

1894.

NEW ZEALAND.

TELEGRAPH CABLES

(FURTHER PAPERS RELATING TO).

[In continuation of F.-5, 1893, presented on the 20th September, 1893.]

Presented to both Houses of the General Assembly by Command of His Excellency

PACIFIC CABLE

No. 1.

The PRIVATE SECRETARY to the Hon. MACKENZIE BOWELL, Sydney, to the Hon. the PREMIER, Wellington.

SIR,—

Sydney, N S.W., 12th October, 1893.

I am directed by the Hon. Mackenzie Bowell, Minister of Trade and Commerce, Canada—now on a visit to Australia for the purpose of exchanging views upon trade and telegraphic communication between these colonies and the Dominion of Canada—to enclose to you herewith a copy of a communication received by him from Sandford Fleming, Esq., C.M.G., on the subject of the Pacific cable.

As Mr Bowell's stay in these colonies—owing to the meeting of the Canadian Parliament in January next—is limited, and it may not be possible within so short a period to discuss fully these matters with each Government separately, I am directed to ask if your Government would be disposed to send a representative to some central point in the colonies, to be agreed upon by the Governments, to consider the whole subject. Should this suggestion commend itself to your judgment, Mr Bowell will be glad to attend any conference which may be arranged.

Mr Bowell desires it to be understood that the Canadian Government is not committed to any particular scheme for the establishment of cable communication between the colonies and Canada, that being a subject for mutual consideration and decision.

If time will permit it, Mr. Bowell intends visiting your colony before returning to Canada.

I have, &c.,

J L. PAYNE,

The Hon. R. J. Seddon, Premier, &c., Wellington.

Private Secretary

Enclosure in No. 1

Mr SANDFORD FLEMING to the Hon. MACKENZIE BOWELL.

SIR,—

"The Australia," Sydney, 11th October, 1893.

Since I arrived in Sydney I have obtained, through the courtesy of the Premier and Postmaster-General, full statistics respecting telegraphy between the Australian Colonies and Great Britain. I am enabled thereby to present my views on the matter of the Pacific cable, based on the latest ascertained facts. With that object in view, I beg leave to submit the following memorandum for the information of yourself and the several Governments.

I have, &c.,

SANDFORD FLEMING.

The Hon. Mackenzie Bowell, Minister of Trade and Commerce, Canada,
Delegate to the Australian Colonies and New Zealand.

Sub-enclosure to Enclosure in No. 1

(See paper F.-2, 1894, pp. xxxi-xxxvi, Appendix G, No. 1.)

No 2

The PRIVATE SECRETARY to the Hon. MACKENZIE BOWELL, Newcastle, to the Hon. the PREMIER, Wellington.

SIR,—

Newcastle, New South Wales, 16th October, 1893.

Pursuant to instruction from the Hon Mackenzie Bowell, Minister of Trade and Commerce for the Dominion of Canada, I now have the honour to enclose to you a printed copy of the memorandum which I sent to you a few days ago respecting the projected Pacific cable.

I have, &c.,

The Hon. the Premier of New Zealand.

J L. PAYNE, Private Secretary

No. 3.

The Hon. MACKENZIE BOWELL, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,—

Minister's Office, Ottawa, 7th February, 1894.

By this mail you will receive a copy of an Order in Council [not printed] respecting the Conference of Australasian delegates to be held in Canada, which I sincerely hope may meet your approval.

I might say that June was selected after consultation with Sir John Thompson, our Premier, and Sir Thomas McIlwraith, who spent a few days in Ottawa on his way to England.

I also enclose to you a copy of a letter which I have just received from Mr Sandford Fleming, in reply to the despatch which you received from the Colonial Office [not printed] respecting the proposed Pacific cable, so that you may know the facts in that relation.

I think it well to also enclose, for your information, a copy of Mr Fleming's address before the Second Congress of Chambers of Commerce of the Empire, in London, in 1892, on the same subject.

Trusting to see you, or some one whom you may delegate, in Canada in June,

I am, &c.,

M. BOWELL,

Minister of Trade and Commerce.

The Hon R. J. Seddon, Premier, &c., Wellington, New Zealand.

Enclosure 1 in No. 3.

Mr SANDFORD FLEMING to the Hon. MACKENZIE BOWELL.

DEAR SIR,—

Ottawa, 6th February, 1894.

Referring to the documents respecting the Pacific cable transmitted on September 15th last year from the Colonial Office, London, to the Australian Colonies for the information of the respective Governments, I beg leave to remark as follows:—

First, With respect to the letter from the Secretary of the General Post Office, of date July 5th, 1893 [not printed] On careful examination of the scientific calculations, the results of which are presented in the letter, it is with a feeling of regret that I find the statements made inaccurate and misleading. Calculations based on the most reliable data go to show that to obtain the working-speed mentioned—namely, twelve words a minute—the weight of cable on the Vancouver-Fanning section is greatly overstated. Moreover, I find that the Post Office authorities are far astray in the question of cost. When in London a few weeks back, I made it my special business to consult two of the oldest cable-manufacturing companies on this point. I have now received the very best assurances from them that they will be quite prepared to enter into contract to lay cables on the Vancouver-Fanning route, or on any of the four routes described by me in the memorandum I handed you in Sydney on the 11th of October last, at prices under my estimates.

Second, With respect to the report of Captain Wharton, Hydrographer of the Admiralty, dated February 28th, 1887 This is old, and I need scarcely say that during these seven years much light has been thrown on the advantages of a Pacific cable and the necessity for its establishment. In this report Captain Wharton argues against a Pacific cable, and in favour of maintaining telegraphic connection between England and Australasia by one route, that is to say, by the lines of the Eastern and Eastern Extension Telegraph Companies. The arguments he uses are much the same as those advanced by Sir John Pender Chairman of these companies, at the time of the Colonial Conference of 1887 These arguments were conclusively answered by delegates during the discussion, as the proceedings of the Conference clearly show If further evidence is necessary to bring out the peculiar advantages of a Pacific cable I may be permitted to refer to the remarks which I submitted, as delegate of the Board of Trade of the City of Ottawa, to the Second Congress of Chambers of Commerce of the Empire held in London in 1892 [see Enclosure 2] I venture to add that, with the light of added experience, and under the new conditions which have sprung up, I doubt if Captain Wharton or any other British officer would write the same report to-day It seems to me unfair to that gentleman to reproduce an old report, perhaps hastily written with but little data before him, and hold him responsible at this hour for the opinions which he then expressed.

Yours, &c.,

SANDFORD FLEMING.

The Hon. Mackenzie Bowell, Minister of Trade and Commerce.

Enclosure 2 in No 3

REMARKS on Direct Telegraphic Communication throughout the Empire, by Sandford Fleming, Delegate of the Board of Trade of the City of Ottawa, to the Second Congress of Chambers of Commerce of the Empire, held in London, in 1892.

I do not propose to dwell on the importance, and even the necessity, of a complete telegraph system as a means of defending our world-wide Empire, quite apart from its commerce. This almost self-evident proposition has been set forth at other times and places. I shall, as is most fitting on this occasion, consider the subject mainly from its commercial aspects.

A large part of the discussions at the Congress has turned upon drawing more closely the links of connection not only between the Mother Country and the outlying parts of the Empire, but also between the various great groups of colonies. The strongest views have been uttered upon this point, and resolutions have been formally presented and unanimously passed, giving expression to the opinion that every step should be taken which would tend to increase the feeling among British subjects in every part of the world that they are one people, and that they have common interests in trade and commerce.

That the telegraph has already operated towards this end in a very remarkable way is evident to all; that it may do so still more in the future is equally clear. Few questions, therefore, can have higher claims upon the attention of the Chambers of Commerce of the British Empire than those which relate to telegraphic communications. The application of electricity to telegraphy has given to the world an entirely new means of communication, the most sensitive and the most useful that the mind of man can conceive. In no department of human activity is its utility more constantly thrust upon us than in the fields of commerce. Everywhere the opening of trade relations is quickly followed by the construction of telegraph lines, indeed, in new countries, such as Canada and Australia, the telegraph is not seldom the pioneer of settlement and railways. Everywhere the connection by telegraph and cable stimulates and facilitates commercial intercourse. The extraordinary extent of the change thus brought about is illustrated by the fact that, for communication across the Atlantic, no less than ten submarine cables are now in constant use instead of the one which first came into continuous use a quarter of a century ago. It is further strikingly illustrated by the rapid growth of telegraphic intercourse with the East and Australasia, necessitating an increase in the number of wires employed. Already, more than £1,000 per day are spent on telegraphic communication between the United Kingdom and the Australasian Colonies alone.

British shipping, which controls so large a part of the carrying trade of the world, has come to depend in great measure upon telegraphic advice for its most effective employment. The overwhelming relative interest which British people have in this comparatively modern means of communication is further proved by the fact that, out of the 125,000 miles of ocean cables now in existence, at least 90,000 are owned by our people and carried on under their management, leaving only about 35,000 miles, or about one-fourth of the whole, for all the other nations of the world. The proportion furnishes no bad measure of the preponderance of British commerce. Great, however, as British enterprise has been in the matter of cable construction, the development of the outlying parts of the Empire is constantly making upon it new demands. One great field has been left entirely untouched, and to it I now wish to direct special attention.

It may almost be taken for granted that, as British commerce expands, nothing short of a complete system, bridging all the great oceans, will fully satisfy its wants. For the present the Atlantic is not inadequately provided for by the ten cables to which I have referred, while another is now being added to the two laid to South America. The configuration of the Indian Ocean makes the various lines which skirt its coasts satisfy the immediate necessities of the case. The Pacific alone is not traversed by a single line of wire.

That this condition of things presents a serious hindrance to commercial development that from a strategic point of view it indicates a serious flaw in our national system for the defence of commerce, are positions which appear capable of conclusive proof.

At the present time the two largest divisions of the Empire, Canada and Australia, though actually separated from each other by only the Pacific Ocean, are telegraphically separated by but little short of the whole circumference of the globe. Both countries have growing interests upon the Pacific, both are manifestly destined to become great powers bordering upon that ocean, and both look forward to an increased commercial intercourse with each other. Circumstances might easily arise in the near future which would make it of the greatest consequence that these two countries should be prepared to exercise their influence jointly, in order that it may be exercised most effectually. Obviously, for either closer commercial relations or for joint action, better telegraphic connection is all but an absolute necessity.

The cost of sending messages from Canada to Australia is now prohibitive for all practical purposes. With a wire traversing the Pacific it would be reduced to the lowest possible figure, since the line would be fully employed as an alternative route for European messages to and from the South Pacific. Australians should remember, too, that easy and cheap communication with Canada means the same with the whole continent of America, so closely are the Canadian and American systems connected with each other.

When I brought this subject before the Colonial Conference of 1887, to which I was a delegate representing Canada, I proved by arguments and figures, which have never yet been refuted, that the cost of sending messages between Great Britain and Australia over the proposed Pacific line would be far cheaper than by any existing route. Since that time the cost of sending such messages has been reduced one-half, and yet the cost per word by the Pacific route as then stated by me would be little more than one-half of the present reduced rates by Eastern routes. The calcula-

tions on which this estimate is based will be found in memoranda submitted to the Conference, and in the discussions thereupon

I need not dwell upon the fact that any considerable cheapening of telegraphic rates would immediately react upon commercial prosperity and activity. How much importance is attached to this aspect of the question is proved by the willingness of the various Australian Governments to give the guarantees which insured the reductions made in 1891. Actual results confirm this view. The report of the Eastern Extension Telegraph Company, dated April 21st, 1892, conveys the information that the reduction in rates effected last year has already increased the volume of business 48 per cent. over that of 1890, and 60 per cent. over that of 1889.

These observations have hitherto borne mainly on the development of trade. I may now turn to the consideration of another equally important aspect of the question. The defence of trade is as well worthy discussion by Chambers of Commerce as are its development and prosecution. A large proportion of the national thought, a very large part of the national expense, are given to providing means for protecting trade in any great national emergency. In this connection our subject assumes a new importance.

The highest naval authorities are agreed that in time of war the use of the telegraph would furnish one of the most effective means of giving security to the vast commerce of the Empire. Telegraphic orders sent out confidentially by the Admiralty from time to time would indicate to merchant ships the precise course which they should take on both outward and inward voyages. By this means the protecting naval force could be disposed with complete knowledge of the whereabouts of the commerce to be defended, while an enemy would have no such knowledge. It is believed that by making at intervals changes in the routes indicated, greater security could be obtained.

In alluding to this branch of the subject, I cannot do better than quote from an excellent authority, Captain R. W. Craigie (Naval Prize Essay 1892) "The protection of our commerce on the outbreak of war can only be secured by compelling it to follow certain fixed routes. These should be laid down beforehand, and called A, B, C, &c., and all shipowners and masters should be acquainted with these routes. On the outbreak of war, all steamers would proceed by the route telegraphed out confidentially from the Admiralty, and the route changed by telegraph when necessary, for instance, one route might pass fifty miles to the eastward of St. Helena, another one hundred miles, and so on; by this means our cruisers would know where to find our commerce, but the enemy would not.

"All sailing-ships should be stopped, and laid up at the same time.

"If these precautions were adopted, our commerce ought not to suffer very severely, and there ought to be no panic."

To no part of the commerce of the Empire would such a device for protection be so serviceable as to that of Australia. Without taking into account the new route by way of Canada, which in emergency might be used for commercial purposes, if we take into consideration the alternative routes open around Cape Horn and the Cape of Good Hope, and the vast ocean spaces to be traversed, it will be seen that this system might give to Australasian trade an almost complete immunity from attack, except in the immediate neighbourhood of European waters, where the strongest force would be available for its defence. Merchants and shippers will readily understand that among other advantages there would result an enormous money-saving from reduced risks and insurance charges.

But the execution of any such plan manifestly depends upon the completeness and security of a national telegraph service around the globe. A glance at a telegraphic map of the world shows that at present we have no such complete and secure service. England has four possible main lines of connection with the East and Australasia. One goes by way of Gibraltar, Malta, Egypt, and the Red Sea. Another, passing through France, Italy, and Greece, also goes on to the Red Sea. A third traverses Germany, Austria, Turkey, Russia, and Persia. A fourth crosses Russia to the Pacific, whence it connects to the south with Chinese and Indian lines. Perhaps the new route now completed around Africa should be mentioned as a fifth alternative. But, with all these lines, it is for national purposes in time of war a fatal defect that they pass through possibly hostile countries, where they would be useless to us, or through shallow seas where the cables could be easily fished up and destroyed. For issuing instructions, such as have been mentioned, to the merchant ships of our Southern colonies and our Eastern dependencies, not one of these eastern lines could in time of war be depended upon for a single day.

A line across the Pacific, on the other hand, would not only be far removed from the political storm-centres of the European Continent, but would have two other great advantages. First, it would pass entirely over British soil, and second, it would pass chiefly through deep seas, where it could only be destroyed with great difficulty. It would complete the circle of communication around the Empire. From a strategic point of view, then, the value of such a line in time of war would be immeasurable. So striking seems the necessity for its construction, that we may fairly argue that even if the line were for a time commercially unprofitable, the Governments of the Mother-land and the colonies would be fully justified in bearing a portion of the expense for the sake of the added guarantee of national security which it would give.

The importance attached to the question of a Pacific cable by the Colonial Conference of 1887 led to the following minute being unanimously assented to, and recorded in the proceedings:—

"1. That the connection recently formed through Canada from the Atlantic to the Pacific, by railway and telegraph, opens a new alternative line of Imperial communication over the high seas and through British possessions, which promises to be of great value alike in naval, military, commercial and political aspects.

"2. That the connection of Canada with Australia, by direct submarine telegraph across the Pacific, is a project of high importance to the Empire, and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey."

Following up these, and more specific representations of the members of the Conference, the Admiralty was induced to undertake a nautical survey to test the practicability of the route. The survey has been carried on during the intervening years. The soundings are all that could be desired, proving as they do the existence of a sea-floor probably not less favourable for cable-laying than that of the Atlantic, which is used for this purpose. That the results of the survey are satisfactory may be judged from the fact that sounding operations have been closed, and the Admiralty have taken possession of a number of islands in the Pacific for the purpose of establishing mid-ocean stations whenever they may be required.

The Canadian Government has on more than one occasion indicated its willingness to give substantial support to this scheme of telegraph connection across the Pacific with Asia and Australia. At one time it had arranged for a special deputation to proceed to Australia to confer with the Governments of the various colonies upon this and kindred subjects, the chief member of the deputation being the present Premier of the Dominion, Sir John Abbott. The delay in sending this deputation was entirely due to the occurrence of political movements in Australia, which seemed to render the time chosen inopportune.

Canadians may fairly claim that they have some right to press the matter of cable-extension on the Pacific from a national point of view, since such an extension would be the natural complement of what they have done towards British consolidation. The great enterprise by which the Dominion has been spanned by a transcontinental railway and telegraph system has not only opened up new and immense fields for national growth, but has made great changes in the strategic relations of the Empire. It has reduced by more than one-half the time required for supplying a Pacific squadron with drafts of men, or with arms for naval stores. It has provided an alternative military route to the far East. It has given the opportunity for a greatly improved postal service with Japan and other eastern countries. It has led to the establishment of a line of fast steamships, capable of being easily changed into armed cruisers, upon the North Pacific, while it has opened up the way for a similar line of steamers to the sister colonies in the South Pacific, for the establishment of which the Parliament of Canada has already voted a liberal subsidy.

Representing as I do the Board of Trade of the capital of the Dominion, it is natural and proper that I should speak as a Canadian, and I may be pardoned for pointing out on behalf of Canada that it is in the genuine spirit of British enterprise that she desires to stretch out her arms to Asia and Australia. Have not Canadians been associated from the first with the development of the great modern means of intercommunication? The man is yet alive who designed and built the first ship to cross the ocean under steam. That man, James Goudie, was born in Canada, and that ship, the "Royal William," was built at Quebec sixty-one years ago. It was the "Royal William" which inspired Samuel Cunard, himself a Canadian, to establish the great line which bears his name. The man is yet alive who assisted in driving the locomotive of the first passenger-train on any railway in the world, and that man, Charles Whitehead, has been from the earliest days and still is connected with the railways of Canada. The man is yet alive who projected and took no small part in establishing the first Atlantic cable, and that man, Francis Gisborne, continues to serve the Canadian Government as Superintendent of Telegraphs.

While I point with some pride to what has been done by Canada and by Canadians, we all recognise similar evidences of national spirit and enterprise in Australia and New Zealand, indeed throughout the whole Colonial Empire. It is by evidences such as these that British people throughout the world are made to feel that they do indeed belong to one great nation. And we have only to glance back but a few years, not even so far as the commencement of the reign of our present sovereign, to see the wondrous advance which has been made.

The national progress is largely due to the twin agencies, steam and electricity which a beneficent Providence for wise and good reasons has been pleased to place at our command. It is impossible to believe that this remarkable advance is suddenly to be arrested. If we do well our part, will not the progress of the Britannic Empire continue? Will not the next century, even the next generation, display a condition of national development beyond our present dreams? Those who are familiar with the great colonies, and know their possibilities, will have no difficulty in understanding that they are merely in their infancy and, precisely as the trunk of a great tree increases in size, solidity, and strength around the circumference, so likewise it is in these vast continental possessions of the Queen that Her Majesty's new Empire is to grow and expand into colossal dimensions.

But if we are to keep the Empire intact, if we are to combine all the parts into a lasting whole, we must connect the units by commerce and by every cord of attachment. To extend, expand, strengthen, consolidate, build up and maintain the new United Empire, we must without delay take means to obtain the freest and best intercourse between all the parts. In establishing the telegraph system of the United Empire we cannot do better than take for our model the telegraph system of the United Kingdom, where all the centres of business are telegraphically connected. The British Islands are covered with a network of wires, places the most remote as well as those in close proximity can exchange communications on the same easy terms. Caithness and Cornwall are telegraphically as near each other as adjoining parishes, and it should be our steady aim to bring into similar close telegraphic contact every land which is British in the two hemispheres.

The telegraph is the nervous system of commerce. A complete telegraph system will be as indispensable to the commerce of the new Empire which is being developed as the nervous system is to the human body. No human being can remain in healthful life with a defective nervous system. If the nerves become seriously impaired to any one of us, who can tell what disaster may follow? So, likewise, in the sphere of commerce. If we place our reliance on a telegraph system so insufficient and so exposed that it may receive fatal injury from causes beyond our control, trade and shipping may, at the first critical moment, be completely paralyzed. The desired telegraph system should be one which would bring every unit of the Empire within easy electric touch. If

we are to build up a great British commercial union, the first essential step is to bring every British community throughout the world into direct telegraphic connection.

These considerations lead me to think it a matter of supreme importance to trade and shipping, to the expansion and support of British interests, that the telegraph should, as speedily as possible, be extended across the Pacific Ocean. The day is not far distant when the Pacific will be traversed, as the Atlantic is, by many cables, but we must take one step at a time, and the first step which circumstances demand is undoubtedly that which will give to Australia an alternative line of telegraphic connection with England. In my humble judgment this step is of vital importance to the Empire as a whole, and I appeal to every one of the delegates who constituted the Parliament of Trade and Commerce which recently met in London, I appeal to every British merchant at Home and abroad, I appeal to every Chamber of Commerce within Her Majesty's dominions, to urge upon the Home and Colonial Governments that the establishment of this cable should not be long delayed. There is no section of the globe's surface where a telegraph is more needed, nowhere within the influence of the Empire would it serve purposes more important. The spanning of the Pacific Ocean by the electric wire will be of immense advantage to British shipping, it will stimulate the development of new trade, it will strengthen the attachment of the sister colonies on both sides of the ocean to the Mother-land, it will effectually promote that Britannic union of trade and commerce so earnestly desired by every speaker at the recent Congress of Chambers of Commerce of the Empire.

No. 4.

[The Hon. the MINISTER of TRADE AND COMMERCE, Ottawa, to the Hon. the PREMIER, New Zealand.

SIR,—

Minister's Office, Ottawa, 7th March, 1894.

I enclose herewith for your information, and that of your Government, a statement of facts bearing on the nautical survey in connection with the Pacific cable.

You will notice that there has been an apparent unwillingness on the part of the Admiralty to proceed with the examination, and it may become expedient, when the Conference meets here in June next, to consider the adoption of other means of completing the work, among them that of having the survey made by colonial ships, should such a course be deemed necessary.

I enclose also for your information a copy of a letter from Mr Fleming to Sir Charles Tupper, on matters connected with the cable.

I have, &c.,

M. BOWELL,

Minister of Trade and Commerce.

The Hon. R. J Seddon, Premier, &c., Wellington, New Zealand.

Enclosure 1 in No. 4.

STATEMENT RESPECTING THE NAUTICAL SURVEY IN CONNECTION WITH THE PACIFIC CABLE.

FROM the first conception of a trans-Pacific cable it was considered necessary to obtain a proper nautical survey. This was especially the case when statements were made in certain quarters that such an undertaking could not be carried out owing to insuperable difficulties alleged to exist on the route. In order to invest the project with public confidence, it was deemed exceedingly desirable that the survey should be undertaken by the British Admiralty, as being the highest nautical authority in existence. Application was accordingly made at various times through the proper channel to the Admiralty to have the survey carried out by them.

At the Colonial Conference of 1887, Sir Alexander Campbell moved a resolution setting forth "That the connection of Canada with Australia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should without delay be set at rest by an exhaustive survey." In submitting the resolution, Sir Alexander at some length dwelt upon the importance of the cable and the necessity of a survey. He likewise explained the repeated efforts which had been made to have it accomplished by the Admiralty. Among other things, he said,—

"Canada proposed two or three years ago to assist in a survey. The difficulty which the Admiralty urged was that they had no vessel to spare, and therefore they could not do it.

"Canada had several vessels of her own, and she found a suitable one, the 'Alert,' an excellent ship for the purpose, which she had been using in connection with observations which she had been making for a couple of years as to the time Hudson's Bay was open every year for navigation.

"She offered the 'Alert' for the purposes of the survey, and in that way she seemed to have answered completely the difficulty raised by the Admiralty.

"Canada wrote over to the Admiralty telling them that she had a suitable vessel, and then they would not do it at all. Then we offered to pay half the expense. Still the Admiralty would not do it, and there the matter stopped."

After the resolution moved by Sir Alexander Campbell was unanimously passed and the Conference closed, the following letter was addressed to the Right Hon. Sir Henry Holland (now Lord Knutsford), Secretary of State for the Colonies:—

"SIR,—

"London, 16th May, 1887

"During the discussion on the subject of the postal and telegraphic communications of the Empire before the Colonial Conference, the question was raised as to the practicability of submerging cables in the Pacific Ocean so as to connect Canada and Australia telegraphically, and, as all doubts on the question should be removed with as little delay as possible, a thorough and exhaustive nautical examination should be at once made.

“The undersigned, therefore, on behalf of the Governments they represent, respectfully request that Her Majesty’s Government will cause such survey to be made.”

This letter was signed by the following gentlemen, comprising all the delegates to the Conference then in London:—

For Canada—	For Western Australia—
Sir Alexander Campbell.	Sir John Forrest.
Mr Sandford Fleming.	Mr Septimus Butt.
For Victoria—	For New Zealand—
Mr James Service.	Sir William Fitzherbert.
Mr. Alfred Deakin.	Sir Francis D. Bell.
Sir James Lorimer	For Tasmania—
Sir Graham Berry.	Mr J S. Dodds.
For New South Wales—	Mr. Abye Douglas.
Sir Patrick Jennings.	For Newfoundland—
Sir Robert Wisdom.	Sir Ambrose Shea.
Sir Saul Samuel.	Sir Robert Thorburn.
For Queensland—	For Natal—
Sir Samuel Griffith.	Sir John Robinson.
Sir James Garrick.	For Cape of Good Hope—
	Sir Charles Mills.

The Colonial Minister caused the above letter to be transmitted to the Admiralty on the 23rd May. The Admiralty replied as follows:—

“SIR,—

“Admiralty, 28th May, 1887

“I have laid before my Lords Commissioners of the Admiralty your letter of the 23rd instant, enclosing a recommendation, signed by the delegates to the late Colonial Conference, that a survey should be made with a view to determining the practicability of laying a cable between Canada and Australia, and further suggesting that Mr. Fleming should be placed in communication with the Hydrographer to the Admiralty with a view to discussing the question.

“2. In reply, their Lordships desire me to state, for the information of Sir Henry Holland, that, if Mr. Fleming has not already left London, he will find the Hydrographer at the Admiralty on any day he may like to fix.

“3. My Lords, however, desire me to add that, unless the Secretary of State has reason to believe that a submarine cable is likely to be laid from Vancouver to Australia very shortly, their Lordships would not propose to despatch a surveying vessel for the sole purpose of obtaining soundings over the route, but that they will endeavour to arrange that soundings shall be gradually obtained during the next few years in the ordinary course of hydrographic surveys.

“The Under-Secretary of State, Colonial Office.”

“I am, &c.,

“EVAN MACGREGOR.

The writer of the following letter having been furnished with copies of the letters from the Colonial Office and the Admiralty, addressed the Colonial Minister as follows:—

“SIR,—

“London, 5th June, 1887

“I have the honour to acknowledge the receipt of your letter of the 3rd instant, enclosing copies of letters between the Colonial Office and the Admiralty respecting the proposed nautical survey of the Pacific in connection with the laying of a cable between Canada and Australia.

“I beg leave to direct attention to the third paragraph of the letter from the Admiralty, which reads as follows: ‘My Lords, however, desire me to add that, unless the Secretary of State has reason to believe that a submarine cable is likely to be laid from Vancouver to Australia very shortly, their Lordships would not propose to despatch a surveying vessel for the sole purpose of obtaining soundings over the route, but that they will endeavour to arrange that soundings shall be gradually obtained during the next few years in the ordinary course of hydrographic surveys. Since the receipt of your letter of the 3rd instant I have, with the permission of the Lords Commissioners of the Admiralty, placed myself in communication with the Hydrographer, who has explained to me what is to be understood by the last part of the above-quoted paragraph. From these explanations I have learned that it is not intended to do anything until next year, that next year it is expected that a surveying vessel will be despatched to Australian waters for other purposes, and that while there the officers will be instructed, in the ordinary course of their duties, to endeavour to obtain some information which may be useful in connection with the question of laying a cable. It is intended to follow the same course year by year, but, from all I can learn, no definite idea can be formed as to the time which will be expended before the work will be completed, indeed, it does not appear quite certain that anything will be done even next year—it is hinted that the work may be interrupted and the surveying vessel taken away. It is scarcely necessary for me to point out that the course proposed to be followed will not accomplish the desired end. The records of the Conference will show how much importance is attached by every delegate to the telegraphic connection of Canada and Australia. In an Imperial point of view its importance was held at the Conference to be second to no other question brought forward for discussion, and I think I may venture to say, on behalf of the twenty-one delegates who attached their names to the letter of the 16th May, addressed to Sir Henry Holland, that it will be a grave disappointment to them and to the Governments they represent if no other course than that proposed and explained to me by the Hydrographer be followed. Sir Henry Holland, who presided over the Conference, will remember how strongly individual members spoke on the subject, and he knows also the view of the Conference as a body. On the last day of the Conference a resolution on the question was unanimously adopted, to which I think it would be well to direct the special attention of the Admiralty

“I respectfully submit that the Lords Commissioners of the Admiralty appear to have misapprehended the object of the application of the 16th May. I may therefore venture to explain that, as some of the officers of the Government and other gentlemen examined before the Conference gave testimony which raised doubts as to the practicability of establishing a direct telegraph across the Pacific, a general feeling prevailed that the question was of such paramount importance as to demand immediate attention, and that every doubt should be set at rest by having a thorough and exhaustive survey made under the highest nautical authority. No one who attended the meetings of the Conference, or who has seriously considered the relations of the great self-governing colonies to the Mother-country, can for a moment doubt that an electric cable from Canada to Australasia is imperatively demanded, and that if practicable will be established. The question of practicability, however, is precedent to all others, and it is therefore of the utmost importance that the request of the delegates to the Conference, made collectively and individually on behalf of their respective Governments, should be reconsidered.

“I have, &c.,

“The Under-Secretary of State, Colonial Office.”

“SANDFORD FLEMING.

The correspondence was continued throughout the year 1887 by the Colonial Office, the Admiralty, and the Governor-General of Canada, but nothing practical was done in prosecuting the survey until the following year.

On the 7th March the following telegram was sent from Melbourne to Lord Knutsford by the Governor of Victoria: “In accordance with resolution passed by Postal Conference held Sydney, the whole Australian Colonies being represented, my Government ask that Admiralty may be moved to make early survey of suitable route for ocean cable telegraph by way of Pacific Ocean *via* Vancouver Island, cost to be defrayed by Her Majesty’s Government, Government of Canada, and Australasian Colonies.” Thereupon the letter which follows was transmitted from the Colonial Office to the Admiralty:—

“SIR,—

“Downing Street, 16th March, 1888.

“With reference to your letters (M. 1212) of the 28th May and (M. 1557) of the 5th July last on the subject of a proposed telegraph cable between Canada and Australia, I am directed by Lord Knutsford to transmit to you, to be laid before the Lords Commissioners of the Admiralty, a copy of a telegram received from the Government of Victoria, 7th March, 1888, urging that an early survey may be made of a suitable line for a cable.

“As the Colonial Governments of Australia appear to be prepared to provide, in conjunction with the Imperial Government and the Government of Canada, a proportionate share of the expenses of such a survey, Lord Knutsford, with a view to that further consideration of the question which has become necessary, would be obliged if their Lordships would furnish him, if it is in their power to do so, with an approximate estimate of the probable cost of a survey.

“I am, &c.,

“The Secretary to the Admiralty”

“JOHN BRAMSTON

On hearing from the Admiralty Lord Knutsford transmitted a circular despatch to the Governor-General of Canada and the Governors of the Australian Colonies, conveying the decision arrived at by Her Majesty’s Government:—

“SIR,

“Downing Street, 1st May, 1888.

“I have the honour to transmit to you, for communication to your Government, a copy of a letter which I caused to be addressed to the Lords Commissioners of the Admiralty respecting the survey which Her Majesty’s Government have been requested to make of a route for a cable telegraph between Canada and Australia across the Pacific Ocean, together with an extract from their Lordships’ reply.

“Her Majesty’s Government concur in the opinion expressed in the letter from the Admiralty, that the question of accelerating the survey must remain open until there is a prospect that the funds for the construction of the cable will be found.

“I have, &c.

“KNUTSFORD.

Extract from a Letter from the Admiralty to the Colonial Office, dated 4th April, 1888.

“5. H.M.S. *Egeria* is now on the point of sailing from Sydney to perform the important work of clearing up the dangers, and fixing the positions of, and surveying the islands on the route from New Zealand to Vancouver, a work which my Lords understood was strongly urged by Rear-Admiral Sir George Tryon on the representations of the colonies.

“6. In the course of this work the ‘*Egeria*’ has orders to obtain deep soundings, which will in two or three years furnish more detailed information than now exists as to the varieties of depths to be expected on the general line of cable.

“7. To survey a route for a cable to any purpose would, however, entail long searching for the best line, examination of contours of coral islands, and continuous close soundings, and three years’ steady work at that and nothing else would probably not complete the survey.

8. The operations on which the ‘*Egeria*’ is about to be employed will provide for work of immediate value to and of urgent necessity in connection with the commerce now springing up, and will also furnish gradually (at a minimum cost) the preliminary information required, and a great part of that directly bearing on the laying of a cable.

“9. My Lords do not therefore consider that it is advisable to make any alteration in the orders under which the ‘*Egeria*’ is about to act and, as no vessel can be spared from her hydrographic work in any other part of the world, the question of hastening the survey by providing another vessel must, in their Lordships’ opinion, remain open until Lord Knutsford is able to inform this department that there is a reasonable prospect that the funds for the construction of the submarine cable across the Pacific will be found, and that time is of importance in Imperial interests.

“10. In reply to the inquiry contained in the last part of your letter my Lords desire me to state that the annual cost of H.M.S. ‘Egeria’ is about £12,000, and that if a similar vessel is provided especially for the purpose of making a complete survey of the best ocean route and landing-places the cost would be about £36,000. The foregoing estimate is irrespective of the value of the vessel and the cost of fitting her out.”

On receiving copies of these communications the writer of the following letter felt it incumbent upon him to address Lord Stanley, Governor-General of Canada, on the subject.

“MAY IT PLEASE YOUR EXCELLENCY,—

“Ottawa, 28th June, 1888.

“I have the honour to refer to a circular despatch, of date 1st May, 1888, which Lord Knutsford has addressed to the Governors of the Australian Colonies and the Governor-General of Canada, on the proposed survey of a suitable route for the cable telegraph projected between Canada and Australia by way of the Pacific Ocean.

“I am impelled by a sense of duty to ask your Excellency’s permission to submit the following remarks, in the hope that your Excellency will consider the subject of importance sufficient to justify further proceedings being taken.

“The consideration of postal and telegraph intercommunication as essential to the consolidation of the Empire was specially alluded to in the circular despatch of Mr Stanhope, 26th November, 1886, summoning the Conference which met in London in 1887. The Colonial Minister dwelt on it as a ‘great question’ which concerned in a special degree the interests of the whole of the Queen’s dominions, and he reproduced the words used in the Queen’s Speech at the prorogation of Parliament, expressing the conviction of Her Majesty, ‘that there is on all sides a growing desire to draw closer in every practicable way the bonds which unite the various portions of the Empire.

“In his address at the opening of the Conference, the President, Lord Knutsford, gave great prominence to the question, and at subsequent meetings (April 19th, 20th, 27th, and May 6th) the proposal to establish a telegraph cable between Canada and Australia was earnestly discussed. I beg leave to refer to the accompanying return to the Parliament of Canada to an address of the Senate, dated the 27th March last (page 8 to 82) for minutes of these discussions, and also for a resolution which was unanimously passed at the close of the Conference. This resolution sets forth that under every aspect—naval, military, commercial, and political—the establishment of such a line of telegraphic communication would have great value, and that every doubt as to its practicability should, without delay be set at rest by a thorough and exhaustive survey

“The doubt as to the practicability of the project arose from statements made to the Conference by gentlemen who appeared before them on the invitation of the Imperial authorities—among others the Chairman of the Eastern and Eastern Extension Telegraph Companies and the Secretary of the Imperial Post Office Department, introduced to the Conference as the highest authority on telegraph matters existing. In speaking of the route of the proposed cable, these gentlemen alluded to ocean depths which had previously been unheard of, and to other obstacles which might prove insuperable, leaving an impression on the minds of the delegates of doubt and uncertainty, which can only be removed by actual survey

“After the Conference had closed, in order to emphasize the convictions they had formed that an immediate and exhaustive survey was indispensable, the delegates addressed a letter to the Colonial Minister. I desire to direct your Excellency’s attention to this letter, dated the 16th May, 1887, and the correspondence which immediately followed (pages 137 to 140 of accompanying return). The letter is signed by twenty-one delegates, representing the Governments of New South Wales, Victoria, Queensland, Western Australia, Tasmania, Newfoundland, Natal, the Cape of Good Hope, New Zealand, and Canada.

“A further correspondence took place, the most important portion of which, to the end of 1887, appears in the accompanying return. I have the honour to append copies of the more recent correspondence, viz. :—

“1. Copy of a telegram from the Governor of Victoria to Lord Knutsford, dated Melbourne, 7th March, 1888, referring to a resolution passed at a Conference held recently at Sydney, the whole of the Australian Colonies being represented, urging that an early survey of a suitable route for the cable be made, and pointing out that the colonies would share in the expense.

“2. Letter from the Colonial Office to the Admiralty, dated 16th March, 1888, enclosing a copy of the telegram from Australia, and requesting information with respect to the probable cost of a survey

“3. Extract from a letter from the Admiralty to the Colonial Office, dated 4th April, 1888, pointing out that H.M.S. ‘Egeria’ is under instructions ‘to perform the important work of clearing up the dangers, and fixing the positions of, and surveying the islands on the route from New Zealand to Vancouver, and that ‘in the course of this work the ‘Egeria’ had orders to obtain deep soundings which will in two or three years furnish more detailed information than now exists as to the varieties of depths to be expected on the general line of cable. The letter further states that to survey a route for a cable, ‘three years’ steady work at that and nothing else would probably not complete the survey’, also that ‘the question of hastening the survey by providing another vessel must, in their Lordships’ opinion, remain open until Lord Knutsford is able to inform the department that there is a reasonable prospect that the funds for the construction of the submarine cable across the Pacific will be found, and that time is of importance in Imperial interests.

“4. Circular from the Colonial Minister transmitting the above letter and concurring in the opinion expressed in the letter of the Admiralty that the question of accelerating the survey must remain open until there is a prospect that the funds for the construction of the cable will be found.

“The proposal to establish a telegraph cable from Canada to Australia by way of the Pacific had its origin in the Dominion. It has been recognised by men representing every one of the colonies, in the Southern Hemisphere, and by Her Majesty’s Minister, that the enterprise is of value

not simply on account of the connection which it would establish between Canada and the great colonies on the opposite shore of the Pacific, but likewise from the influence it would exercise in the consolidation of the Empire. On this ground it has always been considered that the co-operation of the Imperial Government may with confidence be claimed. The representatives of Canada at the Conference endeavoured succinctly to represent the favourable results which would follow the construction of this direct line of communication, and the representatives of all the other colonies freely gave expression to their views, confidently dwelling on the hopes and aspirations they entertained.

“ I will not, my Lord, in this communication repeat the arguments brought forward at the Conference to justify our expectations that the colonies will obtain the sympathy of the Imperial Government in this effort. It may, however be said that this new line of communication will promote the cultivation of intercourse and more intimate relationship, and cannot fail to establish a more perfect bond of union and identity of interest nationally and commercially between Australia, Canada, and England to exercise the happiest influences. Moreover, the whole route from England to Australia runs through British territory or through waters removed from the risk of communications being tampered with, as might happen on passing through foreign soil, or in the shallow seas around the shores of foreign countries. The work is indeed a national undertaking of importance to the common interests in time of peace, and of greater value in time of war, in view of the common safety and the maintenance of the integrity of the Empire. It was in view of these considerations that the representatives of the colonies asked, upwards of a year back, that every doubt as to the practicability of the undertaking should without delay be set at rest.

“ I beg leave to refer your Excellency to the extracts from the letter of the Admiralty appended. It is stated that if the telegraph survey was made the primary and only object of the expedition, the means now being employed would scarcely complete the examination in three years, but it is obvious from the instructions issued that the work of obtaining the information is made incidental and subsidiary to other duties, as of secondary importance. Such being the case, it is difficult to forecast an estimate of the number of years, under the orders conveyed in the Admiralty letter, within which the cable surveys will be completed. It may, indeed, extend over a dozen or more years.

“ I respectfully direct your Excellency’s attention to the strong feeling entertained that no such delay should take place. It will not be overlooked that any doubt of the practicability of the project has not been raised by the outer provinces of the Empire, it has in no way been advanced by those who represent the Australian Colonies, New Zealand, or the Dominion, it was suggested by the witnesses brought forward by the Home Government. Naturally the colonies look to the Home Government to set the question at rest as soon as possible.

“ Until this question be settled it can scarcely be expected that much progress can be made in providing the funds for carrying out the enterprise. It will be no ordinary matter for the Governments of nine or ten countries, some of them separated by half the earth’s circumference, to come to an agreement on the general details of a financial scheme, and it will be perfectly futile for them to do so if the survey should show that the undertaking is not practicable. On the other hand, should the work be pronounced feasible, the circumstances which call for the consummation of the project will in one form or another assure its construction. I respectfully submit to your Excellency that the people in the colonies will fail to recognise that it is necessary, reasonable, or just to expect that the funds should be provided, or that the mode of raising the capital should be arranged, previous to orders being given for the survey to be perseveringly and systematically carried on.

“ At a meeting of the Conference on the 20th April, 1887 at which the Pacific cable was considered, the Imperial Postmaster-General, Mr Raikes, explained the position of the Home Government. His remarks are so important that I feel it my duty to ask your Excellency’s attention to them as they appear in the proceedings. The following is an extract ‘ When we are told by Mr Fleming that it may be possible to transmit words at the rate of about 2s. per word *viâ* Canada and the Pacific’ (9s. 4d. per word being the lowest charge by the existing line), ‘ we see at once the perfect revolution in the communications between the Australian Colonies and the Mother-country which would be effected if such an arrangement could be carried out. But I think the Conference will feel that, while appreciating the importance of this, and largely sympathizing with what I believe to be the most beneficial change of any of the changes which can come out of this Conference, it would be a matter of extreme difficulty, I think without precedent, for the English Government itself to become interested in such a scheme in such a way as to constitute itself a competitor with an existing commercial enterprise carried on by citizens of the British Empire.’

“ The enterprise alluded to by Mr. Raikes is the ‘ Eastern Extension Telegraph Company,’ whose lines extend from India to Australia.

“ I will not attempt to disguise the conviction generally felt, and which I fully entertain, that the new line of telegraph *viâ* Canada would make it impossible for that company to continue to realise the profits it has hitherto enjoyed.

“ There is really only one mode of carrying out the project, realizing any admitted benefits which it will create, and satisfactorily overcoming the difficulty explained by Mr Raikes. It is to constitute the undertaking an Imperial-Intercolonial work, taking over the property of the existing company and placing the whole under one management. This proposal is considered in a memorandum dated the 26th September, 1887 (page 148 of the accompanying return), to which I beg leave to refer your Excellency.

“ While there should be the strongest desire to respect established rights and honourably recognise existing interests, on the other hand we must bear in mind the well-known principle that no private company, whatever its profitable operations, can be allowed to impede the general

advantage of the Empire. The principle is clearly established that private interests must yield to public good, such private interests being fairly indemnified.

"In the memorandum of 26th September, 1887, it is contemplated to carry out the undertaking under a joint Commission, on which would be represented the Imperial Government, and the Governments of Canada, the Australian Colonies, and New Zealand. That through this means the new Pacific cable would be established as a public work, and the cables of the Eastern Extension Company taken over at a fair valuation, whenever that company desires to dispose of them. The members of the Commission to be appointed by the contributing Governments, and their duties and responsibilities defined and determined by these Governments.

"It is contemplated that the capital required for the undertaking shall be obtained on a joint Government guarantee, thus securing it at the lowest rate of interest. It is shown by the data given in the memorandum that, owing to the low rate at which money is thus obtainable, it is possible to procure the amount required for the construction of the new cable, with the addition of a sum sufficient to cover the value of the Eastern Extension Company's cables, without involving much, if any, higher interest-charges than the subsidies now paid.

"The interest on £2,030,000, the estimated cost of the new telegraph and the value of the present line, at 3 per cent. is £60,900 whereas it is anticipated that on the united Imperial and colonial guarantee money could be obtained at $2\frac{1}{2}$, or but little over that rate.

"The amount of the several subsidies now paid is £56,700, of which £36,600 is paid by the Australian Colonies.

"Opinions may vary with respect to the value of the cables of the Eastern Extension Company. I can only remark on this point that the calculations given in the memorandum of the 26th September, 1887, are based on the testimony of the company's highest officer, and on official data, which I do not consider can be disputed. Be the value what it may, the principle remains the same. It is proposed that the existing telegraph company shall have the option of selling its cables to the joint Government Commission at the price which shall represent their value at the date of transfer.

"It may be anticipated that the Eastern Extension Telegraph Company will claim for loss of profits something more than the actual value of their property. They should undoubtedly be considered in a fair and liberal spirit, but the question of indemnity and all other details may be left for future consideration. I am now only desirous of drawing your Excellency's attention to the fact that it will not be difficult to provide all the funds required under some such arrangement as that suggested.

"The important feature of the proposal is the raising of capital on the joint guarantee of the Imperial and Colonial Governments. It will be within your Excellency's knowledge that in 1867 a loan was raised on this principle towards carrying out an undertaking in which the Imperial and Canadian Governments were mutually concerned—the railway connecting Quebec and Halifax. Under this arrangement the funds, to the extent of £3,000,000 sterling, were provided at a low rate of interest, and by this means, without in any way drawing on the Imperial exchequer, the Home Government rendered substantial aid in the construction of an important section of the national railway of Canada. By the same principle of co-operation the great undertaking referred to in this communication, to which so much importance has been attached as a means of bringing into closer affinity the various portions of the Empire, may be successfully carried out.

"Previous to the departure from Canada of your Excellency's predecessor, Lord Lansdowne, he received memorials from Halifax, Montreal, Ottawa, Toronto, and other places praying him to take steps to constitute a Conference of delegates to devise means for the development of intercourse, trade, and commerce between Australia and Canada. A deputation waited upon him during His Excellency's last visit to Toronto to press this proposal, and before he sailed for England a further deputation, consisting of some twenty members of the Canadian Parliament, waited upon him to advocate the same policy.

"Lord Lansdowne cordially favoured the suggestion and recognised that such a Conference was most desirable. He was good enough to state that he would use his influence with the Home Government to have the proposal carried into effect.

"A Conference of delegates representing Canada, the Australian Colonies, and New Zealand would have no more important matter brought under their consideration than the subject I have endeavoured to submit to your Excellency in this letter. It may even be assumed that one of their first duties would be to arrange the general details for carrying into execution the proposed public undertaking.

"I beg leave to express the hope that the explanations which I have made will enable your Excellency to represent to Lord Knutsford that there is a reasonable prospect of means being found for establishing the proposed cable telegraph across the Pacific, and that it is important to have the survey completed at as early a date as possible.

"I have, &c.,

"SANDFORD FLEMING.

"His Excellency the Right Hon. Lord Stanley, Governor-General of Canada."

The object of the foregoing letter to his Excellency was to point out these facts, viz:—

1. The establishment of a Pacific cable was in harmony with Imperial policy, as expressed by Her Majesty's Ministers in connection with the Colonial Conference of 1887.

2. The Colonial Conference of 1887 gave emphatic expression to the value of a Pacific cable under every aspect—naval, military, commercial, and political.

3. The delegates from the colonies, collectively and individually, on behalf of the Governments they represented, urged in the strongest manner Her Majesty's Government to cause a nautical examination to be made to establish the practicability of the proposed cable.

4. The Admiralty, after some delay, undertook to make a hydrographic survey "on the route from New Zealand to Vancouver", but, under the instructions given to the surveying ship "Egeria," many years would elapse before the work could be completed.

5. Representations were made to have the survey accelerated, but the Admiralty declined to push on the survey with greater expedition, on the ground that they should first be informed that there is a prospect of the funds being found for laying the cable.

6. It is shown that there was then, as there is now a reasonable prospect of means being found for establishing the cable, but that it is a matter of no ordinary difficulty to bring ten Governments widely separated by distance into agreement respecting funds, and it would be futile to do so unless the survey proved the undertaking to be practicable.

7. The hope is therefore expressed that the Admiralty would see how reasonable it is that the survey should be accelerated, so that it would be completed at as early a date as possible, in accordance with the frequently-expressed wishes which have been referred to.

This appeal was made through the Governor-General of Canada, but it remained without response. As far as known, the Admiralty were not prevailed upon to hasten the survey or make any change in the orders issued to the "Egeria." At a later period, however, a change was made, but it was preceded by the following letters, which explain themselves.

FURTHER CORRESPONDENCE.

Letter from Mr. Sandford Fleming to Lord Knutsford.

"Hotel Victoria, Northumberland Avenue, London, W.C.,

"26th June, 1890.

"MY LORD,—

"I feel constrained to address you on a subject which concerns Canada not less than other great divisions of the Empire.

"When I left Ottawa, two weeks ago, the matter to which I desire to refer had not been noticed in any quarter on the other side of the Atlantic. My attention has been directed since my arrival here to communications in newspapers of recent date, and more particularly to an article in *The Times* of the 20th instant, on the subject of telegraphy between Great Britain and Australasia.

"If I understand the proposal which has been made, it is that the charges for telegraphing should be reduced to about one-half of the present rates, on condition that the Imperial and Australian Governments join in guaranteeing a certain revenue to the Eastern and Eastern Extension Telegraph Companies, which guarantee would involve a liability estimated by the representatives of these companies at £54,000, more or less, per annum. To put the proposal in other words, the Governments are asked, as I understand it, to assume the responsibility of supporting and maintaining a monopoly of the present line of telegraph for a period of ten years.

"The proposal is not new. It was made by the same companies in a slightly modified form (the principle being the same) three years ago, but it was not then seriously entertained. My surprise is that it should again be renewed, and I feel it a public duty to point out the consequence which will result should the proposal be accepted.

"To enable me to do so it is necessary that I should refer to the proceedings of the Colonial Conference of 1887, at which I had the honour to be one of the representatives of the Dominion.

"At this Conference an obligation rested upon the Canadian delegates to explain the position of Canada in relation to the telegraphic communications of the Empire, and it was acknowledged by nearly every member of the Conference that it would not be possible to overlook the undertakings and the peculiar geographical situation of the Dominion in considering the telegraphic relations of England and Australia, and in dealing with Imperial communications as a whole.

"So much importance was attached to the subject that, after the proposal of the telegraph companies was submitted, and every argument in its support advanced by their most able advocate and representative, Sir John Pender the Conference formally adopted two resolutions in favour of the Canadian route and I desire to emphasize the fact that no propositions brought before the Conference were assented to more cordially or with greater unanimity.

"These resolutions read as follows '1. That the connection recently formed through Canada from the Atlantic to the Pacific by railway and telegraph opens a new alternative line of Imperial communication over the high seas, and through British possessions, which promises to be of great value alike in naval, military, commercial, and political aspects. 2. That the connection of Canada with Australia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey.'

"The explanations and discussions, of which these resolutions were the outcome, set forth in ample detail that the true way to permanently reduce the charges in telegraphy between Great Britain and Australia is to utilize the Canadian route, and establish a new cable across the Pacific from the western coast of the Dominion. It was likewise shown that by this alternative route the electric cable would be laid in deep water, and the telegraph would pass through countries under the British flag, and, in consequence, would in every respect be safer from injury than the existing line, and more permanently serviceable in peace or war.

"The representations of the Conference were considered of so much importance that the Admiralty commenced a survey of the new route, and up to the present time has, as far as I am aware, discovered no difficulties in the way. Possession has also been taken by Great Britain of a number of islands in the Pacific for the purpose of establishing mid-ocean stations.

"Recognising that negotiations were necessary in order to reach a common understanding, the Government of Canada two years ago invited the Governments of Australia and New Zealand to send delegates to Canada to consider the whole question of telegraphic and trade relations, and arrange terms. Correspondence resulted, involving delay, and it was finally agreed that delegates should be sent from Canada to Australia. Accordingly the Canadian Government appointed delegates last year, but the proposed federation of the Australian Colonies postponed their visit under

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.

“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 communication—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.

“SIR,—

“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.

“ In thanking you for your observations, which have been laid before the Lords Commissioners of the Treasury, I am desired to refer you to the answer given by Mr Jackson to Sir G Baden-Powell in the House of Commons on the 12th ultimo in connection with this proposal.

“ I am, &c.,

“ JOHN BRAMSTON.”

NOTE.—On 12th June, in the House of Commons, Mr Jackson, in reply to Sir G. Baden-Powell, intimated that Her Majesty's Government had not been able to accede to the proposal to join the Australian Governments in the proposed guarantee to the existing telegraph company. On the 17th, Mr. Goschen further discussed the question with the Agents-General, and promised that the matter would be fully reconsidered, and a definite reply given. The above letter of 7th July, from the Colonial Office, goes to show that Her Majesty's Government remains in the position indicated by Mr. Jackson on 12th June.

These letters were printed and forwarded to many leading Australians and New-Zealanders, along with the following :—

“ *To Australians and New-Zealanders.*

“ Canadian Offices, 17, Victoria Street, London, S.W.,

“ 18th July, 1890.

“ FELLOW-COLONISTS,—

“ I beg leave to address you on a subject of more than ordinary importance at the present moment, when your colonies are completely cut off telegraphically from the rest of the world.

“ The accompanying correspondence with Lord Knutsford refers to the traffic-revenue guarantee proposed to be given to the Eastern and Eastern Extension Telegraph Companies. I have the best authority for stating that my letter of 26th June fairly expresses the Canadian view of the case.

“ While the reply of the Secretary of State indicates that the Home Government declines to join in the guarantee, there is, as I am informed, some probability that the Australian Governments may, under force of circumstances, accept the terms offered by the existing telegraph companies. I venture, therefore, as a fellow-colonist, to point out that by co-operating with Canada a much more advantageous arrangement can be effected.

“ The proposed guarantee to the Eastern and Eastern Extension Telegraph Companies, it is estimated by the representatives of these companies, would add to the liabilities of the Australasian Colonies £54,000 more or less per annum.

“ The length of cable to reach across the Pacific from Canada to New Zealand and Australia, allowing 20 per cent. for slack, is estimated by competent authorities at 8,900 miles. A cable of the very best type can be laid over this distance for less than £1,750,000, it is perfectly safe, therefore, to take the outside cost in round figures at £1,800,000.

“ I have elsewhere given good reasons why this cable should be a public undertaking, owned by the Governments, worked and managed under a Government superintendent.

“ If so established, the whole capital, under a joint Government guarantee, could be raised at about 3 per cent., and would involve an annual charge of £54,000.

“ I have elsewhere given indisputable evidence that telegraph messages may be sent between England and Australasia by the Canadian route at less than one-quarter of the present rates.

“ I need scarcely ask which course should be followed. The question is, should a monopoly of telegraph business be built up in the hands of the existing companies, or is it in the public interest to establish an independent line, owned by the public, and under Government control? The one course would reduce the cost of telegraph messages to one-half the present rates, and add a liability to the Australian Colonies estimated at £54,000 per annum. The second course would reduce the cost of messages to one-quarter the present rates, and involve no heavier annual charges, while the £54,000 guarantee would be shared by Canada, and, I trust I may add, by the Mother-country. Moreover, the cable would be owned by the contributing Governments, and the profits would accrue to reduce, perhaps eventually extinguish, the interest-charges. This is merely the financial view of the question, its momentous political aspect is dealt with in my letter to Lord Knutsford (appended), and in other documents submitted to Her Majesty's Government.

“ The Admiralty has had in hand the work of sounding the new route since the beginning of 1888, so that there can be nothing to prevent the survey being completed during the manufacture of the cable, and the whole laid within two years.

“ At this moment, when the existing cables are broken down in three places, I feel it a public duty to submit the case as it now stands for your earnest consideration. I humbly think I have shown how you may speedily, and on easy terms, obtain cheap telegraphy and the incalculable advantages of an alternative line by the Canadian route.

“ I have, &c.,

“ SANDFORD FLEMING.”

This correspondence is incomplete without the following letter from Sir John Pender, and Mr Fleming's reply thereto :—

Letter from Sir John Pender to Mr Sandford Fleming.

“ The Eastern Extension Australasia and China Telegraph Company (Limited),

“ Winchester House, 50, Old Broad Street,

“ DEAR MR. SANDFORD FLEMING,—

“ London, E.C., 22nd July, 1890.

“ I have read your circular letter of the 18th instant, together with the annexed correspondence with the Colonial Office on the subject of the recent unfortunate interruption of telegraphic communication with the Australian Colonies, and the establishment of an alternative route *via*

the Pacific and, if the various Governments interested are determined to have a line across the Pacific, and are prepared to incur the requisite expenditure for the purpose, I am quite ready, as I have always told you, to co-operate in carrying out the work on fair and reasonable terms, and in this way the object might be attained more easily and economically than if third parties were employed. But, if it should be decided to establish a Pacific communication as a separate and distinct undertaking from the existing lines, it must not be forgotten that two cables across the Pacific will be required, which, according to your own figures, would cost £3,600,000, or £108,000 per annum, as one line could no more be relied upon in the Pacific than in the Java seas, where all our three cables between Java and Australia were suddenly and simultaneously interrupted by earthquake a few days ago.

“Fortunately, however, this is a very rare occurrence, only one previous interruption of the kind having occurred on our system during a period of over twenty years. Moreover, the Java seas are mostly shallow so that repairs can be easily and promptly made, as in the present instance, while the Pacific Ocean is not only subject, perhaps in a greater degree than the Java waters, to volcanic disturbances, but the depths are so great that repairs would be most difficult and costly when an interruption occurred.

“The cost of maintaining the present system amounts to over £100,000 per annum.

“I am looking forward, if spared, to visiting Hongkong next year, travelling through Canada by the Canadian-Pacific line, when I hope to inspect that wonderful undertaking in which you have played such a prominent part, and at the same time discuss with you the best means of establishing closer telegraphic communication between Canada and the Australasian Colonies when the time is ripe for carrying out the work.

“Faithfully yours,

“JOHN PENDER.

“P.S.—Your letter to Lord Knutsford ignores the fact that there is at present an alternative line to India *via* the west and east coasts of Africa, quite independent of the Red Sea route.”

Letter from Mr Sandford Fleming to Sir John Pender.

“DEAR SIR JOHN,—

“17, Victoria Street, London, S.W., 24th July, 1890.

“I received late last evening your favour of the 22nd, and desire to thank you for it. I am very glad to find you are coming to realize that it is absolutely necessary to have an alternative cable to Australia by way of Canada and the Pacific. I have always held, and I now hold, that the means taken to establish the new telegraph connection is entirely secondary, provided that the new line be secured. Its establishment by whatever means is the primary consideration, and it is for the Governments concerned to decide how it is to be done. In my humble judgment, if they consult economy, and desire to secure cheap telegraphy, they will act wisely in making the work a public undertaking, and in retaining it in their own hands under an efficient management.

“I notice what you say about having two cables across the Pacific on account of possible interruptions, but it seems to me this conclusion on your part is scarcely logical, if, as you say, interruptions are so exceedingly rare. A break-down once in twenty years would not of itself justify the laying of a second cable at an additional cost of £1,800,000.

“Are you, however, quite accurate? Is it the case that interruptions on your cable are so infrequent? I have a list before me by which it would appear that the Eastern Extension cables between India and Australia have broken down thirty-six times within the last eighteen years, and of these, fourteen breaks were between Port Darwin and Banjoewangie, the nearest section to Australia. I notice also that one of the fourteen break-downs referred to caused an interruption of four months, and another of three months and a half. The other interruptions were generally for much shorter periods. It is quite true that you now have more than one cable on that section; but I do not see that duplicating, even triplicating, the cables on the same route is an absolute security from interruptions, as shown by the simultaneous breaking-down of all three cables for a period of ten days during the present month.

“Be all that as it may, my contention is simply that a line from Australia to England by way of Canada would be a great advantage all round, that to Australia and New Zealand it would be better than relying wholly on the one existing route. To these colonies it would give two strings to their bow, and that is commonly held to be an advantage. You say that, under certain circumstances, two cables across the Pacific will be required. In this I am not disposed to disagree with you, as I believe more than two will eventually be required, but let us have one at a time, and the sooner we get that one the better. In after years other cables can be laid as they are required to meet the demands of a wonderful development of commerce which, I am satisfied, will come in the not distant future.

“You suggest that repairs in the deep waters of the Pacific would be most difficult and costly. Let me remind you of the fact established by experience on the line between Lisbon and Pernambuco, passing through waters about the same depth as the Pacific, that no repairs of any consequence have been found necessary in the deep-water section of that line since it was laid some thirteen years ago.

“Referring to the postscript of your letter, there is indeed a cable laid round the west and east coasts of Africa connecting England with Aden in that way, but that line of cable passes through no less than ten foreign ports, beginning with Lisbon and ending with Mozambique. You are aware, too, the existence of that line did not obviate the necessity, so recently as the month of May last, of sending Australian messages through Russia, Siberia, China, and French Cochinchina when two of your cables east of Aden broke down. I still think I was strictly correct in the statement to Lord Knutsford respecting the proposed Pacific cable. 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 cause, unusable.

“Receive my thanks for your friendly letter and for the evidence it conveys to my mind that you are prepared to accept the conviction that Canada and Australia must be connected telegraphically. In this you merely evince your usual wise discernment, and few men have it in their power in a larger degree than you to hasten the advancement of a public undertaking fraught with so many advantages to the colonies and the Empire.

Yours, &c.

“Sir John Pender, 50, Old Broad Street, London.”

“SANDFORD FLEMING.

The breaking-down of the cables of the Eastern Extension Company and the complete telegraphic isolation of the whole of the Australasian Colonies, was an emergency which, while it lasted, opened the eyes of all thinking men at Home and abroad to the value of the proposed Pacific cable, and more especially to its vital importance to Australia and to Great Britain. The correspondence brought the question of an alternative route between England and Australia to the attention of men in official circles, and it could scarcely fail to have had some effect in showing them that, in the common interests of the colonies and the Empire, it was daily becoming more and more expedient to push forward the nautical survey undertaken by the Admiralty, so as to hasten the period when a cable would be established across the Pacific.

The facts set forth in these letters had, however no effect in accelerating the work. Judging from results, they seem to have had the opposite effect, for, according to information recently obtained, it appears that the “Egeria” was immediately withdrawn from her work in the Pacific, that surveying operations were stopped, and, moreover, that they have never since been resumed.

Canada and the Australian Colonies were deeply interested in the work so suddenly brought to an unlooked-for end, they believed this work to be in complete accord with Imperial policy and, for this and other reasons alluded to in the first part of this statement, they specially desired that it should be undertaken by the British Admiralty. They repeatedly represented that it should be prosecuted with vigour, and they asked to be allowed to share in the cost. All efforts, however, failed to have the survey accelerated, yet there was reason to suppose that, under the orders issued to the “Egeria,” if progress would not be rapid, it would at least be continuous. There was no reason to think that the work would be discontinued in its incomplete state, and it is to be regretted that when discontinued no information of the fact was conveyed to the Colonial Governments. Only quite recently has it been learned that surveying operations had been suspended, and, after repeated inquiries for particulars, an answer has now come from the Admiralty dated the 30th of last month, conveying the unwelcome intelligence that the “Egeria” had been removed in September, 1890. Thus, for some unexplained reason, the survey had been brought to an end three and a half years ago.

Ottawa, 20th February, 1894.

Enclosure 2 in No. 4.

Mr SANDFORD FLEMING to Sir CHARLES TUPPER, Bart.

DEAR SIR CHARLES,—

Ottawa, 23rd February, 1894.

Mr Bowell has received from you a clipping from the *Sydney Morning Herald* of 29th December, 1893, in which some use is made of an expression attributed to me respecting the Pacific cable. Mr Bowell asks me to write to you, in order that the matter may be set right.

While it is quite true that I expressed the opinion that the cable could be laid without any subsidy from the Imperial Government, I am decidedly of the opinion, and always have been of the opinion, that some substantial aid should come from the Mother-country. It is useless, however to look any longer to the Home Government to offer a subsidy, or take the initiative in any way. If the Pacific cable is to be prevented from drifting into foreign hands, I am satisfied that the only course is for the colonies and Canada to take the initiative boldly, as they are now, I trust, about to do. My views as to the best means, under all the circumstances, of establishing the cable are set forth generally in a memorandum dated Sydney, 11th October, 1893, which Mr Bowell submitted to the Australian Governments. As that document was specially prepared for immediate use in the colonies, it did not occur to me to point out in what way the Imperial Government could best render substantial aid, but I have done so in other documents, and I may refer you to a communication, dated 28th June, 1888, which I addressed to His Excellency the Governor-General of Canada, in which the following paragraph appears:—

“An important feature of the proposal is the raising of capital on the joint guarantee of the Imperial and Colonial Governments. It will be within your Excellency’s knowledge that in 1867 a loan was raised on this principle towards carrying out an undertaking in which the Imperial and Canadian Governments were mutually concerned—the railway connecting Quebec and Halifax. Under this arrangement, funds to the extent of £3,000,000 sterling were provided at a low rate of interest, and by this means, without in any way drawing on the Imperial exchequer, the Home Government rendered substantial aid in the construction of an important section of the national railway of Canada. By the same principle of co-operation the great undertaking referred to (the trans-Pacific cable), to which so much importance has been attached as a means of bringing into closer affinity the distant portions of the Empire, may be successfully carried out.

It is not necessary to remind you of the circumstances of the intercolonial railway loan referred to in the above paragraph. No statesman living is more familiar with all the facts than yourself. No person knows better than you do that the aid rendered by the Home Government was really of a substantial kind that it was felt at the time by the Canadian people to be of great assistance to them, and was highly appreciated and, moreover while it was of so much benefit that it has not cost, and never will cost, the British taxpayer a single farthing, it can be shown that in the case of the Pacific cable such assistance as this will in many important respects be of far greater value than an Imperial subsidy and I venture to say that when the proper time comes the Home authorities may be asked to grant such assistance with every confidence that it will not be refused.

I avail myself of this opportunity of referring to another newspaper statement. It appears that, about the same date as the one first mentioned, a cablegram from London was published in the Australian Press announcing "that the three routes which were proposed by Mr Fleming had been abandoned by Mr Fleming himself as impracticable." I quote from the *Sydney Telegraph*, 8th January Mr Kidd, Postmaster-General, New South Wales, alluded to this announcement, and based some further statements on it. When the last steamer from Australia arrived at Vancouver Mr Kidd's observations were telegraphed all over Canada, and I have no doubt the story respecting the abandonment of the several Pacific cable routes as impracticable found its way back to London. I have only to remark that, so far as the statement is attributed to me, it is absolutely without foundation. I am thoroughly satisfied that each of the routes mentioned in my memorandum of 11th October last year submitted to the Australian Governments by Mr Bowell, are quite practicable, and that they may be considered on their merits, notwithstanding all that has been said by prejudiced or interested parties. I am unable to conceive who could have telegraphed the false announcement alluded to, unless some one inspired by those who are determined to leave nothing undone to prevent Canada and Australia being united telegraphically by a British cable.

Yours, &c.,

SANDFORD FLEMING.

Sir Charles Tupper, Bart., High Commissioner for Canada, London.

No. 5.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
12th March, 1894.

SIR,—

Referring to the proposal to establish telegraphic communication with the United Kingdom *via* Vancouver, I beg to transmit herewith copy of letter which I have received from Dr. Lempriere, representing that the Harbour of Pango Pango, in Samoa, is specially adapted as a landing-place for the Pacific cable.

I have, &c.,

The Hon. the Premier, Wellington.

W B. PERCEVAL.

Enclosure in No. 5.

Dr LEMPRIERE to the AGENT-GENERAL.

32, Great George Street, Westminster, London, S.W.,
10th March, 1894.

SIR,—

In reference to our conversation yesterday, and in view of the Pacific cable being carried out in the interest of New Zealand, I venture to hope that the landing-station in the centre will be placed at the Harbour of Pango Pango.

This has been recognised by the Foreign Office and the Lords of the Admiralty as possessing unparalleled advantages, both as to depth of water and security of anchorage, over any other in the Central Pacific.

The syndicate of owners of land and other properties in Samoa which I represent have a reasonable prospect of obtaining a British charter, with a view of establishing a coaling-station on their own land at Pango Pango, under a guarantee to provide a constant and continuous supply of coal, and material for refitting and repairing vessels of all nations. It would therefore be the natural place of call, and would recommend itself as a proper station for the cable. The only other available port in Samoa is Apia, which has an evil reputation for sailors, and under the present German monopoly is undesirable for the mercantile community

I have, &c.,

CHARLES LEMPRIERE, D.C.L.

Sir Westby Perceval, K.C.M.G., Agent-General, &c.

No. 6.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
22nd March, 1894.

SIR,—

I beg leave to transmit copies of memoranda and letters relating to the subject of the proposed establishment of cable communication between Canada and Australia.

I have, &c.,

The Hon. the Premier, Wellington.

W B. PERCEVAL.

Enclosure in No. 6.

Sir CHARLES TUPPER to the Hon. Sir ROBERT MEADE.

Office of the High Commissioner for Canada,

DEAR MR. MEADE,—

17, Victoria Street, London, S.W., 23rd December, 1893.

I beg to send you herewith, for the information of the Secretary of State, an extract from a letter written to me by Mr Sandford Fleming, relating to the Pacific cable.

When Mr. Fleming arrives in London—he is expected in the course of a fortnight—I shall do myself the pleasure of introducing him to you.

3—F. 5.

In the meantime, Mr Fleming has asked me to get some information as to the survey which was commenced by Her Majesty's Government a few years ago, and subsequently abandoned, and if you can help me I shall be obliged. Probably some particulars are available—showing the amount of work done, &c.—which will be useful in connection with the discussions that will shortly be taking place on the subject.

The Hon. R. H. Meade, C.B., &c.

I remain, &c.,

CHARLES TUPPER.

Sub-enclosure to Enclosure in No. 6.

EXTRACT from a Letter from Mr SANDFORD FLEMING to SIR CHARLES TUPPER.

Melbourne, 6th November, 1893.

You will be glad to learn that we have met with unqualified success in our mission to Australia, and that the Governments of Queensland, New South Wales, Victoria, and South Australia have assented to the proposal to send representatives to Canada at an early date to consider trade relations and the establishment of the Pacific cable. All the other colonies will, no doubt, join, and I may state, as the best evidence of the determination reached, that in the Speech from the Throne at the prorogation of the Parliament of Victoria to-day the proposed Canadian Conference is specially mentioned. This, to my mind, is as satisfactory an outcome as could have been hoped for from the visit of the Canadian Minister of Trade and Commerce to the Southern Colonies of the Empire, and I feel assured it will lead to happy results.

In our interviews with the Governments of Queensland, New South Wales, and Victoria, in Brisbane, Sydney, and this city, we learned that despatches had quite recently been received from the Colonial Office, enclosing reports from high officials in the Admiralty and Post Office Department on the proposed Pacific cable. We learned further, with deep regret, that the tone and tendency of the reports is discouraging, and peculiarly antagonistic to the carrying-out of the undertaking, that they convey the impression that the new line of telegraph is not required, and, besides being unnecessary, is impracticable or next to impracticable. Considering the character of our mission, to lay the foundations of trade between the Australasian Colonies and Canada, to develop telegraphic intercourse between these colonies and the heart of the Empire by an entirely new route, and especially to prevent the Pacific cable drifting into foreign hands, I could not fail to feel that the receipt of such reports during our visit was an unhappy coincidence. This was felt the more, as the agents and advocates of the Eastern Extension Telegraph Company have long taken the same ground, and urged that the Pacific cable is alike unnecessary and impracticable.

But there is another side to the question; and as the Colonial Minister naturally will desire to obtain the fullest information from all sources, I think it would be well to bring to his attention the enclosed correspondence between Sir John Pender and myself, and likewise the memorandum, of date October 11th [see No. 1, enclosure], transmitted by Mr Bowell to the several Australian Governments and New Zealand, a copy of which has been sent you.

The latter document will furnish to the Home Government evidence establishing that an electric cable, essentially British, from Australia to Canada, is entirely practicable. The letter of Sir John Pender is the best proof that he no longer considers the Pacific cable unnecessary and impracticable, and that he is quite ready to co-operate in carrying out the work. My own opinions on this point are given in my reply to Sir John, and in my memorandum of October 11th. It will, of course, rest with the Conference when it meets in Canada to consider the proper course to be followed.

Mr Bowell will have informed you, in his letter of this date, that I leave for London by an early steamer, and that on my arrival I shall ask your kind aid in obtaining information to lay before the members of the Conference when they reach Canada.

Second Sub-enclosures to Enclosure in No. 6.

SIR JOHN PENDER to MR SANDFORD FLEMING, and MR. FLEMING to SIR JOHN PENDER.

[See Enclosure 1 in No. 4, pages 14–16.]

No. 7.

The ACTING-SUPERINTENDENT, Eastern Extension Australasia and China Telegraph Company (Limited), to the Hon. the PREMIER, New Zealand.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Cable Bay, Wakapuaka, Nelson, New Zealand, 17th April, 1894.

SIR,—

I have the honour to forward you the following, by direction of Sir John Pender, Chairman of this company:—

“In view of Ottawa Conference having been definitely fixed to be held in June, for considering, amongst other matters, question of laying Pacific cable, and to which Her Majesty's Government have decided to send a representative to watch proceedings, I beg to transmit to you for your Government's consideration copy of a letter which I have recently addressed to the Colonial Office explaining my company's views of the subject, together with a statement giving some details of the figures referred to in the letter:—

‘Referring to our recent interview on the subject of the resolution passed at the Wellington Conference in favour of a Pacific cable, when you stated that the Colonial Office had not up to that time been officially approached in the matter by the Colonial Governments, I have since seen it

announced in the newspapers that the colonial representatives had decided to shortly wait upon Lord Ripon with a view to enlisting the assistance of Her Majesty's Government towards the carrying-out of the resolution, and, as it is important that all aspects of the case should be placed before the Government before they come to a decision on the subject, I venture to trouble you with the following remarks, which I trust will meet with Lord Ripon's favourable consideration.

' In the first place, it ought not to be overlooked that the existing telegraph communication with Australia was established by private enterprise without any governmental assistance whatever in the form of subsidy, guarantee, or exclusive landing-rights.

' It is true that a yearly subsidy of £32,400 was subsequently granted to the Eastern Extension Company by certain of the Australian Governments, but this was done to enable the company to duplicate the line between Penang and Australia, the Governments having found that a single line of cables could not be depended upon to secure the communication against interruptions.

' The colonies also more recently entered into a guarantee arrangement with the company to secure it against half of any loss resulting from the reduction of the tariff from 9s. 4d. to 4s. per word.

' The result of this experiment for the year ending April, 1892, was a loss of £55,000, one-half of which was borne by the guaranteeing Governments and the other half by the company.

' For the second year the loss amounted to £43,500, when, with a view to reducing it, the Governments requested the company to raise the tariff from 4s. to 4s. 9d. per word, which was done on the 1st January, 1893.

' For the current year, ending 30th instant, the loss is estimated at about £12,000, notwithstanding the abnormally large traffic transmitted during last summer in connection with the numerous bank-failures and reconstruction schemes.

' Consequently the guaranteeing Governments may be said to practically control the Australian tariffs, and, after the experience above referred to, the existing rates cannot be considered in any way excessive.

' It should also be remembered that the existing communication with Australia is duplicated throughout, many sections being triplicated, and is equal to the transmission of a much larger traffic than it at present carries.

' It is, moreover, acknowledged to be most efficient and satisfactory, and, being under the control of one combination from end to end, can be easily and uniformly dealt with.

' A costly alternative cable across the Pacific cannot, therefore, be said to be required to meet existing commercial wants, and, if established by Government assistance, could only be justified on strategic grounds.

' The guarantee proposed by the Wellington Conference would by itself be utterly inadequate to enable any company to live. Consequently, a Pacific line could only be made a success if a large portion of the existing company's traffic were diverted *via* the Pacific, or a largely-increased guarantee or subsidy were granted.

' For instance, 4 per cent. on a capital not exceeding £1,800,000 would only provide an annual revenue of £72,000, whereas the necessary amortization alone to renew the cable at the end of the guarantee period of fourteen years would require something like £105,000 a year, without reckoning the cost of working, maintenance, and interest on capital, which could not be much less than £132,000 per annum.

' Consequently, about £165,000 a year would have to be made up in addition to the 4-per-cent. guarantee, and, if this were done at the expense and consequent serious injury of the existing service, Her Majesty's Government could not in equity refuse to guarantee or subsidise the Eastern Extension Company to the same extent as it guaranteed or subsidised the Pacific cable.

' Otherwise a fatal blow would be given to private enterprise which would seriously affect the carrying-out of similar pioneer works in the future.

' I would also venture to point out that, as the Indian Government derive a considerable portion of their telegraph revenue from the transit rates paid by the cable companies, any diversion of the existing Australasian traffic *via* the Pacific would mean a corresponding loss to the Indian Exchequer, and thus increase the already heavy burden of the Indian taxpayer.

' Compensation would also have to be made to the South Australian Government, whose overland line from Adelaide to Port Darwin is still worked at a heavy loss.

' As you are aware, the agitation for an all-British cable across the Pacific is mainly based on sentiment, as it would almost inevitably have to touch foreign territory at one point or another, and would be dependent upon the Atlantic cables for the transmission of its traffic from Canada to Europe.

' Moreover, a Pacific cable would be no safer in time of war than cables in other seas, while it would impose increased responsibility upon the navy at a time when it might have to concentrate all its energies nearer home to protect the more frequented trade routes.

' If, however, a Pacific cable is considered a strategic necessity, and the Governments concerned are prepared to provide the requisite subsidies to enable it to be carried out, the Eastern Extension Company is quite ready to co-operate in the matter, and, with its large experience and special facilities, is in a better position than any other company to carry out the work advantageously.

"J. DENISON PENDER, Chairman."

I have, &c.,

S. L. JAMES,

Acting-Superintendent.

The Hon. R. J. Seddon, Premier, New Zealand.

STATEMENT.

	£
The existing traffic between Europe and Australasia consists of 1,306,716 words, and its value to the Eastern, Indo-European, and Eastern Extension Telegraph Companies, and the Persian Gulf Department of the Indian Government, at the present rates, after deducting Government out-payments, is	£209,628
If the rates were reduced, as proposed by the Wellington Conference resolution, to 3s. per word for ordinary telegrams, 2s. for Government telegrams, and 1s. 6d. for Press telegrams, existing traffic would produce only	119,572
And consequently result in a loss of	90,056
	<u>£209,628</u>
If half the traffic were diverted to the Pacific line this would be increased	£149,842
By the Pacific route the tariffs, after deduction of out-payments for Australian and Canadian land-lines and Atlantic cables, would probably be as follows 1s. 6d. for ordinary telegrams, 8d. for Government telegrams, and 10d. for Press telegrams, and if the Pacific cable carried one-half of the existing traffic it would earn about	44,765
Leaving to be made up by the subsidy or guarantee, to cover its expenses and interest on capital	192,235
	<u>£237,000</u>
These have been estimated as follows:—	
Capital, £1,800,000.	
Working-expenses by £25,000, maintenance, £35,000	60,000
Amortization to replace cable at end of fourteen years' guarantee	105,000
4 per cent. interest on capital	72,000
	<u>£237,000</u>
Less estimated earnings as above	44,765
Total amount subsidy or guarantee required	192,235
	<u>£237,000</u>

Even if whole of existing traffic were diverted to the Pacific cable it would only earn £89,530, or £147,470 short of the amount above shown to be required.

[Letter of same text, with statement, received from the company's Manager for Australasia in Melbourne.]

No. 8.

The ACTING-SUPERINTENDENT, Eastern Extension Australasia and China Telegraph Company, Wakapuaka, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Cable Bay, Wakapuaka, Nelson, New Zealand, 17th April, 1894.

SIR,— I have the honour to forward you copy of a letter I have sent the Premier by direction of Sir John Pender, Chairman of this company [See No. 7.]

I have, &c.,

S. L. JAMES,

Acting-Superintendent.

The Hon. J. G. Ward, Postmaster-General, Wellington.

No. 9

The Hon. the PRESIDENT, Postal and Telegraph Conference, Wellington, to the Hon. the PREMIER, Ottawa.

Postal and Telegraph Conference, Wellington, New Zealand,
18th April, 1894.

SIR,—

I have the honour to forward herewith copy of a resolution in relation to the proposed Canadian-Pacific cable, passed at the Australasian Postal and Telegraph Conference, which commenced its sittings at Wellington on the 5th ultimo.

You will observe that the terms of the resolution suggest that the countries interested in securing cable communication between Canada and the Australasian Colonies should join in guaranteeing for fourteen years a sum of £72,000 per annum—the amount of interest on the proposed capital—to any company undertaking the laying of a Pacific cable by either of the routes mentioned; and the representatives to the Conference, with the exception of those from South and West Australia, will recommend their Governments to this effect. I have accordingly to ask whether your country will be prepared to join the colonies in the proposed guarantee, and, if so, I venture to express the hope that the interests of your country will admit of your Government being able to affirm its determination to bear a substantial proportion of the cost. I shall also be glad to hear at the same time that you will co-operate with the colonies in securing the assistance of the Imperial Government in the guarantee.

I have, &c.,

The Hon. the Premier, Ottawa, Canada.

J. G. WARD, President.

Enclosure in No. 9.

RESOLUTION.—CANADIAN-PACIFIC CABLE.

Resolved,—"That, considering the important interests involved, both of a national and commercial character, in the establishment of a Pacific cable, the representatives of the respective colonies assembled at this Conference recommend their Governments to consider the desirability of entering into a guarantee with the other countries interested, for a period not exceeding fourteen years, and to guarantee interest at 4 per cent. on a capital of not more than £1,800,000 to any company undertaking the laying of a Pacific cable the tariff not to exceed 3s. per word for ordinary telegrams, 2s. per word for Government telegrams, and 1s. 6d. per word for Press telegrams, to and from Great Britain and the colonies; and that the United Kingdom be asked to join in the guarantee, the routes to be either of the following Brisbane to Ahipara Bay (New Zealand), Ahipara Bay to Suva, Suva to Apia, Apia to Fanning Island, Fanning Island to Sandwich Islands, Sandwich Islands to Vancouver or, from New Zealand to Suva, Suva to Apia, Apia to Fanning Island, Fanning Island to Sandwich Islands, Sandwich Islands to Vancouver"

No. 10.

The SECRETARY to the PREMIER, Wellington, to the ACTING-SUPERINTENDENT Eastern Extension Australasia and China Telegraph Company, Wakapuaka.

SIR,— Premier's Office, Wellington, 4th May, 1894.
I have the honour, by direction of the Premier, to acknowledge the receipt of your letter of the 17th ultimo, covering a memorandum from the Chairman of your company, in which is given a copy of his letter to the Colonial Office in connection with the question of the proposed Canadian-Pacific cable, and to inform you that the letter has been forwarded to the Hon. the Postmaster-General for his consideration.

I have, &c.,
ALEX. WILLIS,
Secretary to the Premier

The Acting-Superintendent, Eastern Extension Australasia and China
Telegraph Company (Limited), Wakapuaka, Nelson.

No. 11

The SECRETARY to the PREMIER, Wellington, to the MANAGER in Australasia, Eastern Extension Australasia and China Telegraph Company, Melbourne.

SIR,— Premier's Office, Wellington, 9th May, 1894.
I have the honour, by direction of the Premier, to acknowledge the receipt of your letter of the 17th ultimo, forwarding a memorandum from the Chairman of your company, covering copy of a letter from him to the Colonial Office in relation to the proposed Canadian-Pacific cable, and to inform you that your letter has been referred to the Hon. the Postmaster-General for his consideration.

I have, &c.,
ALEX. WILLIS,
Secretary to the Premier

The Manager in Australasia, Eastern Extension Australasia and China
Telegraph Company (Limited), Melbourne.

No. 12.

The SECRETARY, General Post Office, Wellington, to the ACTING SUPERINTENDENT, Eastern Extension Australasia and China Telegraph Company, Wakapuaka.

SIR,— General Post Office, Wellington, 10th May, 1894.
I have the honour, by direction, to acknowledge the receipt of your letter of the 17th ultimo, enclosing a copy of one from Sir John Pender to the Hon. the Premier of this colony, in relation to the proposed Canadian-Pacific cable.

I have, &c.,
W GRAY, Secretary

The Acting-Superintendent, Eastern Extension Australasia and China
Telegraph Company (Limited), Wakapuaka, Nelson.

No. 13.

The SECRETARY to the PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 10th May, 1894.
I have the honour to acknowledge the receipt of your letter of the 22nd March last, transmitting copy of memoranda and letters on the subject of the proposed Canadian-Pacific cable.

I have &c.,
For the Premier,
ALEX WILLIS, Secretary

Sir Westby B. Perceval, K.C.M.G., Agent-General for New Zealand, London.

No. 14.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 15th May, 1894.

I have the honour to acknowledge the receipt of your letter of the 12th March last, transmitting copy of a letter to you from Dr Lempriere, representing that the Harbour of Pango Pango, in Samoa, is specially adapted as a landing-place for the Pacific cable.

I have &c.,

J G WARD,

For the Premier

Sir Westby B. Perceval, K.C.M.G., Agent-General for New Zealand, London.

No. 15.

The Hon. the POSTMASTER-GENERAL to the Hon. the PREMIER.

Memorandum for the Hon. the Premier, Wellington.

I HAVE the honour to inform you that, at the Postal and Telegraph Conference which met in this city in March last, the accompanying resolution in connection with the Canadian-Pacific cable was passed. [See enclosure in No. 9.] As the matter is one of Imperial concern, you will perhaps be so good as to bring the resolution under the notice of His Excellency the Governor, with a request that he will transmit it to the Imperial authorities for their favourable consideration. In forwarding it, perhaps you may consider it advisable to urge upon His Excellency that the assistance of the Imperial Government will be a material factor in the ultimate success of the scheme, and to place the proposed undertaking in such a light as to insure its favourable reception. The strong feeling existent in this and the principal Australian colonies in favour of the proposed cable, and the warm support of the colonial Press, bespeak the urgency of the matter. His Excellency might also be reminded that this feeling exists not alone on commercial grounds, but to a great extent in the belief that the interests of the Empire would be better conserved and Her Majesty's dominions brought into closer touch if linked together by a cable passing through British territory only.

J G. WARD, Postmaster-General.

General Post Office, Wellington, 4th May, 1894.

No. 16.

The Hon. the PREMIER to HIS EXCELLENCY the GOVERNOR.

Memorandum for His Excellency

AT the request of his colleague, the Hon. the Postmaster-General, the Premier respectfully begs to submit copy of a memorandum, dated the 4th instant, covering copy of a resolution passed by the Postal and Telegraph Conference held in Wellington in March last on the subject of the establishment of a Pacific cable, and to request that His Excellency will be good enough to transmit it to the Right Hon. the Secretary of State for the Colonies for favourable consideration.

There can be no doubt but that the assistance of the Imperial Government would secure the success of the undertaking, and the Premier trusts that His Excellency will place the matter before Lord Ripon in such a light as will secure its favourable reception.

W P REEVES,

For the Premier.

Premier's Office, Wellington, 17th May, 1894.

No. 17.

The Hon. the PREMIER, Ottawa, to the Hon. the PRESIDENT of the Postal and Telegraph Conference, Wellington.

DEAR SIR,—

Office of the Minister of Justice, Ottawa, 16th May, 1894.

In reply to your letter of the 18th April, which I have just received, I beg to say that the Government of Canada has not formulated any policy guaranteeing aid to the proposed trans-Pacific cable. The matter will, no doubt, be fully discussed at the coming Conference to be held here next month, but in the meantime no assurance can be given that the Canadian Government will be in a position to make any appropriation in aid of the project.

Yours, &c.,

JNO. S. D. THOMPSON.

The Hon. J. G. Ward,

President, Postal Telegraph Conference, Wellington,
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