

THE PACIFIC AND CAPE CABLES.

[To the Editor of the *British Australasian*.]

SIR,—

Canadian newspapers now to hand contain the report of the debate in the Canadian Senate on the subject of the Pacific cable, which was summarised in the telegraphic news of the 28th April last.

Disappointing as the receipts must be to the co-partners in that undertaking, it is a matter for regret that financial chagrin should have led a prominent member of the Dominion Parliament in one breath to accuse an Australian State of a breach of contract, to denounce the Commonwealth Government, and apparently to throw cold water on the whole Imperial connection. The matter lies in a nutshell, and, in view of the widespread misrepresentation engendered by the above unwarrantable attack, you will perhaps afford space for a brief recapitulation.

The absence of a direct cable between Australia and the Cape was long felt to be a great defect in the means of intra-Imperial communication. The despatch of contingents from Australia and New Zealand to South Africa, and the enormous trade in food and fodder supplies consequent upon the war, rendered intolerable the then circuitous and costly cable connection. With a view of speedily obtaining the advantages of direct communication, the Governments of South Australia, Western Australia, and Tasmania entered into an agreement with the Eastern Extension Telegraph Company on the 14th April, 1900, under which that company, in conjunction with the Eastern Telegraph Company, undertook to lay, at a cost of nearly a million and three-quarters sterling, a cable between Australia and the Cape, and to reduce the rate per word from 7s. 1d. to 2s. 6d.

This arrangement also provided an alternative system of cables between the United Kingdom and Australia lying securely throughout its course under the continuous keels of British vessels, and the company at the same time agreed to gradually reduce—on a standard-revenue basis—the tariff between the contracting States and Great Britain from 4s. 9d., the then existing rate, down to 2s. 6d. a word.

The cable between Australia and South Africa was opened for traffic on the 1st November, 1901, and has proved an inestimable boon to Australian merchants. Under the agreement the following reductions per word between Great Britain and Australia have been made: 1st May, 1900, from 4s. 9d. to 4s.; 1st January, 1901, from 4s. to 3s. 6d.; 1st January, 1902, from 3s. 6d. to 3s. These reductions applied only to the contracting States; and New South Wales, desiring to participate therein, became a party to the agreement on the 1st February, 1901. The only concession required and given in return for these increased facilities and reduced rates was that the Eastern Extension Company should be permitted to deal direct with the public in Adelaide, Perth, Hobart, and Sydney in a manner similar to that which has always been allowed in Great Britain not only to English, but to foreign telegraph companies, and which privilege prevails in Canada and other countries.

When taking over the telegraph-lines from the States the Australian Federal Government had no alternative but to recognise and take over the obligations contracted by the States, and the agreement which the Federal Government has recently made with the Eastern Extension Company extends the principle of direct dealing with the public to Melbourne and Brisbane, but it limits the period to twelve years in lieu of the interminable arrangement made by the four contracting States with the company. To accuse the Commonwealth of granting a monopoly of cable business to the Eastern Extension Company in thus recognising the demands of common justice and fair-play is both unjustifiable and misleading.

In extending the sphere of Governmental activity to State-owned cables—the latest development of what some call State socialism—it was surely not contemplated that private enterprise should be at once superseded. The Imperial Government can hardly be expected to have much sympathy with any attempt to deal unfairly with the Eastern Extension Company, which has provided so many means for Imperial expansion; and it is certain that Australia, although holding a pecuniary interest in the Pacific cable, would tolerate no injustice to a company so intimately associated with its existence.

Governments when they go into business must be content to accept with equal mind the vicissitudes of profit and loss, and the Pacific combination can hardly complain of that wholesome competition which ostensibly it was established to promote, or legitimately claim a monopoly which it was intended to abolish.

I am, sir, yours, &c.,

JOHN COCKBURN,

Late Agent-General for South Australia.

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