

1898.
NEW ZEALAND.

TELEGRAPH CABLES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.—8, presented on the 23rd September, 1897.]

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

NEW ZEALAND AND AUSTRALIAN CABLES.

No. 1.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 8th July, 1897.

(Memorandum for the Hon. the Premier.)

I BEG to transmit herewith copy of letter received from the Eastern Extension Australasia and China Telegraph Company, announcing that, an agreement having been concluded between the contributing Governments and the Government of Queensland, the cable charge for that colony has now been reduced to 5s. 1d. per word.

W. P. REEVES.

Enclosure in No. 1.

The MANAGER and SECRETARY, Eastern Extension Australasia and China Telegraph Company (Limited), to the AGENT-GENERAL.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Winchester House, 50, Old Broad Street, E.C., 1st July, 1897.

SIR,—

I have the honour to inform you that, an agreement having been concluded between the contributing Governments and the Government of Queensland for admitting the latter into the guarantee arrangements entered into with my company, the cable charge between Great Britain and Queensland has to-day been reduced from 9s. 5d. to 5s. 1d. per word.

A formal announcement of the above has been made to the telegraphing public.

I have, &c.,

F. E. HESSE,

Manager and Secretary.

The Agent-General for New Zealand, 13, Victoria Street, S.W.

No. 2.

The Hon. the PREMIER to the AGENT-GENERAL.

Premier's Office, Wellington, 14th August, 1897.

(Memorandum.)

Cable Rates to Queensland.

I HAVE to acknowledge the receipt of your memorandum of the 8th ultimo, forwarding copy of a letter received from the Eastern Extension Australasia and China Telegraph Company in reference to the alteration in the rates charged for cablegrams to Queensland.

The Hon. W. P. Reeves,
Agent-General for New Zealand, London.

W. C. WALKER,
In the absence of the Premier.

No. 3.

The SECRETARY, Canterbury Chamber of Commerce, to the Hon. the POSTMASTER-GENERAL.

Canterbury Chamber of Commerce, Christchurch,
27th October, 1897.

SIR,—

I have the honour to forward for your consideration the following resolution passed at the last general meeting of the Chamber: "That in the opinion of this Chamber the time has arrived for cheaper cable-communication with Europe, and that the Government be urged to make arrangements for a reduction in the rates."

I have, &c.,

WALTER OLLIVIER, Secretary.

The Hon. the Postmaster-General, Wellington.

1—F. 8.

No. 4.

The Hon. the POSTMASTER-GENERAL to the SECRETARY, Canterbury Chamber of Commerce.

SIR,—

General Post Office, Wellington, 6th November, 1897.

I have the honour to acknowledge the receipt of your letter of the 27th ultimo, conveying a resolution of your Chamber that, in its opinion, the time had arrived for cheaper cable-communication with Europe, and that the Government be urged to make arrangements for a reduction in the rates.

In reply, I would point out that, when the distance between New Zealand and Europe is considered, the present rates are probably the cheapest in the world. Your Chamber will no doubt recollect that the reduction in the rates in 1893 from 10s. 6d. to 5s. 2d. per word for Europe, and from 9s. 6d. to 3s. for the first ten words, and 1s. to 5d. for each additional word to Sydney, was only secured on a heavy guarantee being entered into by the associated colonies, on which, up to April last, New Zealand has paid £18,349. Although, mainly on account of the greater attention given to mining affairs in Western Australia and New Zealand, the telegraph traffic has increased so materially as to relieve the colony from further payments in connection with the international (European) guarantees, there is still a considerable loss on the intercolonial business, which necessitates an annual payment of between £2,500 and £3,000 per annum.

A further reduction in the rates would, under the circumstances, appear to be somewhat premature, more especially as the general taxpayer has already contributed so largely to the establishment of a tariff which is mainly to the advantage of the business community. It is regretted, therefore, that Government is not at present prepared to move in the direction desired by your Chamber.

I have, &c.,

W. C. WALKER,

For the Postmaster-General.

The Secretary, Canterbury Chamber of Commerce, Christchurch.

PROPOSED PACIFIC CABLE.

No. 5.

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

(Telegram.)

Wellington, 3rd November, 1897.

OBLIGED if you will inform me position Pacific cable and intentions your Government.

No. 6.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 3rd November, 1897.

WHAT is position Pacific cable, and are you doing anything in the matter? I have cabled our Agent-General [telegram not printed] that I did not propose that this colony should be represented at conference suggested by Colonial Office to consider Eastern Telegraph Company's proposals *re* cable to South Africa. I have also wired Premier, Queensland.

No. 7.

The Hon. the PREMIER, Brisbane, to the Hon. the PREMIER, Wellington.

(Telegram.)

Brisbane, 4th November, 1897.

HAVE no information as to present position Pacific-cable question. Do not propose taking any action.

No. 8.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

(Telegram.)

Sydney, 5th November, 1897.

AM in receipt of your telegram of third *re* Pacific cable.

No. 9.

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

(Telegram.)

Ottawa, 8th November, 1897.

MATTER of Pacific cable in abeyance; no prospect of immediate action by this Government.

No. 10.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

(Telegram.)

Sydney, 15th November, 1897.

YOUR telegram of third instant: I do not see what can be done *re* Pacific cable until Canada makes up her mind.

No. 11.

Sir SANDFORD FLEMING to the Hon. the PREMIER, Wellington.

SIR,—

Ottawa, 3rd January, 1898.

I have the honour to transmit, for your information, a copy of a letter on the subject of the Pacific cable which I have addressed to Sir Wilfrid Laurier, Premier of Canada.

I have, &c,

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

SANDFORD FLEMING.

Enclosure in No. 11.

Sir SANDFORD FLEMING to Sir WILFRID LAURIER.

SIR,—

Ottawa, 28th December, 1897.

For some months past I have frequently been asked by writers of the Press to furnish information respecting the Pacific cable. I have been so applied to as it is well known that I have long felt the deepest interest in the project, having been appointed by the Canadian Government to take part in the Colonial Conferences of 1887 and 1894, and in the Imperial Committee of 1896. I have invariably declined to comply with the request from the feeling that it was distinctly understood that the proceedings of the investigation by the Imperial Committee should be treated as confidential until made public by Her Majesty's Government. I have in consequence felt debarred from alluding either to the evidence obtained by the Committee or to the conclusions submitted in their report, or in the special reports presented to the Canadian Government by the Canadian Commissioners and by myself.

These several documents were presented nearly twelve months ago ; since then questions have arisen which were not considered by the Imperial Committee, and many important facts are also obtainable from other sources, explanations respecting all of which should, I conceive, be communicated to the public.

Since the Imperial Committee closed its investigation the Conference of colonial Premiers has been held in London. Among other matters the Pacific cable was brought before this Conference, and, from what has transpired, the subject was complicated by a new proposition having been submitted by the Eastern Extension Telegraph Company. Consequently, the consideration of the project was deferred. Six months have since elapsed, and I feel called upon to make known some facts and explanations bearing on the questions which, in my humble judgment, the public should understand. I trust you will approve of the information being given to the public in the form I have now to submit to you.

I have, &c.,

The Right Hon. Sir Wilfrid Laurier, Premier.

SANDFORD FLEMING.

Sub-enclosure to Enclosure in No. 11.

The Pacific Cable.

EVERYWHERE it is apparent that the British Empire is being formed by a process of growth and development, and there are many forces actively in operation, all tending to give it shape and strength and distinctive character. Lofty ideals are entertained by men of thought, experience, and patriotism ; but the future is veiled from us, and we cannot foretell the precise form of relationship which will eventually be assumed by members of the British family of nations in so many meridians of longitude.

If the form of the development to be attained is not clearly foreseen, it can at least be said that the entire British people in all parts of the globe are inspired by a unity of sentiment, and that they are simultaneously moving onwards in one general direction. Progress is the watchword in all quarters. It is impossible not to recognise the advancement perceptible in the colonies of the southern seas, and, equally, the amazing vitality in British Africa. The Dominion of Canada plays an important part in moulding the destiny of her own people and in promoting more intimate relationships between the Motherland and the colonies.

It is but thirty years since the scattered provinces of British North America became federated in one Government. The Dominion thus created inherited many remarkable advantages. It can lay claim to the most important geographical position, owing to its extension between the two great oceans, a position which confers the only means of establishing under the British flag communications between the eastern and western territories of the globe. It enjoys the possession of vast fields of the richest virgin soil, with still unexplored mineral regions of immense extent and presumably of immense value. The population retains the high qualities of the foremost nations of western Europe from which it has sprung, and the wide expanse of unoccupied areas leaves ample room for a large accession to its number. These rich possessions of the Dominion give promise under wise guidance of a splendid future.

It soon became evident that the development of a country continental in its extent exacted public works of corresponding magnitude. Lines of railway and telegraph were projected from ocean to ocean, and immediately after Confederation both were proceeded with. In 1874 the policy of establishing the telegraph in advance of the railway was determined upon, and as a corollary to the trans-continental telegraph the proposal to extend the electric wire across the Pacific naturally followed. It can be said that ever since the telegraph reached the coast of British Columbia the Pacific cable has engaged public attention, and that the necessity of this

undertaking has been repeatedly affirmed. It received recognition in the Conference of representative colonial statesmen in London in 1887, in that of Ottawa in 1894, at telegraph and postal conferences in Australasia almost annually, and at various times by chambers of commerce at home and abroad.

The dominant idea with those who have most strongly advocated the establishment of a Pacific cable has been the unity of the Empire. They foresaw the difficulty of effecting any practical union between communities separated by distance so long as they remained without the means of direct and cheap communication. At the same time, it was plain to them that a telegraph across the ocean would foster trade and commerce—the life of an Empire such as ours.

Among the memorable gatherings of representative men not the least important was the Conference of Premiers in London on the occasion of Her Majesty's Diamond Jubilee. Before these statesmen met hopes had been entertained that some definite action would be determined for the inauguration of the scheme. Preparations had long been made for joint action. It was one of the chief objects set apart for special consideration at the Conference of the Imperial and Australasian Governments held at Ottawa in 1894. With this view the Canadian Government, agreeably to a resolution of the Conference, obtained much information on the subject, and transmitted it to all the Governments interested in the projected work. Soon afterwards the Secretary of State for the Colonies (Mr. Chamberlain) invited the Canadian and Australasian Governments to send representatives to London for the purpose of taking part in an Imperial Committee to be appointed specially to receive evidence and consider the project in every detail. The Committee first met on the 5th June, 1896, and on the 5th January, 1897, they reported the results of an exhaustive inquiry.

The proceedings of the Committee, and the conclusions which have been formed, have not been made public. They have been repeatedly asked for, but, as nothing transpired respecting the labours of the Committee up to the Jubilee week, the opinion gained ground that when the Conference was concluded full information would be given to the public with the decision arrived at by the Imperial authorities and the colonial Premiers. In many quarters it was expected that action would on that occasion be taken, and that the inauguration of the cable would result as a practical outcome of the Queen's Jubilee.

The old proverb tells us that it is often the unexpected which comes to pass. The proceedings of the Conference of Premiers were first made known to the public by an article purporting to be published by authority in the *London Standard* of the 25th July, and the subject of the Pacific cable is thus alluded to: "The Conference left the Pacific-cable scheme in mid-air, and it is very unlikely that anything more will be heard of it for a considerable time. The position was entirely changed by a proposal by the Eastern Extension Telegraph Company to lay "an all-British" line from Western Australia across the Indian Ocean to Mauritius, thence connecting with the Cape and St. Helena and Ascension. . . . The Eastern Extension Company, it is understood, does not ask for a direct subsidy for the new lines, but seeks other concessions from the Australasian Governments, which, if made, will justify them in proceeding with the work."

In the account of the Conference of Premiers laid before the British Parliament, there is a reference, in two sentences, to the cable. No mention, however, is made of any proposal having been submitted by the Eastern Extension Company. But the Premier of New South Wales (Mr. Reid) returned home from England through Canada, and, being interviewed by reporters in Montreal, Toronto, and Vancouver, confirmed the statement with respect to the proposal of the Eastern Extension Company. The character of the concessions asked by the company has not been made public, but it has been stated that they desire to obtain exclusive rights for Australia on condition that they connect the colonies with the Cape and lay a new cable from the Cape to England *via* St. Helena, Ascension Island, Sierra Leone or Bathurst, and Gibraltar. This scheme is put forward by the company as a substitute for the Pacific cable.

Owing to the fact that telegraphic connection with the Cape is at present extremely defective the proposal of the company is undoubtedly of great importance to South Africa.

There are two telegraphic routes from England to Cape Colony. Both have landing-stations at Lisbon, one passes through the Mediterranean to Alexandria, through Egypt to Suez, through the Red Sea to Aden, and from Aden the cable follows the east coast of Africa, touching, among other points, at Mozambique and Delagoa Bay in foreign territory. The other route leaves the first at Lisbon, and follows the west coast of Africa, touching at some fourteen points, eight of which are under foreign flags, those of Portugal, France, and Spain.

Interruptions are frequent on both routes. There is evidence to establish that during the past four years communication between England and the Cape has been broken many times, and that the aggregate interruptions have averaged in each year seventy-five days on the west coast route, and eighty-seven days on the east coast route, showing that each cable is unavailable from six to seven days per month. While this refers to the average period that the cables have been thrown out of use, the durations of single interruptions have varied from one to thirty or forty days. As both lines are liable to be broken at the same time serious inconveniences have not seldom resulted. Every one will remember this contingency occurring when the Transvaal difficulty was at its height. Intense anxiety was then caused during the cable interruption of eleven days, when South Africa was passing through an acute crisis in her history.

Obviously a new cable to the Cape is much required, and as the frequent interruptions to traffic by the two present routes is to a large extent owing to the fact that the cables are laid in the shallow water which prevails along the African coasts they are in consequence exposed to accidents to which cables in deep waters are not subjected. That part of the proposal to touch at St. Helena and Ascension, where the water is of ample depth, would give to the cable the necessary security and avoid the difficulties experienced on the present routes. It is, however, not so clear that the northern half of the new cable would be so fortunate. By landing at Sierra Leone,

or Bathurst, and Gibraltar, and terminating in Cornwall, the cable of necessity would be laid for some distance in shallow seas, where it would be exposed to injury from various causes, and where, too, the agent of an unfriendly nation, or, indeed, an evil-disposed fisherman, would have it in his power to destroy the cable with ease, totally unobserved. For hundreds of miles it would be exposed to such risks.

The question may be asked, Would not this proposed new cable from England to the Cape with an extension to Australia be of general advantage? To such a question there is but one answer. It certainly would be of general as well as special advantage, for the reason that we cannot have too many lines of communication. They are needed in the every-day business of trade and shipping, and, moreover, we must come to recognise that a complete telegraph system, ramifying wherever Her Majesty's wide domain extends, is an essential condition of the life and integrity of the British Empire. It is on this and on other grounds impossible to admit the claim of the Eastern Extension Company, that the proposal submitted by them is preferable to a trans-Pacific cable, and that it will render it unnecessary.

At the Colonial Conference of 1894 the outline of a telegraph system for the Empire was submitted. It was not confined to one side of the globe; the system projected embraced and encircled its whole extent. The scheme was illustrated by a map of the world, with the chief cable lines laid down upon it. If the proceedings of the Conference be referred to, it will be seen that a trunk line of telegraph was projected from London through Canada to Australasia, with extensions to South Africa, India, and China. It was shown that by the Canadian route all the chief British possessions on the four continents would be brought into electric touch with each other and with the Imperial centre in London. It was demonstrated, moreover, that this result could be accomplished without touching a single acre of foreign soil, and without traversing shallow seas, where cables are most liable to injury from ships' anchors and other causes, and where they can be so easily fished up and destroyed. No fact can with greater confidence be affirmed than that the cables by the Canadian route would be far less vulnerable than the existing cables or those now projected by the Eastern Extension Company. But, even if no advantage in this respect could be claimed, it requires no argument to prove that telegraphic connection between England and Australasia would be infinitely less subject to interruption from accident or wilful injury by having the Canadian line established in addition to the Eastern Extension lines, especially as the former would be on the opposite side of the globe, and far removed from the immediate theatre of European complications.

It is not possible to believe that any one dissociated from and uninfluenced by the Eastern Extension Company can view the proposed Canadian Pacific cable with disfavour. If it be important to strengthen the connection between the United Kingdom and the outlying portions of the Empire no one can question its necessity. But the Eastern Extension Company has never taken a friendly view of the Pacific cable. From the first it has been its determined opponent. The proceedings of the Colonial Conferences of 1887 and of 1894 give evidence of this fact. The report on the mission to Australia by the Canadian delegates gives some indication of the intense and persistent antagonism displayed by the company and the manner in which its powerful influence has been employed to thwart the enterprise. It may not be an unwarranted surmise that the immediate purpose of the company in submitting to the Conference of Premiers their new proposal was to divert attention from the Pacific cable.

The Eastern Extension Company represents a combination of associated companies engaged in telegraph transmission between England and Australasia. The lines of the company comprise those of three amalgamated companies: (1.) The "British Indian Extension," from Madras to Singapore, with a share capital of £460,000. (2.) The "British Australian," from Singapore to Australia, with a share capital of £540,000. (3.) The "China Submarine," from Singapore to Hongkong and Shanghai, with a share capital of £525,000.

The combined share capital of these three companies amounted to £1,525,000. On their amalgamation the united share capital, by a well-known process of "watering" to the extent of £472,500, was increased nominally to £1,997,500. The united company, since known as the Eastern Extension Australasia and China Telegraph Company (Limited), has been exceedingly prosperous; it has paid 7 per cent. on the enlarged capital, equal to 9 per cent. on the original capital. An examination of the published statements establishes that it has, in addition, expended out of the profits earned no less a sum than £1,571,540 on extensions and other productive works, and there remains unexpended and undivided to-day, a reserve of surplus profits amounting to £804,193.

These figures establish that the Eastern Extension Company has become a remarkably profitable investment. It regularly pays good dividends, but the dividends are no guide to the profits made. It holds in reserve undivided profits far exceeding in amount the whole value of its cables between Asia and Australia. The accounts of the company for 1896 and the first half of 1897 show that the net profits actually earned during these periods amounted to 13 per cent. on the present capital, and 17 per cent. on the capital prior to its being watered.

The company is unwilling to have this state of affairs changed. They know perfectly well that the telegraphic traffic is steadily increasing, and that as the traffic grows the profits will become still greater. It is easy, therefore, to understand why the company has never viewed with friendly feeling the proposed Pacific cable. Its managers are not willing to divide the business with the new line. They must retain it entirely in their possession. They have secured a rich monopoly, and their desire is to make it even more profitable and to strengthen and perpetuate it.

The Pacific cable has been projected in no spirit of hostility to any company or to any country. It has been advocated as a means of extending to the whole Empire the advantages derivable from the geographical position of the Dominion. Canada offers the connecting link in an Imperial chain

of telegraphs encircling the globe. When the project is completed it will bring the Mother-country into direct electrical connection with every one of the great possessions of the Crown in both hemispheres without touching the soil of any foreign Power. Thus, it cannot fail in a high degree to promote Imperial unity. Indeed, it is difficult to conceive how a perfect union, or any union of the whole, is possible without union between the parts. The whole Empire is in strong sympathy with the aims and aspirations which a few years back were limited to a few men of advanced thought. The historical event of last June has shown to the world that "the British people are one people animated by one spirit." It is recognised that we are approaching the period when new relations may be established between the United Kingdom and those younger British communities beyond the seas, known in past history as colonies, but which are passing from colonial tutelage to a higher national status. In order to promote these closer relations, what is more desirable, what more necessary, than that each and all be connected by the appliances which art and science have devised? Canada stands first among the British communities of the outer Empire. Scarcely second to Canada we look forward, in no long period, to welcome the kindred Dominion of Australia comprising under one federal Government half a dozen colonies, each possessing great potentialities. What more in harmony with the spirit of the British people than that Canada and Australia be brought into close communion? Is it not indispensable to vital public interest that those two great units of the Empire—the island continent in the South Pacific and British North America—should possess the means of instantaneous communication, one with the other?

The proposition of the Eastern Extension Company submitted to the Conference of Premiers has no such purpose in view. Its object is, indeed, the very opposite. While the consolidation of the Empire demands that the Queen's subjects in Canada and Australasia shall possess all the advantages which the closest telegraphic connection can effect, the policy which animates that company would cause these communities to remain severed. Is such a policy to be commended? Does not the Eastern Extension Company when persistently exercising its manifold and widely ramified influence to keep Canada and Australia disunited assume an attitude of hostility to both countries and to Imperial unity?

In the interests of the Eastern Extension Company the Pacific cable has been declared to be impracticable; its cost has been greatly exaggerated; it has been denounced as a work which could not be maintained without burdensome subsidies; it has been stigmatized as inimical to telegraphy and trade; and it has been decried and misrepresented in every possible manner. The explanation is to be found in the fact that the company is unwilling to relinquish its monopoly and to rest satisfied in the future with a reasonable return for capital invested. On this point the writer is tempted to quote a single paragraph from his address at the Colonial Conference of 1894 as given in the Proceedings (page 85): "The progress and well-being of Canada, Australasia, and the Empire cannot be retarded in order that the lucrative business of a private company may remain without change. Even if the chairman of the Eastern Extension Company succeeded in converting us to his commercial ethics—that the profits of the monopoly he represents must be maintained inviolate—it does not follow that the project of a Pacific cable would not be carried out in some form, even if Canada and Australasia abandoned it. There are, indeed, unmistakable signs that a Pacific cable may shortly be carried out by France and the United States. We all know that France has already completed a section of eight hundred miles at the southern end, and the United States has recently expended \$25,000 in making an elaborate survey of about one-third the whole distance from San Francisco (to the Hawaiian Islands). With a rival line in foreign hands it is easy to see that the Eastern Extension would gain nothing, while the Empire would lose much."

With respect to the objections raised by the Eastern Extension Company, they have been completely refuted. The very best evidence shows beyond all question that the project is perfectly feasible; that the cable should be established as a State work; that so established the revenue from business obtainable will be ample to meet every charge, including working-expenses, maintenance, renewal, interest on cost and sinking fund to replace capital; that, in fact, the cable can be established in the most satisfactory manner, and that all its advantages can be attained without any cost whatever to the taxpayer. That the prospects are of this character is attributable to these facts, viz.: (1.) As a State work the capital employed would be obtained at the lowest possible rate of interest. (2.) The capital would be limited to the necessities of actual expenditure in establishing the work; there would be no possibility of enlarging the capital account by adding "promotion expenses," or by "watering stock," in any form. (3.) No dividend would require to be declared, or bonus paid. Revenue would only have to meet ordinary charges, including interest on the actual cost at a low rate, possibly $2\frac{1}{2}$ per cent. (4.) Remunerative traffic, which would be controlled by the Australasian Governments, already exists. (5.) Such traffic is continually growing, and it is difficult to assign a limit to its growth. (6.) The facilities created and the reduced charges would open up a new and profitable business across the Pacific, which would be subject to the new line.

Such being the case, the question may be asked, Is there any reason other than the opposition of the Eastern Extension Company why the establishment of this important national work should be further delayed? It must be admitted that the Pacific cable in operation would put an end to the monopoly of the Eastern Extension Company and diminish the immense profits it enjoys. As, however, less than half the whole traffic would prove remunerative to the Pacific cable, there would remain ample business to the company to yield a good return for the capital invested.

In the memorandum laid before the House of Commons last July by the Secretary of State for the Colonies it is distinctly indicated that, while the Home Government is willing to co-operate with Canada and the Australian Colonies, the Imperial authorities are unable to see the way to take the initiative, and that they "now await definite proposals from the colonies interested before proceeding further in the matter." It unfortunately happens that the Australasian Colonies remain under the disadvantage of being disunited politically, and they are not all equally in favour of the Pacific cable, Western Australia and South Australia being somewhat in sympathy with the

Eastern Extension Company. New Zealand, New South Wales, Queensland, and Victoria desire to have the cable laid on the Canadian route. As the traffic to make it a profitable undertaking would have its source chiefly in these colonies, and, moreover, the land-lines within each colony are owned by each respective Government, they have it in their power to control the trans-Pacific telegraphic traffic to the extent required to make the cable a profitable undertaking.

At this distance it is not easy to understand why these four colonies do not agree to take some definite line of action. It is now close on six months since the Premiers met in London, and, as far as known, they have not seen their way to agree on any joint proposal, owing doubtless to unexplained local difficulties.

Under these circumstances it is not improper to consider if there be any duty or obligation resting on us in Canada. The Dominion is now looked up to as the elder brother in the British family of kindred nationalities. If as Canadians we have faith in our destiny as no inconsiderable element of the great Empire, are we not called upon again to take the initiative? The Mother-country awaits a proposal. It cannot well come from disunited Australasia. If we are to be brought within speaking-distance of the kindred communities in the southern seas the first impulse must come from ourselves. Shall the opportunity which circumstances have presented be seized and another proof given to the world that "the Canadian Government and people are determined in all ways to promote Imperial unity?"

SANDFORD FLEMING.

No. 12.

The SECRETARY, General Post Office, Wellington, to Sir SANDFORD FLEMING, Ottawa.

General Post Office, Wellington, 12th February, 1898.

SIR,—

Pacific Cable.

I have the honour, by direction of the Right Hon. Mr. Seddon, to acknowledge the receipt of your letter of the 3rd ultimo, and to thank you for the copy of your letter to the Premier of Canada, which you were so good as to send therewith.

I have, &c.,

Sir Sandford Fleming, Ottawa, Canada.

W. GRAY, Secretary.

No. 13.

The SECRETARY, Auckland Chamber of Commerce, to the Hon. the PREMIER.

SIR,—

Chamber of Commerce, Auckland, 17th February, 1898.

I am directed to forward you copy of a resolution passed by this Chamber at a meeting held yesterday afternoon connected with the establishment of cable-communication with Great Britain and her Australasian Colonies *via* Canada, viz. :—

"That this Chamber is of opinion that the early establishment of cable-communication with Great Britain *via* the Pacific Ocean and Canada, and passing over British possessions only, is of paramount necessity; and that the Premier of New Zealand, at the forthcoming Conference of Premiers, be urged to support this resolution to his utmost power."

I may explain the mercantile community in this city is of one mind in this matter, as voiced by its Chamber of Commerce.

I have, &c.,

H. GOULSTONE, Secretary.

The Right Hon. R. J. Seddon, Premier, Wellington.

No. 14.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Chamber of Commerce, Auckland.

SIR,—

General Post Office, Wellington, 24th February, 1898.

I have the honour, by direction, to acknowledge the receipt of your letter of the 17th instant, forwarding copy of a resolution passed by your Chamber in connection with the Pacific cable, which will be considered.

I have, &c.,

The Secretary, Chamber of Commerce, Auckland.

W. GRAY, Secretary.

No. 15.

The SECRETARY, Canterbury Chamber of Commerce, to the Hon. the PREMIER.

SIR,—

Canterbury Chamber of Commerce, Christchurch,
26th February, 1898.

A circular having been received from the Sydney Chamber advocating the establishment of a Pacific cable, I have the honour, by direction of my committee, to forward the following resolution, with the suggestion that the matter should receive full consideration at the forthcoming Conference of Premiers: "That this Chamber reaffirms its opinion that the time has arrived to establish cable-communication with Great Britain and her Australasian dependencies *via* Canada."

I have, &c.,

The Right Hon. the Premier, Wellington.

WALTER OLLIVIER, Secretary.

No. 16.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Canterbury Chamber of Commerce, Christchurch.

SIR,—

General Post Office, Wellington, 4th March, 1898.

I have the honour, by direction, to acknowledge the receipt of your letter of the 26th ultimo, forwarding copy of a resolution passed by your Chamber reaffirming its opinion that the time has arrived to establish cable-communication with Great Britain and her Australasian dependencies *via* Canada, which will be considered.

I have, &c.,

The Secretary, Canterbury Chamber of Commerce, Christchurch.

W. GRAY, Secretary.

No. 17.

The SECRETARY, Dunedin Chamber of Commerce, to the Hon. the POSTMASTER-GENERAL.

SIR,—

Dunedin Chamber of Commerce, Dunedin, 11th March, 1898.

I have the honour, by direction of my committee, to address you on the subject of the establishment of cable-communication with Great Britain *via* the Pacific and Canada. This Chamber has some time since expressed its opinion in favour of such a movement, and my committee desire now to reaffirm that opinion, and, further, that the time has now come for some definite action in the direction indicated. The reasons for the general desire for this cable on the part of the mercantile communities of the colonies have been so often stated that they need not be repeated, but the proposals for another cable service *via* the Cape of Good Hope and Mauritius, which are now being made, render it important that action as to the Pacific route should be pressed forward.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

S. C. LEARY, Secretary.

No. 18.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Dunedin Chamber of Commerce, Dunedin.

SIR,—

General Post Office, Wellington, 16th March, 1898.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 11th instant, urging, on behalf of your committee, that definite steps should be taken towards establishing cable-communication with Great Britain by way of the Pacific and Canada.

In reply, I am to say that the Government of this colony is strongly in favour of a Pacific cable, and is keeping the subject steadily in view; but much depends upon the action of Great Britain and Canada in the matter. It is hoped that concerted action will shortly be taken by those Australasian Colonies favourable to the scheme.

I have, &c.,

The Secretary, Dunedin Chamber of Commerce, Dunedin.

W. GRAY, Secretary.

No. 19.

The SECRETARY, General Post Office, Wellington, to Sir SANDFORD FLEMING, Ottawa.

SIR,—

General Post Office, Wellington, 16th March, 1898.

Referring to my letter of the 12th ultimo, acknowledging the receipt of copy of your letter to Sir Wilfrid Laurier on the subject of the Pacific cable, the Right Hon. Mr. Seddon now directs me to say, in reply, that he hopes to hear that no efforts will be spared on the part of Canada to insure the accomplishment of the scheme for a cable from Australia to the United Kingdom by way of the Pacific. The New Zealand Government strongly favours the Pacific cable.

I have, &c.,

Sir Sandford Fleming, Ottawa, Canada.

W. GRAY, Secretary.

No. 20.

The Hon. the PREMIER, Adelaide, to the Hon. the PREMIER, Wellington.

(Telegram.)

Adelaide, 28th March, 1898.

HAVE received the following cablegram from our Agent-General: "Have received official letter from Chairman of Cape Committee stating he authorised by Chancellor Exchequer to inform me it is not the intention of Her Majesty's Government to take any part in any scheme for laying a cable across the Pacific. After this clear intimation will Eastern colonies subsidise the Cape route, or must I inform Committee they still decline to co-operate in the Cape project, which strategic advocates of British Government consider of great importance for defence of Empire? Reply as soon as you can.—PLAYFORD."

No. 21.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Adelaide.
(Telegram.)

Wellington, 29th March, 1898.

CHANGE of front Imperial authorities respecting Pacific cable inexplicable. Under altered circumstances will place matter before my Cabinet at early date and let you know result.

No. 22.

The PRESIDENT of the Post and Telegraph Conference, Hobart, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Hobart, 2nd April, 1898.

CONFERENCE awaiting telegram from Eastern Extension Company before dealing with Pacific-cable question.

No. 23.

The PRESIDENT of the Hobart Conference to the Hon. the POSTMASTER-GENERAL, Wellington.
(Telegram.)

Hobart, 5th April, 1898.

CONFERENCE closed. In absence satisfactory proposal Eastern Extension alternative cable *via* Africa unable to make fresh arrangements with company. Conference opinion Pacific-cable project should be consummated soon as possible. Governments of colonies requested represent to Imperial and Dominion Governments this opinion, with proposal Premier's Conference Britain and Canada one-third each, colonies other third.

No. 24.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Adelaide.

(Telegram.)

Wellington, 7th April, 1898.

PACIFIC cable: I much regret Imperial authorities have decided not to render financial assistance to Pacific cable. This Government does not intend taking any action *re* Cape project.

No. 25.

The SECRETARY, Canterbury Chamber of Commerce, to the Hon. the PREMIER.

SIR,—

Canterbury Chamber of Commerce, Christchurch, 18th April, 1898.

With reference to the decision arrived at by the Hobart conference in favour of the cable *via* Canada, I have the honour, by direction of my committee, to ask you to be good enough to indorse their action.

I have, &c.,

The Hon. the Premier, Wellington.

W. OLLIVIER, Secretary.

No. 26.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Canterbury Chamber of Commerce, Christchurch.

SIR,—

General Post Office, Wellington, 22nd April, 1898.

I have the honour, by direction, to acknowledge the receipt of your letter of the 18th instant with reference to the proposed Pacific cable, and, in reply, to inform you that the decision arrived at by the recent Intercolonial Postal Conference at Hobart will be indorsed by this colony.

The Secretary,

I have, &c.,

Canterbury Chamber of Commerce, Christchurch.

W. GRAY, Secretary.

No. 27.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 11th May, 1898.

I have the honour to forward you a copy of the resolutions adopted at the recent Hobart Postal and Telegraph Conference in reference to the Pacific-cable question and the alternative proposals of the Eastern Extension Telegraph Company for laying a cable between the Cape of Good Hope and Western Australia [see F.—3, 1898, p. 7], and to request you to be so good as to bring the resolutions under the notice of the Colonial Office with a strong expression of opinion from the Government of its earnest desire to see the Pacific-cable project adopted jointly by Great Britain, Canada, and the Australian Colonies on the basis indicated in the second resolution.

Although the Imperial Government appears to have announced recently that it is not now disposed to support the Pacific-cable scheme, as for strategic reasons it favours the later proposals for a Cape of Good Hope—Western Australian cable, I am yet hopeful that the resolutions of the Hobart Conference may have such weight with the Imperial authorities as will induce them to reconsider the whole question and to assist the colonies in establishing cable-communication between Great Britain and Australasia by way of the Pacific and Canada in the general interests of commerce.

You have already been advised that the counter proposals of the Eastern Extension Telegraph Company are not favoured by this Government.

I have written in similar terms to the Premier of Canada.

The Hon. W. P. Reeves,
Agent-General for New Zealand, London.

I have, &c.,
R. J. SEDDON.

No. 28.

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

SIR,—

Premier's Office, Wellington, 12th May, 1898.

I have the honour to forward you copies of resolutions adopted at the Postal and Telegraph Conference [see F.-3, 1898, p. 7], which met at Hobart at the end of March last, in reference to the Pacific-cable project, and to the recent alternative proposals of the Eastern Extension Telegraph Company for laying a cable between the Cape of Good Hope and Western Australia.

The resolutions have my hearty support, and it is the earnest desire of my Government to see the Pacific-cable scheme adopted on the lines indicated in the second resolution, which I trust may also receive favourable consideration at the hands of your Government.

The counter proposals of the Eastern Extension Telegraph Company are not acceptable to this colony, as it is considered that the Pacific-cable scheme is best suited to the wants of the colonies as a whole, and in the interests of trade with your Dominion. I therefore hope that your Government may now see its way to assist to bring the Pacific-cable project to a speedy and successful issue.

The Agent-General for this colony has been requested to bring the resolutions under the notice of the Imperial Government, and to urge the authorities to reconsider their recent determination not to support the Pacific cable.

The Right Hon. Sir Wilfrid Laurier, Premier, Ottawa.

I have, &c.,
R. J. SEDDON.

No. 29.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Hobart.

SIR,—

General Post Office, Wellington, 26th May, 1898.

I have the honour to inform you that in accordance with resolutions Nos. 8 and 13 of the Hobart Post and Telegraph Conference, held in March–April last [see F.-3, 1898], the Agent-General for this colony was instructed to bring the resolution affecting the Pacific cable under the notice of the Colonial Office, with a strong expression of opinion from the Government of its earnest desire to see the Pacific-cable project adopted jointly by Great Britain, Canada, and the Australasian Colonies on the basis indicated in the resolution. A letter was also forwarded to the Premier of Canada to the same effect.

I have, &c.,

W. C. WALKER,

The Hon. the Postmaster-General, Hobart.

For the Postmaster-General.

PROPOSED CABLE *VIA* THE CAPE OF GOOD HOPE.

[Read here No. 6.]

No. 30.

The Hon. the PREMIER and COLONIAL TREASURER, Sydney, to the Hon. the PREMIER, Wellington.

(Telegram.)

Sydney, 19th November, 1897.

COMMITTEE on proposals *re* additional telegraphic communication between Great Britain and Australia suggests that Secretary of State for the Colonies be asked to sanction representation of Australia by two gentlemen instead of one, as interests of eastern and western portions of Australia are not in all respects identical; also, that Mr. Playfair and Sir Daniel Cooper be appointed Australian representatives, with instructions that they shall in no way bind colonies to any proposal that may be submitted. Do you concur? Am telegraphing, also, to Premiers of Victoria, Queensland, South Australia, Western Australia, and Tasmania.

No. 31.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 20th November, 1897.

AFTER careful consideration Government have decided to take no action direction suggested by Committee on proposals *re* additional telegraphic communication between Great Britain and Australia. Look upon scheme as being counter to Pacific-cable movement. Prefer to await Canada's decision *re* Pacific cable.

No. 32.

The MANAGER in AUSTRALASIA, Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne, to the Hon. the PREMIER, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 24th February, 1898.

SIR,—

As you are aware, the Eastern and Associated Cable Companies have submitted proposals for laying an “all-British” cable to Australia *via* Cape Colony, and that a Committee representing the Imperial Government, India, Cape Colony, and the several Australian Governments has been appointed to consider this and other cable projects.

The basis of the extension of this cable from the Cape to Perth is upon the renewal of the present duplicate-cable subsidy of £32,400 per annum for a period of ten years.

In view, however, of the widespread dissatisfaction and feeling of insecurity with the present long Australian land-lines, and the numerous complaints that have been lodged both in London and the colonies of the serious delays in transmission of messages, and the frequent interruptions, which, it is stated, have caused great inconvenience and loss to the telegraphing public, I have the honour to inform you that my directors have instructed me to intimate to the several Australian Governments that “the Eastern Extension Telegraph Company, with the view of making more complete the proposed ‘all-British’ cable service between England and Australia, is prepared, at its own expense, to extend the proposed Cape cable to Albany, and thence lay, work, and maintain a cable to Glenelg (Adelaide), or thereabouts, provided the Australian Governments will continue the existing subsidy of £32,400 per annum for twenty years. This would increase the length of the Cape cable by nearly 1,500 knots, involving the company in an additional outlay of at least £200,000, which they are prepared to incur for the purpose of establishing a quick and reliable cable service between the Mother-country and the Australian Colonies.”

I may state that the object of selecting Glenelg or thereabouts for the landing-point is that Adelaide may continue to be the junction or distributing-point for the international traffic, and I have no doubt a satisfactory arrangement could be arrived at for the transmission of intercolonial telegrams between Adelaide and Albany whenever the land-lines are interrupted.

The Right Hon. R. J. Seddon, P.C.,
Premier of New Zealand, Wellington.

I have, &c.,
W. WARREN,
Manager in Australasia.

No. 33.

The MANAGER in AUSTRALASIA, Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne, to the Hon. the PREMIER, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 3rd March, 1898.

SIR,—

As there appears to be an impression that my company, in submitting an offer to provide an “all-British cable” service between England and Australasia *via* the Cape, is asking for a preferential right against competition, I have the honour to state, for your information, that this is quite an erroneous one, as all they wish, or ask for, is to have the first refusal to supply further cables when necessary to meet the public requirements in the regions already served by them with cable-communication, and which, I may state, was agreed to by the British and Australasian Governments prior to the laying of the Singapore-Hongkong cable in 1894.

The Right Hon. R. J. Seddon, P.C.,
Premier of New Zealand, Wellington.

I have, &c.,
W. WARREN,
Manager in Australasia.

No. 34.

The SECRETARY, General Post Office, Wellington, to the MANAGER in AUSTRALASIA of the Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne.

SIR,—

General Post Office, Wellington, 15th March, 1898.

I have the honour, by direction, to acknowledge the receipt of your letter of the 24th ultimo to the Right Hon. Mr. Seddon, referring to the proposed cable from England to Australia by way of Cape Colony, and submitting proposals for its continuation to South Australia.

In reply, I am directed to express regret that this colony is not prepared to contribute towards such an undertaking.

Also, in reply to your further letter of the 3rd instant, Mr. Seddon desires me to convey his appreciation of the intimation that your company in offering to provide an “all-British” cable service between England and Australasia is not seeking preferential rights against competition, but only a first refusal to supply further cables in regions already served by the company.

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

I have, &c.,
W. GRAY,
Secretary.

[Read here Nos. 20–24.]

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