

In my letter of 28th October, 1898 [Enclosure in No. 28, F.—8, 1899], to the Right Hon. Joseph Chamberlain, Colonial Secretary, I set forth, among other things, the immense advantage to the whole Empire of a world-encircling cable system under State control, and I pointed out how this could be secured without touching foreign soil. This proposal embraced the following new lines, viz.: (1) A cable across the Pacific Ocean from Canada to Australia and New Zealand, 7,150 knots; (2) a cable across the Indian Ocean from Australia to the Cape of Good Hope, 6,500 knots; (3) a cable across the Atlantic Ocean from the Cape of Good Hope to Bermuda, 6,600 knots. At Bermuda a connection would be made with England by lines laid, or to be laid—the three cables, viz., across (1) the Pacific, (2) the Indian and (3) the Atlantic Oceans, would constitute a globe-encircling system of telegraphs touching only British soil. These would be the trunk lines; they would give to every point they reached the peculiar advantage of two telegraph routes running in opposite directions, and thus the necessity or desirability of laying double cables side by side on any one section would be entirely removed.

The Pacific cable would form one of the three great links in the chain, and it is perfectly obvious that having the completed system in view there would be no necessity for incurring the expense of laying two cables across the Pacific for some time to come, certainly not until the business develops to such an extent as to demand additional means of transmission for business reasons—that is to say, not until the telegraph traffic reaches a point much beyond the most sanguine estimates yet made.

The ground covered by the new proposal of the Eastern Extension Company is almost identical with the second division of the world-encircling telegraph proposal mentioned in my letter to Mr. Chamberlain. So soon as I learned that our adversaries had made overtures to the Victorian Government respecting it, I sent the following letter to the Premier, Sir George Turner:—

SIR,—

Ottawa, 14th September, 1899.

By last mail from Australia I received letters up to the 28th July, by which I learn that the Eastern Extension Telegraph Company has submitted to your Government a proposal to lay a cable from South Africa to Australia. The proposal is of great importance, and I ask your permission to say a single word respecting it. In order that I may be brief, allow me to refer you to three letters from me which appear in the printed returns on the Pacific cable laid before the Canadian Parliament in the sessions of 1898 and 1899, viz.:—(1.) To the Right Hon. Sir Wilfrid Laurier, 28th December, 1897. [Enclosure in No. 11, F.—8, 1898.] (2.) To the Right Hon. Joseph Chamberlain, 28th October, 1898. [Enclosure in No. 28, F.—8, 1899.] (3.) To the Hon. R. W. Scott, 31st January, 1899. [See Enclosure in No. 37, F.—8, 1899.]

In these letters, and especially in my letter to Mr. Chamberlain, will be found reference to the subject of a State-owned system of electric cables for the Empire. It is pointed out that the proposed Pacific cable will form the great initiatory section of the Imperial scheme, and that a line of cables across the Indian Ocean, such as that now proposed by the Eastern Extension Company, would constitute the second great section. Much importance may, therefore, be attached to the latter proposal. But it is essential that these cables should eventually come under Government control. The public interests demand that in order to secure the cheapest telegraph transmission, the greatest development of commerce, and the greatest freedom of intercourse throughout the Empire, the system of cables contemplated should be the property of the State. As pointed out in my letter to Mr. Scott, that is the view almost universally held by the Press, and especially by the British Press. I venture, therefore, to urge upon your Government that in any agreement entered into with the Eastern Extension Company to lay the new cable proposed to be laid across the Indian Ocean, the right be reserved to take possession of it, on giving notice and paying a sum equal to its value, precisely as in articles 5 and 6 of the Singapore and Hong Kong second cable agreement of 1893. [See Appendix A; also Nos. 44 and 45, F.—5, 1893.]

I have, &c.,
SANDFORD FLEMING.

From a sense of duty I cannot too strongly press upon your Government and upon each Government interested the importance of the recommendation contained in the above letter. It is a matter which concerns Canada equally with the Australasian Colonies; it concerns the whole British empire that no new obstacle should be raised to obstruct the laying of the Pacific cable or render it impossible to establish, step by step, a system of State-owned cables encircling the globe. There is not the smallest objection to the Eastern Extension Company laying a cable across the Indian Ocean under the condition mentioned. There is indeed everything in favour of such a proposal. The present state of things in South Africa renders the existing lines of telegraphic communication insecure. They pass through a number of foreign ports, and without much trouble sympathisers with the enemy may tap the wires, or, if they choose, interrupt them and render them useless, as is actually the case at the present moment with the East African line. If, unfortunately, European troubles should also arise, the means of telegraphic communication may be instantly cut, owing to the fact that all cables laid, or being laid, traverse shallow seas bordering France, Spain, Portugal, Morocco, and other parts of Africa. If cables across the Indian and Pacific Oceans existed to-day, independent communication could be maintained by the Canadian route between the heart of the empire and South Africa, as well as with the Australasian Colonies.

The recommendation respecting which I venture to make this appeal is to reserve the right, on behalf of Her Majesty's Government, to take possession of the cable proposed to be laid across the Indian Ocean by the Eastern Extension Company. Ample precedent for such a course will be found in the following two articles wisely inserted by the Marquis of Ripon, the then Secretary of State for the Colonies, in the agreement of the 28th October, 1893, for the Singapore and Hong Kong second cable.

Article 5. Her Majesty's Government shall have the option at any time of cancelling all the foregoing articles of this agreement, by giving to the company twelve months' previous notice, and on payment to the company of a sum of £300,000, being the estimated cost of laying such second cable.

Article 6. Immediately on the payment of the amount provided in the last preceding article the said second cable shall become the property of Her Majesty's Government, and the agreement shall at once cease and determine.

There could be no better precedent to follow in this instance. The Canadian Postmaster-General, Mr. Mulock, in introducing the Pacific-cable resolutions last July, pointed out to the House of Commons the value of the reservation made by the Marquis of Ripon. Mr. Mulock said (I quote from *Hansard*),—