

establishing cheap tariffs, in order that your Government may be in possession of all the facts of the case before deciding upon the instructions which they may deem it right to give to the delegates who will represent them at the Conference.

The Australasian colonies are at present in telegraphic communication with the rest of the world by means of the Eastern Extension Company's cables as far as India and China; with Egypt, Africa, Europe and the rest of Asia, by the lines of the Eastern Telegraph Company, the Indo-European Government Telegraph Department, and the Indo-European Telegraphic Company (with which administrations the Eastern Extension Company has a working agreement), and with America, North and South, by the numerous cables laid across the Atlantic.

This communication between Australia and the outer world was established by the Eastern Extension Company in 1871, without subsidy or assistance of any kind from the colonies or the Imperial Government, and, subsequently, when the importance of telegraphy became more fully recognized, and a duplicated system a public necessity, not because a single line was unequal to the transmission of the traffic, but in order to provide against the interruptions inseparable from a single line of cables, the colonies of Victoria, New South Wales, South Australia and Western Australia agreed to give the company a subsidy of £32,400 per annum for 20 years, to enable it to duplicate the cables between India and Port Darwin. Since then external submarine telegraphic communication may be said to have been practically uninterrupted, a result due to the duplication, and in some sections triplication, of the company's cables, and to the fact that they are laid for the most part in shallow water, and consequently easily repaired at almost all seasons of the year.

Thus the colonies are at present furnished with a complete and efficient telegraphic service by the existing cables, which are not only equal to the transmission of a much larger traffic than they now carry, but enjoy the immense advantage of being under English control and worked by English operators throughout their whole length. It is true that objections have been made to the present communication on the ground of its being dependent upon a single land line through Australia, but this defect could be at once and at no great cost remedied by connecting the telegraph systems of South Australia and Queensland, a proposal which the Eastern Extension Company has long urged, and to carry out which has offered to lay a cable at his own expense from the River Roper to Normanton.

I may here point out that while the route between Australia and China and Europe followed by the cables of this and the allied companies is incomparably the most secure in time of peace, it would be the more surely and easily protected in time of war, inasmuch as it is one of the sea routes most frequented by the mercantile marine, and would, therefore, be the special object of the vigilant care of the Royal Navy.

I would, therefore, submit that the existing company as the pioneer of the telegraphic communication with Australasia, is entitled to a large share of consideration at the hands of the colonies, and should have the earliest opportunity afforded to it of learning the views of the colonial authorities as to any increased telegraphic facilities which may be desired, so that it may endeavor to meet their wishes as far as lies in its power.

With regard to the question of cheap tariffs, which has for some time past engaged the attention of the colonies, there is no doubt that the existing charges are an obstacle to the general use of the telegraph. The Eastern Extension Company and its allied companies cannot, however, be reasonably asked to run the risks which a large reduction would involve, seeing that theirs is a commercial enterprise, and that after 15 years' working they are only enabled to give a moderate return to their shareholders. They have already considerably cheapened telegraphy by reducing the original rate of £9 9s. for 20 words to a word rate of 9s. 4d. for public messages, and 2s. 8d. for the press, which for the distance traversed is one of the lowest press rates on record. The latter reduction the companies had long striven to bring about, and were only lately able, after patient and persistent effort, to overcome the opposition to it by certain governmental administrations. They have, moreover, shown in every pos-