

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 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 (April 28th), when the Secretary of State and the leader of the Opposition were of one mind in denouncing it. On that occasion the Minister of Justice used these words:—

“I apprehend that for a hundred years there has been nothing more seriously done under Imperial authority affecting colonial interests than the attempt to create a monopoly and restrain and cripple the commercial growth of this country.”

The case alluded to is but a single illustration of the means taken by that company to defeat the aspirations of Canada and Australasia. When the history of the conflict between these countries and the monopoly comes to be written it will be found that the case recently unveiled does not stand alone—that there are a number of other cases equally extraordinary.

The monopoly's present design is to delay the British Pacific cable until their own adverse scheme be sufficiently advanced. There is evidence to show that the Eastern Extension Company is in alliance with a company organized in the United States to lay a cable from San Francisco to Manila. This company did not succeed before Congress rose in getting the subsidy it sought, but it succeeded in defeating the Government measure to establish a cable to Manila under the United States Post Office Department. Having done so there is a strong probability that it will obtain all it wants when Congress again meets. With a cable stretched from San Francisco to Manila and there connected with the Eastern Extension cables, the two companies will practically become one concern. If before then the British Pacific cable has made no progress there will be small hopes for it afterwards.

Obviously the Eastern Extension Company has much to gain by delay, and they will secure ample delay for their purpose if the Home Government now departs from the plan upon which Australia, New Zealand, and Canada have acted with the full knowledge of the Colonial Office. But we must refuse to believe that Her Majesty's Government will, without any previous intimation, withdraw from the arrangement, and make an offer practically of no value, the first effect of which would be the defeat of the British Pacific cable project. The offer is that for certain stipulated advantages the Treasury in London will pay five-eightieths of any deficiency in earnings. What does this mean? It is not a subsidy of £20,000, as stated in the Press, or of any sum. If we refer to the reports of the Canadian Commissioners, Lord Strathcona and Honourable A. G. Jones, of the 12th January, 1897, we find that in the year 1902, if the cable be then laid, and it could not possibly be laid sooner, there would be an actual profit ranging from £13,000 to £40,000. If we turn to the report of the Cable Committee, of which Lord Selborne was Chairman, there would be no deficiency in revenue if the present charges are maintained, and even if they be lowered fully 33 per cent. the deficiency would only be £12,000 in 1902, while there would be no deficiency in 1903 or in any subsequent year. The offer, then, is that under a certain contingency the Treasury may be called upon to pay five-eightieths of £12,000 for one year only, and for this possible payment the Imperial Government could claim priority of transmission and half-price on all messages for an indefinite number of years.

In December last the Press of Great Britain was ringing the praises of a proposal to establish a State-owned system of electric cables for the Empire. It is recognised that a British Pacific cable is the key and the only key to such a system. Without a telegraph connecting Canada and Australasia the greater scheme is impossible.

“The general testimony of the British Press is that the Pacific cable, apart from its inherent merits, would be the direct precursor of a ‘round the world’ cable system for the Empire; that as such it would lead to cheap telegraph transmission between every British possession, promote closer union, develop commerce, and confer many social as well as naval and political advantages.”

If these are objects worth having there must be nothing done or left undone which will cause further delay; it is therefore with gratification we read in this evening's newspapers the following condensed telegram:—

10—F. 8.