform you that in consequence of the recent unsatisfactory working of the Australian Government land-lines (over which the company have no control) serious complaints have arisen both on this side and in the colonies, and deputations from Chambers of Commerce and other public bodies have waited on the Postmasters-General of New South Wales and Victoria with a view to ventilating the question and endeavouring to find an effectual remedy. The Eastern Extension Company's cables to Australia are landed at Port Darwin in the northern territory of South Australia, and Roebuck Bay on the north coast of Western Australia, whence land-lines belonging to and worked by the Governments of South and Western Australia carry the telegrams to Adelaide. The bulk of the traffic is transmitted by the Port Darwin-Adelaide land-line, the long coast-line from Roebuck Bay to Adelaide being more or less unreliable. The proposed Cape-Australian cable, by landing at Perth, would cut out the most defective portion of this line, and consequently much shorten and improve the communication. It is, however, contended that the line between Perth and Adelaide, passing, as it does, through a sparsely populated country, would be liable to as much interruption as the Port Darwin-Adelaide line, and to meet this objection the Eastern Extension Company has intimated to the colonies its readiness to extend the proposed cable from Keeling or Perth to Albany, and thence lay a separate cable to Adelaide, thus making the new connection altogether independent of the long land-lines complained of." In return for this extension, which will have the effect of seriously decreasing the revenue of the land-lines of South and Western Australia, "the company would require the Australasian Colonies to continue the existing subsidy of £32,400 per annum for another twenty years, or ten years longer than the period named in the original proposal." That these land-lines are very long and very bad no one but an interested colonial Postmaster-General would venture to deny. We have on a previous occasion pointed out that a telegram sent over the land-line from Roebuck Bay to Burketown, in Queensland, would, assuming that it ever reached its destination, have to travel over a length of land-line greater than the distance between London and Calcutta, or several hundreds of miles more than the distance intervening between London and Vancouver. The admission made by Mr. Pender as to the land-line from Roebuck Bay being "more or less unreliable," is only in accordance with the statement made by Mr. Playford, the Agent-General of South Australia, at the Conference held in Ottawa. This unsatisfactory condition of affairs proves that the cable which was laid from Java to Roebuck Bay in 1889 cannot be looked upon as an alternative to the two cables which run from the same point in Java to Port Darwin, although it was laid with the intention of assuring communication with Australasia when the Port Darwin cables were broken down.

The Australian Colonies, however, do not see the position in the same light as the associated companies, and at the Postal and Telegraphic Conference held in Tasmania in March-April last, at which all the colonies were represented, when the original scheme of the allied companies was discussed, the two following resolutions were passed:—

"That, in the absence of any satisfactory proposal from the Eastern Extension Telegraph Company, and of any proposal at all except on the basis of an alternate cable *via* Africa, this Conference is unable to make any fresh arrangements with that company." Also, "That this Conference reaffirms the opinion that in the interests of Australasia the Pacific-cable project should be consummated as speedily as practicable, and that the Governments of the various Australasian Colonies be requested to represent to the Imperial and Dominion Governments the foregoing opinion, together with the proposal of the Premiers, as agreed to at their recent Conference held in Melbourne, viz., 'That if Great Britain and Canada would each contribute one-third of the cost, the colonies would be prepared to contribute the remaining one-third.'"

In the course of this discussion much dissatisfaction was expressed at the unwillingness of the above-mentioned company to meet the colonies, even to the extent of replying to the plain questions put to them as to arrangements consequent on the approaching expiry of the annual subsidy of £32,400 at present paid to the company by the colonies. In the course of his remarks, the Hon. Mr. J. Gavan Duffy said that "they had spoon-fed the company, and the more they fed it the more spoon-fed it wanted to be." A strong feeling in favour of an alternative cable *via* the Pacific to Canada was also shown, and in reference to this Mr. Gavan Duffy said: "That project was entertained very fairly, and at one time it seemed as though the line would be immediately constructed. But for some reason or other a blight had come over it, and they did not now hear of it." The cause of this "blight" will bear some examination.

In the first place, it is only right to give the allied companies credit for the manner in which they have so long, and heretofore so successfully, managed to delay the establishment of a competing cable across the Pacific. It is no more than natural that the Eastern Extension Company