

the construction of the proposed Pacific cable. I shall probably be able to more fully inform you of the action of the Government by next mail.

I have, &c.,

W. C. WALKER (for the Premier).

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

No. 117.

The CLERK of the PRIVY COUNCIL, Ottawa, to the Hon. W. C. WALKER, Wellington.

SIR,—

Privy Council, Canada: Ottawa, 24th November, 1899.

I have the honour, by direction of the Right Hon. Sir Wilfrid Laurier, Prime Minister, to acknowledge the receipt of your communication, dated the 27th ultimo, forwarding, for the Premier of New Zealand, two copies of the Pacific Cable Authorisation Act, No. 19, 1899.

I have, &c.,

JOHN J. MCGEE, Clerk to the Privy Council.

The Hon. W. C. Walker, M.L.C., Wellington, New Zealand.

No. 118.

The SECRETARY OF STATE, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,—

Ottawa, 30th November, 1899.

I have the honour to transmit, for the information of your Government, the enclosed recent correspondence on the subject of the Pacific cable.

As the Canadian Government is jointly interested with your Government in the success of the proposed undertaking, I would invite attention to the terms of the new proposal of the Eastern Extension Company referred to in the enclosed, and especially to the necessity of imposing such conditions as will best guard the common interests of the several Governments and the British public generally in any agreement which may be entered into with that company.

I have, &c.,

R. W. SCOTT.

The Hon. the Premier, Wellington.

Enclosures in No. 118.

THREE LETTERS ON the PACIFIC CABLE: By Sir SANDFORD FLEMING.

(1st July, 1899.) To the Hon. J. Israel Tarte, Minister of Public Works, narrating facts bearing on the influence exercised by the Eastern Extension Company, previous to July, 1899, to frustrate the project.

(5th September, 1899.) To Sir Wilfrid Laurier, referring to the new policy of the Home Government, announced to the High Commissioner for Canada and the Agents-General for Australasia on 4th July, 1899; the terms of the proposal, and the delay anticipated therefrom.

(15th November, 1899.) To the Right Hon. Sir Wilfrid Laurier, referring to the new proposal of the Eastern Extension Company to lay a cable across the Indian Ocean, the effect of the proposal on Canadian as well as British interests, and urging that the right be reserved to bring that undertaking under State control.

Enclosure No. 1.

Sir SANDFORD FLEMING to the Hon. J. ISRAEL TARTE.

SIR,—

S.S. "Montfort," at Sea, 1st July, 1899.

I feel it to be my duty, under the Order in Council in pursuance of which I am now accompanying you to England, to submit for your information some facts bearing on the efforts of Canada, Australia, and New Zealand to establish a Pacific cable, the hostility of the Eastern Extension Telegraph Company, and the attitude of the Home Government in relation thereto.

Canada, Australasia, and New Zealand have long desired and long endeavoured to be connected telegraphically by a Pacific cable.

Every effort put forward to accomplish the desired end has met with determined opposition on the part of the Eastern Extension Company, a powerful financial organization, with great influence in official quarters. The hostility of this company is due to the fact that it enjoys a rich monopoly, which, incidentally, would be interfered with by the establishment of the Pacific cable as a national work. The company has no appreciation of the great Imperial ends to be served by the projected telegraph; it regards only its own profits. Its design has always been to thwart Canada and Australasia in their efforts to establish the cable, and in frustrating their efforts to strengthen and, if possible, perpetuate the monopoly.

In the following pages will be narrated some of the means taken to defeat the establishment of the Pacific cable. It is unpleasant to think that the Home Government, or those acting for the Home Government, have been less in sympathy with the aims and aspirations of Canada and the Australasian Colonies than with those of the Eastern Extension Company; but it is difficult to see that the evidence of facts leads to any other conclusion.

In consequence of the facts which have come to light—some of which will be cited—an impression prevails that the Home Government has not acted fairly to Canada and the Australasian Colonies, but has regarded the interests of the Eastern Extension Company as paramount. The