

3. Your telegram and letters divide themselves into three main features—(1) An assertion of the benefits your company has rendered; (2) the excellent intentions your company has to render still further services; and (3) your opinions unfavourable to a company proposing to construct a Pacific cable.

4. I do not undervalue the services your company has hitherto rendered, and, although the business of the company has been conducted on commercial principles, with a view to profit, I am far from thinking that up to a certain extent it has not claims on the colonies to which it has rendered services. At the same time I am strongly of opinion that the business should not continue in the hands of one company, that a monopoly is undesirable, and that the Governments should either take into their own hands the whole charge of cabling or encourage competition. This answers the two first points.

5. As regards the third, the company proposing to lay the Pacific cable have not submitted sufficiently definite propositions to enable this Government or any of the other Governments to pronounce in its favour, or to indicate as yet an intention of supporting it. But, with regard to the attack you make on it, I may point out to you that the questions you principally raise affect the company itself, not the Governments. I gather from what you say that you do not think the company will be a success. If the Governments enter into any arrangement with it I suppose they will assume that it is as able to take care of itself and of its shareholders as other companies have been. As regards the mode in which the Governments may be affected, you exaggerate the amounts asked of them, and you do not, I think, realize that the company's offer is that, up to the extent of its subsidy, each Government shall enjoy free cabling. I am at a loss to understand how you arrive at the conclusion that the users of the cable will be injuriously affected by competition. To me it appears quite the contrary. On the Atlantic side all the benefits have sprung from competition, and the public have suffered greatly by every successful effort to suppress it. In the present case I take it that the offers you have made, and which you consider so liberal, are consequent upon the threatened opposition. The history of the last seventeen years has proved to the Australasian public how little reduction of rates they are likely to obtain in the absence of competition.

I have, &c.,

The Chairman, Eastern Extension Company.

JULIUS VOGEL.

## No. 6.

MEMORANDUM on the proposed Pacific Cable from Vancouver Island to Australia.

The Pacific Telegraph Company (Limited), 34, Clement's Lane,  
London, E.C., 4th March, 1887.

SIR,—

My attention has been drawn to a memorandum, dated the 23rd December, 1886, addressed by Mr. Pender, the Chairman of the Eastern Extension Company, to your Government on the subject of Imperial communications.

In the first part of the memorandum referred to, which treats of existing cable communication, propositions so extraordinary are laid down that it is difficult to believe that their author was serious when he wrote them. In the second part, which relates to the proposed Pacific cable between Vancouver Island and Australia, statements most inaccurate and misleading are set forth, which cannot be allowed to pass unchallenged.

The object of the memorandum is to prove the superiority of the existing lines to Australia and the East over the Pacific route, but apparently Mr. Pender has nothing to advance except arguments of which the worthlessness will at once be recognized by experts.

In the first place, he claims as an advantage for his lines that they are laid in shallow water, while the Pacific cable would have to be laid at a great depth. The whole weight of available evidence, including Mr. Pender's own statements in past years, goes to prove that the deeper a cable is laid the more secure it is, both from submarine disturbances and from the destructive attacks of insects.

In a statement laid before the Cable Conference of New South Wales, 3rd October, 1876, with regard to the probable duration of the proposed duplication to Australia, Mr. Pender said, "Taking into consideration the warm shallow seas in which the greater part of this cable is to be laid, teeming as they do with animal life, which has hitherto proved very destructive to the cables already submerged, it would not be fair, in the present instance, to estimate it at too long duration." This is perfectly correct, experience having shown that the existing Australian lines are laid in seas the most destructive to cables in the world, abounding in coral reefs and insects, the waters between Singapore and Batavia being infested with a species of boring insect unknown at a depth of over 300 fathoms.

The Pacific Cable from Vancouver Island to Australia would be laid at a depth which would effectually protect it from submarine disturbances. The bottom the whole way is most favourable for prolonging the life of a cable, being clay and ooze, with the exception of the approaches to the island, which could be easily protected.

Mr. Pender's next claim for his company's lines is that "they have the immense advantage of being under British control, and worked by British operators throughout their entire length," and that, "while they are incomparably the most secure in time of peace, they would be the more surely and easily protected in time of war, inasmuch as it is one of the sea routes most frequented by the mercantile marine." That the existing lines are under British control in time of peace is perfectly true, but that they would be so in time of war I entirely deny. Can Mr. Pender really imagine that, if war broke out, his "British operators" would continue to "control" his lines? A very considerable portion of his whole system of cables to the East consists of a series of foreign toll-bars, from each and all of which his employes would be summarily ejected at the first outbreak