

It appears that the Home Government, although it has not absolutely declined to enter into the partnership and assume the remaining five-eightieths share of the liability, has merely offered to bear five-eightieths of any loss of revenue (not exceeding £20,000) which may result from operating the cable, provided priority be given to Imperial Government messages and that they be transmitted at half ordinary rates.

As this proposal, at the eleventh hour, taken by itself, involves an entire change in the well-known plan upon which Australia, New Zealand, and Canada have been proceeding in their negotiations for more than two years, and, moreover, is in itself of no value in securing the establishment of so important a national work, it is impossible to believe that it is the full or the final judgment of Her Majesty's Home Government, for the following reasons, viz. :—

(1.) It would always be regarded as a recession on the part of the Mother-country from a common understanding with Canada, Australia, and New Zealand.

(2.) It would always be regarded as an attempt to retard the expansion and cripple the commerce of the Empire in the interests of a few rich monopolists.

(3.) It would always be regarded by the people of Canada, Australia, and New Zealand as an unjustifiable and discourteous act to them.

(4.) Its effect would be far-reaching, and its immediate effect would be a fatal blow to the scheme for establishing a system of State-owned British cables encircling the globe.

(5.) It would be a very grave retrograde step in the Imperial movement which aims to draw closer the bonds between the Mother-country and her daughter-lands.

Some of the grounds for these reasons may be stated as follows :—

The principle of joint Government ownership was referred to at length at the Ottawa Conference, where Lord Jersey represented the Home Government (see page 67 of the proceedings appended to Lord Jersey's report). Lord Jersey, in his report, alluded to State ownership (page 15), and said that the matter of joint ownership was "left undecided, and, indeed, must remain so till the two main points of route and costs are settled. Once they are arranged definite agreements become possible." Both these points were shortly afterwards settled. The question of route was settled by sending a Special Commissioner to the Hawaiian Islands to obtain a landing-station. A landing on any one of the islands was refused, and there remained only one route for the cable to follow. The second point was settled by the Canadian Government taking steps, as authorised by the Conference, to ascertain the cost. Both points were thus settled before the end of 1894. Up to that date there was some divergence of opinion as to the best means of establishing the cable—whether by a subsidised company, or a State work to be jointly owned and controlled by the several Governments—but there was no difference of opinion afterwards.

The Canadian Government gave notice, by public advertisement in London and elsewhere, that they were prepared to receive proposals in several forms. The result showed beyond all question that the principle of State ownership was the true principle for establishing this particular work in the interests of the British people.

In 1895 the High Commissioner for Canada and the Agents-General for the Australasian Colonies were charged by their respective Governments to represent to the Colonial Secretary the importance attached to the Pacific cable, and to ask that an Imperial Commission be appointed to promote it. The Colonial Secretary, Mr. Chamberlain, constituted an Imperial Cable Committee, which sat in London in 1896, and reported on the 5th January, 1897. The report of this Committee has been published only a few days ago, but some information respecting the decisions and recommendations of the Committee were given to the public directly after it was signed. Among other things published in January, 1897, it was stated in the London, Canadian, and colonial Press that the principle of State ownership was favoured. The full text of the report was sent confidentially to each respective Government, and its whole contents has, of course, been known to them for more than two years. In short, ever since the Cable Committee made their investigation the principle of State ownership has been accepted, and it has been understood that the Pacific cable should be jointly owned by the Home Government, Canada, Australia, and New Zealand in proportions to be determined. The only question remaining unsettled was the precise share to be assumed by each.

To determine the last question has been a matter of great difficulty, and it has caused much delay. The Australasian Governments have had several conferences among themselves, and when at last they agreed, on the 20th August, 1898, to bear eight-eightieths of the whole liability it was with the distinct condition that the Imperial and Canadian Governments would together contribute the remaining five-ninths of the capital required. The Canadian Government has done her part by accepting without cavil the principle of State ownership, and by undertaking to contribute as large a share of the capital as the Imperial Government. The Australasian Colonies and Canada have together agreed to bear thirteen-eightieths of the liability, leaving only five-eightieths for Great Britain to assume. In view of all the circumstances narrated, it may reasonably be expected that this matter will be reconsidered, and that Her Majesty's Home authorities will yet see their way to complete the partnership arrangement which Canada and Australia and New Zealand are so desirous of having consummated, in their own interests and in the interests of the whole Empire.

There is no denying the fact that the British communities on both sides of the Pacific Ocean have a determined enemy in the Eastern Extension Telegraph Company. In his published letter to Sir Wilfrid Laurier, of 28th December, 1897 [p. 27, F.—8A, 1898], the writer pointed out the exact position of that company. Fearing competition and a reduction in the high charge exacted, its attitude has always been hostile to the Pacific cable. On every occasion during the past twelve years it has thrown obstacles in the way of connecting Canada and Australasia telegraphically, and has frequently employed subtle means to accomplish its ends. One such attempt was exposed at the last meeting of the Canadian Senate (28th April), when the Secretary of State and the