F.—5.

the conviction that more effective action would be attainable after federation became accomplished. The unfortunate delay proceeds from causes some of which exhibit the extreme desirability of having closer connection by a direct cable across the Pacific. I believe I am correct in stating that the Canadian Government only awaits the proper moment again to commission delegates to proceed on the same mission.

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"Under these circumstances it certainly would be a retrograde step to adopt the proposal of the Eastern and Eastern Extension Telegraph Companies. Its adoption would practically put an end to any prospect of connecting Canada and Australia telegraphically for ten years to come, possibly for a much longer period. Admitting all that can be said in favour of reducing telegraph charges, admitting that they cannot be reduced a moment too soon, would it be wise to prevent the establishment of an alternative line, which, to a greater extent than by any other means, would have the effect of reducing these charges? If time be an element of importance, is it not the true policy to accelerate the survey undertaken by the Admiralty, and make arrangements for establishing the new line with the least possible delay? It is obvious that the acceptance of the proposal of the existing telegraph companies would prove a serious blow to colonial development and commercial expansion on the waters of the Pacific. It cannot be accepted without completely ignoring the commanding position of the Dominion, and disregarding all that Canadian enterprise has done to make that position commanding. Would this be wise? Is it expedient? Are there not Imperial interests of the first magnitude involved in the question?

"In 1886, Her Majesty's Government advised the Queen to summon a Conference for the discussion of questions of general importance to the whole Empire. The Colonial Minister, in calling the Conference, especially alluded to the development of Imperial telegraphic communications, and gave expression to the opinion that 'they should be considered as a whole, in order that the needs of every part of the Empire may as far as practicable, be provided for, and that suggestions may be obtained from all quarters as to the best means of establishing a complete system of communication

without that increased expenditure which necessarily results from isolated action.

"The joint deliberation of delegates from all parts of Her Majesty's Empire, and the formal submission of their deliberate opinion under the circumstances of their appointment, and in view of

the objects for which they were called together, should carry with it due weight.

"The reduction of telegraph charges is most important, but there are other momentous considerations; and, while it has been indisputably shown that the new line will be able to do its work at far lower rates than is possible by the old line, most important advantages of another kind can justly be claimed for it. It will secure to the Mother-country a second and more direct means of reaching Australia, incidentally affording the much-needed connection with Fiji and other outlying dependencies. It will indirectly give a new means of communication with India, should the lines through Europe and the Red Sea become, through war or other causes, unusable. The new line will create common interests between Australians and Canadians, it will bring closer together the great outlying divisions of the Empire, it will play an important part in fostering British commerce and upholding the British flag on the Pacific. I humbly think that the £54,000 per annum, or whatever sum may be required to carry out the proposal now before the Government, would more advantageously be expended on the establishment of a new cable across the Pacific from Canada to Australia. Canada has always been prepared to contribute her full proportion of expenditure on works of an Imperial character. If she has expended fifty millions of pounds sterling in building a great national highway from the Atlantic to the Pacific, who can doubt that she will be ready to do her share in establishing a new telegraph from her western coast to Australia? Is the opinion of the Colonial Conference, unanimously expressed, to be unheeded? Is it expedient that Canada and the Canadian route should be wholly ignored? Is it desirable that any course should be followed which will debar the Canadian Dominion from co-operating with her sister-colonies and with the Mother-country in a matter in which they each have a common interest? I venture to think that aid in the way proposed to the existing companies would be fatal to any Pacific telegraph, it would essentially be a step backwards, and could lead to no permanent good, while the same outlay expended in another direction would result in incalculable advantages. I speak advisedly, and with a thorough knowledge of what I speak of, when I say that the sum of £54,000 per annum from the Australian and Imperial Governments, added to the assistance which may reasonably be expected from Canada and from other sources, would insure the completion of telegraphic communication between Great Britain and Australia by the Canadian route, and would realize the fulfilment of a national idea pregnant with lasting advantages to the great and growing communities under the one flag on the three continents. It would secure the completion of an alternative line of communica-

tion—British throughout—to multiply and strengthen the ties which bind the Empire together
"I trust I may be pardoned for presenting the subject as it strikes a Canadian. However
ungracious the task, I am impelled by a sense of duty to seek the earliest opportunity earnestly to point out that, in my humble judgment, it would be an error of grave magnitude, equally in the interest of the Mother-country, Australia, and Canada, to give effect to the proposal now under the

consideration of the Government.

"I have, &c.,
"Sandford Fleming.

"The Right Hon. Lord Knutsford, Secretary of State for the Colonies."

Letter from Colonial Office to Mr Sandford Fleming, C.M.G.

" Downing Street, 7th July, 1890. "I am directed by Lord Knutsford to acknowledge the receipt of your letter of the 26th ultimo, in which you draw attention to the evils which you consider would accrue if Her Majesty's. Government should entertain the proposal to join the Australian Colonies in sharing the payment of the present cable subsidy, and in a guarantee to the Eastern and Eastern Extension Telegraph Companies, in consideration of the reduction in the telegraph rates.