

THE PACIFIC TELEGRAPH COMPANY LIMITED.

[SUB-ENCLOSURE.]

34 Clement's-lane,

London, E.C., 4th March, 1887.

Sir,

My attention has been drawn to a memorandum, dated 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 recognised 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 favorable 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 employés would be summarily ejected at the first outbreak of any hostilities in Europe, in which England was directly or indirectly involved.

The latter part of his argument relating to the mercantile marine is a self-evident fallacy, proving indeed the very reverse of what Mr. Pender wishes to prove.

Wherever the mercantile marine of any nation is found, there will the enemy's cruisers be gathered together, and it is, of course, from an enemy's cruisers that danger to cable communication is to be apprehended. In the event of war, the Mediterranean would be at once converted into a cruising ground for the ships of all nations, in which cable communications could not by any means be preserved for a week.

Besides this, the land lines across Egypt offer the most vulnerable point of attack possible. A chain is no stronger than its weakest part, and even if by any possible means the rest of the existing system could be rendered secure, the transit through Egypt alone would constitute a vital defect which no power could remedy.

Another grave defect in the present means of communication, so far as Australia is concerned, is the 2,000 miles of land line between Port Darwin and Adelaide, passing through country, for the most part, an uninhabited desert.

The northern portion of this line is exposed to the full fury of the monsoon, and it is here, as stated by Mr. Cracknell, that interruptions most frequently occur. Also large tracts of the country through which the line passes are subject to floods, which render repairs temporarily impossible.

The proposed line from Vancouver Island would establish communication between Great Britain and Australasia, which would be actually instead of only nominally under British control, passing through British territory, with the exception of the Sandwich Islands, throughout its entire length. The great advantages of this route over any other in time of war are sufficiently obvious.

The points of call are few and far between, and could easily be defended. The cable would be laid through seas where it would be of no advantage for an enemy's cruisers to be stationed, the line being, as Mr. Pender himself points out, "far away from 'the route followed by merchant ships.'" Added to this must be considered the great depth of the ocean, which would render any attempts to cut the cable exceedingly difficult and costly.

The assertion that the line is "practically unsurveyed" is quite incorrect. The whole line from San Francisco to Sydney *via* Hawaii has been surveyed by the *Tuscarora*—the bottom being reported as clay and ooze all the way, with the exception, as above stated, of the approaches to the islands.

This is further corroborated by the soundings of the *Challenger* to the north of Hawaii.

The chairman of the Eastern Extension Company next proceeds to attack the proposed Pacific cable from a commercial point of view. He says, "I believe that the 'laying of such a line would only benefit the promoters, and would be inimical to the 'interests of the telegraphing public, as it would inevitably lead to a war of tariffs, 'which would eventually impoverish both the Pacific and the existing cables, and result 'in a starved and inefficient service.'"

Here is a commercial theory which has, at all events, the merit of being entirely new. It is probably the first time that a man of any commercial standing has ventured seriously to assert that a "war of tariffs," in other words, competition, is inimical to the interests of the public, and likely to lead to an inefficient service.

On the question of the benefit likely to accrue to promoters, no one will deny Mr. Pender's right to form a judgment, but any comparison upon this point between existing lines and the proposed Pacific cable is strongly deprecated. The laying of the Eastern extension, a distance of 2,150 miles, was handed over to the Telegraph Construction Company (of which Mr. Pender was at one time a director), and carried out at a cost of £600,000, being at the rate of nearly £300 per mile, while it is notorious that the cost of such construction ought not to exceed £200 per mile at the very outside. That there is profit in a transaction such as the above is evident, and we must all concur with the chairman of the Eastern Extension Company in regretting that it has not found its way in the shape of dividends into the pockets of the shareholders.

In attempting to deal with the question of tariffs, Mr. Pender shows undisguised alarm lest the proposed Pacific cable should "impoverish the existing lines."

His alarm is so far justifiable, in that the Pacific Telegraph Company has been formed for the express purpose of very largely reducing the tariffs to Australia.

That the new company will be in an infinitely better position to do so than ever the Eastern Extension Company can hope to be will readily be seen from the following considerations.

Before the Eastern Extension Company can reach India, where their lines to Australia begin, they have to pay 4s. per word for messages.

The Pacific Telegraph Company, on the other hand, can get their messages transmitted from England to Vancouver Island, a distance of 5,700 miles, at an outside cost of 8½d. per word.

The number of toll-bars at which Mr. Pender has to pay toll before reaching India make it impossible, as he has himself repeatedly and recently stated, that he can reduce his tariff. It is obvious, therefore, that he can never hope to work upon anything like such favorable terms as a line operating from Vancouver Island.

In attempting to block the construction of a Pacific cable, Mr. Pender has entered upon a hopeless task. If anything were wanting to show that he is himself conscious of the desperate nature of his case, it would be the proposition contained in his memorandum to the Colonial Governments.

The "telegraphing public" will be delighted to hear that "The Eastern Extension Company has, subject to the assent and co-operation of the other interested administrations, offered to make the rate any figure acceptable to the Colonies, down to the limit of their outpayments (at present 2s. 4d. per word), provided that the average receipts for the last three years are guaranteed to them by the Colonies. The acceptance of this offer," Mr. Pender adds, with a touch of humour, of which he is apparently quite unconscious, "would reduce the company's risk to a minimum." What the other "interested administrations" may have to say in the matter I do not pretend to know, but that the Colonies will value this concession at its true worth there is not a shadow of doubt. There are probably few companies who would not be glad to enter into similar arrangements.

With regard to the cost of construction and working, and probable receipts of the proposed Pacific cable, Mr. Pender's estimates are such as no evidence can be found to justify.

For instance, his estimate of the cost of two repairing steamers is £40,000 per annum.

Colonel Glover's estimate (as stated in his evidence before a Committee of the House of Assembly, New South Wales, 10th May, 1878), is £10,000 per annum for each steamer.

It is certainly not from "past experience" that Mr. Pender is enabled to estimate the necessary sum for amortization to renew cables at £75,000 per annum.

The directors of the Pacific Telegraph Company have perfect confidence in the success of their undertaking from a commercial point of view, the calculations upon which their estimates are based having been most carefully made by the best possible authorities.

In estimating receipts, no allowance whatever has been made for the vast increase of traffic, which cannot fail to be the consequence of bringing Canada, the United States, South America, and the Pacific Islands into direct communication with Australia.

But, indeed, no arguments which can be advanced in favour of the existing systems of cables have any bearing whatever upon the question of constructing a line across the Pacific. From a commercial point of view it is absolutely essential that the various parts of the Empire should be connected by lines as far as possible free from interruption, both in peace and war. Further, it is most desirable that the existing tariffs should be greatly reduced. Both these objects, it is submitted, can be better effected by a Pacific cable than by any other means, with the additional advantage, which no other route could offer, of connecting Canada with Australia, and so completing the girdle of the world's telegraphic communications.

From a strategic point of view the advantages are, if possible, stronger.

Military authorities are now unanimously of opinion that, in the event of a European war, the Suez Canal could not possibly be relied on as a means of transport to the East. The military road to India and the East, therefore, must undoubtedly be *via* the Canadian Pacific Railway to Esquimalt, and thence by steamer across the

Pacific. The importance of establishing telegraphic communication in this ocean cannot be overrated, as a cable from Vancouver Island to Australia would supply an alternative means of communication with India and the East, in the event of the lines through the Mediterranean and Egypt being severed, as they infallibly must be in time of war.

These are considerations which have apparently escaped the notice of Mr. Pender, though they are not likely to be overlooked by any one who has a just appreciation of the bearing of Imperial communications upon the science of Imperial defence.

A cable from Vancouver Island to Australia would not only be of great commercial advantage to the nation, but it would also be a move of paramount importance in Imperial strategy. It is, in fact, a development which must inevitably take place, in obedience to the laws of expanding civilization.

No one can deny that the scheme is one of vital importance to the whole British Empire, and its accomplishment is not likely to be materially retarded by Mr. Pender's appeal *ad misericordiam* for the continuance of a monopoly, in the advantages of which not even his own shareholders have been allowed to participate fully.

I am, Sir,

Your obedient servant,

HAROLD FINCH HATTON,
Secretary.

P.87/2609.

FROM THE AGENT-GENERAL TO THE PREMIER.

Victoria Office, Victoria-street,

Westminster, S.W., 22nd July, 1887.

Sir,

I have the honour to inform you that I have received, from the High Commissioner for the Dominion of Canada, the enclosed correspondence on the subject of a survey in the Pacific in connexion with a cable from Australasia to Canada. The correspondence consists of:—

1. Letter to Sir Henry Holland, Colonial Minister, from 21 delegates to the Colonial Conference, dated May 16th, 1887.
2. Letter from Mr. Sandford Fleming to Mr. Baillie Hamilton, Secretary, in reference to the above, dated May 16th.
3. Letter from the Colonial Office to the Admiralty, dated May 23rd, 1887.
4. Letter from the Admiralty to the Colonial Office, dated May 28th, 1887.
5. Letter from the Colonial Office to Mr. Sandford Fleming, dated June 3rd, 1887.
6. Letter from Mr. Sandford Fleming to the Colonial Office, asking for a reconsideration of letter No. 1, dated June 8th, 1887.
7. Resolutions of the Colonial Conference, adopted May 6th, 1887.

I have, &c.,

GRAHAM BERRY.

THE HONORABLE THE PREMIER, MELBOURNE.

[ENCLOSURE 1.]

FROM THE DELEGATES TO THE COLONIAL CONFERENCE TO THE SECRETARY OF STATE FOR THE COLONIES.

Sir,

London, May 16th, 1887.

Referring to the discussion on the subject of the postal and telegraphic communication of the Empire before the Colonial Conference, the question was raised as to the practicability of submerging cables in the Pacific Ocean, so as to connect Canada and Australasia telegraphically, and as all doubts on the question should be removed with as little delay as possible, a thorough and exhaustive nautical examination should be at once made.

The undersigned, therefore, on behalf of the Governments they represent, respectfully request that Her Majesty's Government will cause such survey to be made.

We have the honour to be,

Sir,

Your obedient servants,

(Signed)	A. Campbell,	for Canada.
	Sandford Fleming,	Canada.
	James Service,	Victoria.
	P. A. Jennings,	New South Wales.
	S. W. Griffith,	Queensland.
	John Forrest,	Western Australia.
	Wm. Fitzherbert,	New Zealand.
	J. S. Dodds,	Tasmania.
	Adye Douglas,	Tasmania.
	Robert Wisdom,	New South Wales.
	Sep. Burt,	Western Australia.
	Saul Samuel,	New South Wales.
	A. Shea,	Newfoundland.
	Robert Thorburn,	Newfoundland.
	John Robinson,	Natal.
	Alfred Deakin,	Victoria.
	James Lorimer,	Victoria.
	Charles Mills,	Cape of Good Hope.
	Graham Berry,	Victoria.
	James F. Garrick,	Queensland.
	F. D. Bell,	New Zealand.

THE RIGHT HONORABLE SIR HENRY HOLLAND,
Secretary of State for the Colonies.

[ENCLOSURE 2.]

FROM MR. SANDFORD FLEMING TO THE SECRETARY OF THE COLONIAL CONFERENCE.

London: 9 Victoria Chambers, S.W.,

DEAR MR. BAILLIE HAMILTON,

16th May, 1887.

May I ask you to lay before Sir Henry Holland the enclosed communication from the members of the (late) Conference generally, suggesting that, inasmuch as the connexion of Canada and Australasia by a direct cable is a question of very great importance, its practicability should be established as speedily as possible by a proper survey and examination, under the authority of the Imperial Government.

As I have given some attention to this question, I would be glad, should Sir Henry Holland deem it advisable, to discuss with any officer of the Government the means by which the survey and soundings may be carried out.

I may mention that I have determined to extend my stay in London until the 25th inst.

Believe me, &c.,

SANDFORD FLEMING.

BAILLIE HAMILTON, Esq., C.M.G.,
Secretary to the Colonial Conference.

Pressing.

[ENCLOSURE 3.]

THE COLONIAL OFFICE TO THE ADMIRALTY.

SIR,

Downing-street, 23rd May, 1887.

I am directed by the Secretary of State for the Colonies to transmit to you, to be laid before the Lords Commissioners of the Admiralty, for any observations which they may have to offer, a copy of a letter from Mr. Sandford Fleming, C.M.G., one of the delegates from Canada to the late Colonial Conference, enclosing a letter, signed

by all the delegates to the Conference, recommending that a survey should be made, with a view to determining the practicability of laying a cable between Canada and Australia.

I am to suggest that Mr. Fleming should be placed in communication with the Hydrographer to the Admiralty, with a view to discussing this question.

I am, &c.,

THE SECRETARY TO THE ADMIRALTY.

R. H. MEADE.

[ENCLOSURE 4.]

THE ADMIRALTY TO THE COLONIAL OFFICE.

SIR,

Admiralty, 28th May, 1887.

I have laid before my Lords Commissioners of the Admiralty your letter of the 20th instant, enclosing a recommendation signed by the delegates to the late Colonial Conference, that a survey should be made with a view to determining the practicability of laying a cable between Canada and Australia; and, further, suggesting that Mr. Fleming should be placed in communication with the Hydrographer to the Admiralty with a view to discussing the question.

2. In reply, their Lordships desire me to state, for the information of Sir Henry Holland, that if Mr. Fleming has not already left London, he will find the Hydrographer to the Admiralty on any day he may like to fix.

3. My Lords, however, desire me to add that unless the Secretary of State has reason to believe that a submarine cable is likely to be laid from Vancouver to Australia very shortly, their Lordships would not propose to despatch a surveying vessel for the sole purpose of obtaining soundings over the route, but that they will endeavour to arrange that soundings shall be gradually obtained during the next few years in the ordinary course of hydrographic surveys.

I am, &c.,

EWAN MACGREGOR.

THE UNDER SECRETARY OF STATE, COLONIAL OFFICE.

[ENCLOSURE 5.]

THE UNDER SECRETARY COLONIAL OFFICE TO MR. SANDFORD FLEMING.

SIR,

Downing-street, 3rd June, 1887.

With reference to your letter of the 16th ultimo, I am directed by the Secretary of State for the Colonies to transmit, for your information, a copy of correspondence with the Admiralty respecting the proposed nautical survey of the Pacific, with a view to determining the practicability of laying a cable between Canada and Australia.

I am, &c.,

R. H. MEADE.

SANDFORD FLEMING, ESQ., C.M.G.

[ENCLOSURE 6.]

MR. SANDFORD FLEMING TO THE UNDER SECRETARY OF STATE FOR THE COLONIES.

SIR,

London, 8th June, 1887.

I have the honour to acknowledge the receipt of your letter of the 3rd instant, enclosing copies of letters between the Colonial Office and the Admiralty, respecting the proposed nautical survey of the Pacific in connexion with the laying of a cable between Canada and Australasia.

I beg leave to direct attention to the third paragraph of the letter from the Admiralty, which reads as follows:—"My Lords, however, desire me to add that unless the Secretary of State has reason to believe that a submarine cable is likely to be laid from Vancouver to Australia very shortly, their Lordships would not propose to despatch a surveying vessel for the sole purpose of obtaining soundings over the

"route, but that they will endeavour to arrange that soundings be gradually obtained during the next few years in the ordinary course of hydrographic surveys."

Since the receipt of your letter of the 3rd instant, I have, with the permission of the Lords Commissioners of the Admiralty, placed myself in communication with the Hydrographer, who has explained to me what is to be understood by the last part of the above quoted paragraph. From these explanations I have learned that it is not intended to do anything until next year; that next year it is expected that a surveying vessel will be despatched to Australian waters for other purposes, and that while there the officers will be instructed, in the ordinary course of their duties, to endeavour to obtain some information which may be useful in connexion with the question of laying a cable. It is intended to follow the same course year by year, but, from all I can learn, no definite idea can be formed as to the time which will be expended before the work will be completed; indeed, it does not appear quite certain that anything will be done even next year, or if commenced next year, it is hinted that the work may be interrupted and the surveying vessel taken away.

It is scarcely necessary for me to point out that the course proposed to be followed will not accomplish the desired end. The records of the Conference will show how much importance is attached by every delegate to the telegraphic connection of Canada and Australasia. In an Imperial point of view its importance was held at the Conference to be second to no other question brought forward for discussion, and I think I may venture to say, on behalf of the twenty-one delegates who attached their names to the letter of the 16th May, addressed to Sir Henry Holland, that it will be a grave disappointment to them and to the Governments they represent, if no other course than that proposed, and explained to me by the Hydrographer, be followed.

Sir Henry Holland, who presided over the Conference, will remember how strongly individual members spoke on the subject, and he knows also the views of the Conference as a body. On the last day of the Conference a resolution on the question was unanimously adopted, to which I think it would be well to direct the special attention of the Admiralty.

I respectfully submit that the Lords Commissioners of the Admiralty appear to have misapprehended the object of the application of the 16th May. I may therefore venture to explain that, as some of the officers of the Government and other gentlemen examined before the Conference gave testimony which raised doubts as to the practicability of establishing a direct telegraph across the Pacific, a general feeling prevailed that the question was of such paramount importance as to demand immediate attention, and that every doubt should be set at rest by having a thorough and exhaustive survey made under the highest nautical authority. No one who attended the meetings of the Conference, or who has seriously considered the relations of the great self-governing Colonies to the Mother Country, can for a moment doubt that an electric cable from Canada to Australasia is imperatively demanded, and that, if practicable, will be established. The question of practicability, however, is precedent to all others, and it is therefore of the utmost importance that the request of the delegates to the Conference, made collectively and individually, on behalf of their respective Governments, should be considered.

I have, &c.,
SANDFORD FLEMING.

THE UNDER SECRETARY OF STATE,
THE COLONIAL OFFICE.

[ENCLOSURE 7.]

Resolutions unanimously adopted by the Conference, 6th May, 1887.

First. That the connexions recently formed through Canada from the Atlantic to the Pacific, by railway and telegraph, opens a new alternative line of Imperial communication over the high seas and through British possessions, which promises to be of great value, alike in naval and military, commercial, and political aspects.

Second. That the connexion of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire; and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey.

P.O.3278/87.

FROM THE SECRETARY THE PACIFIC TELEGRAPH COMPANY LIMITED TO THE POSTMASTER-GENERAL OF VICTORIA.

Sir,
Pacific Telegraph Company Limited,
34 Clement's-lane, London, 12th May, 1887.

By order of my directors, I have the honour to submit for your consideration a proposal on behalf of this company to lay a cable from Vancouver Island to Australia. The proposal is in the amended form in which it was laid before the Colonial Conference on the 6th of May, 1887.

The directors hope that the very moderate nature of the company's proposal, combined with the exceptional strategic and commercial advantages of the Pacific route, will ensure the favorable consideration of your Government.

Awaiting the favour of a reply,

I am, &c.,

HAROLD FINCH HATTON,
Secretary.THE HONORABLE THE POSTMASTER-GENERAL OF VICTORIA,
MELBOURNE.

[ENCLOSURE.]

[CONFIDENTIAL.]

PACIFIC TELEGRAPH COMPANY LIMITED.

Sir,

34 Clement's-lane, London, 3rd May, 1887.

Referring to the proposal* submitted by the Pacific Telegraph Company for the consideration of the Colonial Conference on the 20th April, 1887, I am now instructed by the directors of the company to submit, as an amended proposal, the following:—

1. The Pacific Telegraph Company shall lay a line of cable from Vancouver Island to Australia, touching at Hawaii, Fanning Island, Samoa, Fiji, and New Zealand.
2. The Governments of Great Britain, of Canada, and of the Australian Colonies shall guarantee to the Pacific Telegraph Company Government traffic to the amount of £75,000 per annum, in such proportions as may be mutually agreed upon by the said Governments.
3. The above guarantee shall date from the completion of telegraphic communication between Canada and Australia by the company, and shall continue in force for 25 years from that date, subject to the following conditions:—
4. In the event of telegraphic communication being interrupted, 35 days shall be allowed to the company for repairs; if at the expiration of 35 days telegraphic communication shall continue to be interrupted, then the guarantee shall be suspended from that date until telegraphic communication be re-established.
5. The rate per word payable by the Governments shall be the current rate charged by the company to the general public, but such rate shall never exceed 4s. per word for the transmission of messages from England to Australia.

In my statement to the Colonial Conference on the 27th April,† I mentioned that the proposal of the Pacific Telegraph Company, which was then before the Conference, for an annual subsidy of £100,000 for 25 years was based upon calculations as to the approximate cost of constructing and laying a cable which were made some time ago.

I further stated that the company was at that very time actually engaged in collecting expert evidence as to the most recent improvements in the manufacture of cables, and the consequent reduction in the cost of constructing and laying them. The result of the investigation has been to convince the directors that the original estimate for the cost of the undertaking will bear some reduction.

* Vide Appendix 3, page 50. † Vide Appendix 4, page 51.

In addition to the above, the directors have been influenced by considerations of even greater weight. Events of very recent date point to the certainty of the Pacific Ocean being shortly developed as one of the main waterways of the world's commerce. In view of the very largely increased intercolonial telegraphic traffic which must inevitably follow any such development, the directors feel justified in accepting the extra risk which the reduction of the guarantee from £100,000 to £75,000 per annum will entail.

As above stated (in clause 5), the directors of the Pacific Telegraph Company bind themselves to start by reducing the rate to 4s. per word for the transmission of ordinary messages from England to Australasia, and further bind themselves not to exceed such rate.

The reduction to 4s. per word, however, is by no means intended to be final, for if the estimates of increased traffic are in any way realized, the company will be in a position to effect very considerable further reductions.

I have, &c.,

HAROLD FINCH HATTON.

TO THE CHAIRMAN OF THE COLONIAL CONFERENCE,
LONDON.

P.87/3576.

MR. SANDFORD FLEMING, C.M.G., TO THE CHIEF SECRETARY OF VICTORIA.

SIR,

Ottawa, Canada, 26th September, 1887.

I have the honour to address you on the subject of the proposed telegraph to connect the Australian Colonies with England by way of Canada.

I beg leave, in the first place, to refer to the following correspondence which it became my duty to transmit to you before I left London in June last, viz.:

- *(1.) Letter, 16th May, 1887, to Sir Henry Holland, Secretary of State for the Colonies, from the delegates to the Colonial Conference on behalf of the Governments they represented, requesting that Her Majesty's Government will cause an exhaustive survey to be made without delay in order to set at rest all doubts raised as to the practicability of establishing a telegraph cable across the Pacific Ocean between Canada and the Australian Colonies.
- (2.) Letter, 16th May, 1887, to Mr. Baillie-Hamilton, Secretary of the Conference, on the same subject.
- (3.) Letter, 3rd June, 1887, from the Colonial Office, covering correspondence with the Admiralty on the same subject.
- (4.) Letter, 28th May, 1887, from the Admiralty to the Colonial Office, stating that the Lords Commissioners are not prepared to make a special survey.
- (5.) Letter, 8th June, 1887, to the Colonial Office, from myself, submitting reasons why the application of the delegates should be re-considered.

These communications were subsequent to the discussions on the subject at the Colonial Conference, and the published proceedings of the Conference will show that during the discussions testimony was brought forward by officers of the Government and the Eastern Telegraph Company to raise doubts as to the practicability of establishing telegraphic connexion across the Pacific. In consequence of these doubts it was deemed expedient by the delegates that a proper survey should be made as soon as possible, with that object in view. Her Majesty's Government was specially appealed to, but the reply of the Lords Commissioners of the Admiralty, by whose authority it was hoped the survey would be made, was unsatisfactory. The correspondence was transmitted to me, whereupon I ventured to submit reasons why the application of the delegates should be re-considered, but up to this date I have not learned that anything further has been decided.

I beg leave, secondly, to invite the attention of your Government to the accompanying memorandum; and I may mention that while on the one hand doubts have been raised as to the practicability of submerging an electric cable across the Pacific, on the other hand information of an important character has been obtained, at and since the

Conference. By the light which has thus been thrown on the whole subject this memorandum has been prepared.

Assuming that the survey will establish that there are no insuperable obstacles to the laying of a submarine cable, this memorandum will make it obvious that at no distant day Canada and Australia can be connected telegraphically on terms which would be just and fair to all concerned, and, I venture to think, in a manner which would be extremely advantageous to the Australian Colonies as well as to Canada and the Mother Country.

As the matter presents itself to my mind, the question of a nautical survey becomes of increased importance, and I have taken some trouble to ascertain how it can be accomplished in the event of the Lords Commissioners of the Admiralty remaining unable to see their way to have it carried out.

I have learned that, provided the Governments of the Australian Colonies and New Zealand are willing to co-operate, a proper nautical examination may be secured without difficulty or delay, and at comparatively little cost to any one of the colonies.

The Government of Canada controls a suitable steamship for such a service, and has also in its employment scientific men and officers of the Royal Navy in every respect qualified to carry out the survey. I have, therefore, taken upon myself to submit a proposition asking if the Canadian Government will be prepared to furnish the ship and officers provided the Australasian Governments are willing to co-operate in defraying the expenses to be incurred for coaling, victualling, and crew.

My object in now addressing you is to request you to submit the proposition to your Government. In doing so, I have authority to state that the matter has been discussed in the Canadian Privy Council, and that a favorable view is taken of the proposition.

The naval officer consulted is of opinion that the work of soundings may be satisfactorily completed within twelve months, and he also estimates that with the ship and officers furnished by Canada, a joint contribution of £6,000 by the Australian Colonies and New Zealand would suffice.

I feel warranted in expressing my belief that if the co-operation of your Government with the Governments of the other Colonies, in the manner suggested, be secured without loss of time, the practicability of connecting Australia and Canada telegraphically will be authoritatively set at rest before the end of next year, and with the information resulting from the survey, the establishment of the cable eventually will be materially facilitated.

I have the honour to mention that I have addressed a similar communication with the accompanying memorandum to the Governments of the other Colonies.

SANDFORD FLEMING.

THE HONORABLE THE CHIEF SECRETARY OF VICTORIA,
MELBOURNE.

[ENCLOSURE.]

Memorandum respecting the proposed Telegraph to connect India and Australia with England by the Canadian route.

At the Conference recently called by Her Majesty's Government to consider matters of common interest to all portions of the Empire, attention was directed to the question of connecting Australia and Asia with England by a postal and telegraph route through Canada.

The discussion was renewed from time to time, and the more the question was considered, the more deeply all present at the Conference became impressed with the vast significance of the issues which the new line of communication involve for England herself as well as for the Australian Colonies, India, Canada, and the whole outer Empire of Great Britain.

On the last day of the Conference the following resolutions were entered in the proceedings:—

First, "That the connexion recently formed through Canada from the Atlantic to the Pacific, by railway and telegraph, opens a new alternative line of Imperial communication over the high seas and through British

possessions, which promises to be of great value alike in naval, military, commercial, and political aspects."

Second, "That the connexion of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire; and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey."

These resolutions expressed the united voice of the Conference after the strenuous efforts of gentlemen acting on behalf of the Eastern Extension Telegraph Company to impress the delegates with the idea that a direct telegraphic communication between Australia and Canada was unnecessary and impracticable.

The lines of the Eastern Extension Telegraph Company extend from India easterly to China and southerly to Australia, and they form the only existing telegraph connexion between the Australian Colonies and Europe.

This company has for some years enjoyed a monopoly of all telegraph business, and, naturally solicitous for the future, its representatives left nothing undone to advance views adverse to the projected new line. Day by day, Mr. John Pender, the chairman of the company, was in attendance. He was allowed to address the Conference, and to circulate documents of various kinds among the delegates, and in every way he used his influence against the project in the private interests of the company he represents. Notwithstanding these efforts, the above resolutions were adopted, and it is not a little remarkable that they are the only resolutions which were formally submitted, and unanimously assented to at the Conference.

The arguments offered on behalf of the company were combatted on public grounds by some of the delegates; and during the discussion, the Postmaster-General, Mr. Raikes, stated very forcibly that it would be absolutely impossible for the English people or for Her Majesty's Government to recognise the monopoly which the company seem to claim. He, however, pointed out that while the position assumed by Mr. Pender for his company was one which could never be accepted either by the Colonies or by the British Parliament, it was a matter of extreme difficulty for the English Government to assist in carrying out the new scheme in such a way as to constitute itself a competitor with the existing company. While he pointed out the difficulty, the Postmaster-General gave expression to his warm sympathy with those who were seeking to promote what he termed the most beneficial changes which can come out of the Conference.

In the proceedings of the Conference of the 27th April and 6th May will be found recorded the general principles of a scheme which completely obviate the difficulty mentioned by Mr. Raikes. The scheme has much in common with one propounded by the Postmaster-General of New Zealand, Sir Julius Vogel. The proposal is to combine the several telegraph systems of the Australian Colonies under one management, to include the submergence of a cable across the Pacific from Australia to Canada, and to provide for taking over at a valuation, whenever the company may desire, all the cables of the Eastern Extension Company.

While this proposal assumes that a change is demanded by public expediency, it also recognises that the existing company, as the pioneer of a system of communication which has materially assisted in developing Australian trade, is entitled to just and reasonable consideration. If the new Pacific line will destroy the monopoly of the company, and put an end to the profits which the shareholders have hitherto enjoyed, the proposal carried into effect would return to them the full value of the property which would be rendered no longer profitable to them. Moreover, although it would scarcely be reasonable for the proprietors to expect compensation for unearned profits, they may fairly claim and be allowed all the profits obtainable until the new line be in operation.

A question will arise as to the value of the cables of the Eastern Extension Company. The testimony of Mr. Pender, at the Conference, shows that they were laid at an average cost of £184 per mile. They have, however, been laid a number of years, and have depreciated in value according to the length of time submerged. Mr. Pender estimates the life of a cable at twenty years, and the published official statements of the company furnish full information as to the length and age of the cables it controls. With this data, it is an easy matter for an actuary to prepare an estimate of the value, at any given year, of the whole system of cables owned by the

company. Appended hereto will be found such an estimate, by which it appears that all the cables of the Eastern Extension Company are valued as follows:—

In 1887, total value	...	...	...	£960,195
1888, "	...	...	...	£849,473
1889, "	...	...	...	£788,751
1890, "	...	...	...	£629,685

If we add the cost of the new line across the Pacific, reckoning it at the rate per mile as the cables of the company, when first laid, we shall be enabled to form a tolerably correct idea of the new capital required to carry out the general scheme. According to the scheme submitted to the Colonial Conference, new capital would not be required for the land lines handed over by the Australian colonies. These would be worked in common with all the cables under one management, each Colony retaining an interest in revenue in proportion to the value of the lines handed over.

It may be assumed that the Eastern Extension Company will not desire to hand over their property so long as it can be worked at the old scale of profits, that is, until the new line be ready for business; as in all probability much time will be spent in negotiations, preliminary arrangements, and surveys, the new line can scarcely be in operation before 1890. Accordingly, we may take into calculation the estimated value of the company's cables for that year as under:—

Estimate of New Capital.

(1.) Valuation of the cables of the Eastern Extension Company in the year 1880	...	...	£630,000
(2.) Cost of new cables to connect Australia with Canada, 7,600 miles, at £184 per mile	...	...	£1,400,000
			£2,030,000

The total new capital then required to carry out this comprehensive scheme designed to bring under one harmonious management all the telegraphs within the Australian Colonies, and all the cables existing or projected from Australia to India and to Canada, appears to be little over two millions sterling. The sum is very much less than that spoken of at the Conference, but it is impossible to impugn the estimate without calling in question the accuracy of the data which is supplied by the Eastern Telegraph Company itself.

£2,030,000 on a joint Government guarantee (Imperial and Colonial) could be raised at a very low rate of interest. At three per cent. it would come to £60,000 per annum, a sum which is almost equalled by the subsidies now being paid or available, as the following table will show:—

British Subsidies.

(1.) Paid by New South Wales	...	...	£12,617
(2.) " Victoria	...	...	14,479
(3.) " South Australia	...	...	4,805
(4.) " Western Australia	...	...	499
(5.) " Tasmania	...	...	4,200
			£36,600

Foreign Subsidies.

(1.) Paid by Malacca	...	...	£1,000
(2.) " Manilla	...	...	8,000
(3.) " Tonquin	...	...	10,600
(4.) " Macao	...	...	500
(5.) Offered by Hawaii	...	...	4,000
			£24,100
Total Subsidies	...	...	£60,700

To this list of subsidies it will be noticed that only five British Colonies contribute, while ten British Governments in all are more or less directly and specifically interested in the establishment of the new line of telegraph. It would manifestly be

unfair to these five Colonies if they were left to bear the whole burden. It seems proper that the other five British Governments should bear an equitable share of the cost.

The available foreign subsidies amount in all to £24,100 per annum. If we deduct this annual asset from the cost per annum of the new capital, £60,000, there remains £36,000 to be met in equitable proportions by the ten British Governments concerned in the scheme. Let us assume, suggestively, that half this annual charge be borne by the five contributing Governments, and the other half by the five Governments not now contributing, the account will stand thus:—

Payable by—						
New South Wales						
Victoria						
South Australia						
Western Australia						
Tasmania						
	...	...	...			£18,400
The United Kingdom						
India						
Canada						
New Zealand						
Queensland						
	...	...	...			£18,400
						£36,800

The exact proportions payable by each Government can only be determined by negotiations and mutual agreement, but the above sets forth generally the features of a scheme which seems well calculated to accomplish the desired object. Five of the Australian Colonies are bound by agreement to contribute until the end of the present century a subsidy of £36,600. According to the above division, these Colonies would have their liability reduced to £18,400 per annum, scarcely more than half what they now pay. Their direct gain would be £18,200 per annum, while their indirect gains, resulting from reduced charges and facility of intercourse, would be infinitely greater.

In view of the important advantages in which all would participate, it cannot be urged that the other Governments not now contributing would be greatly burdened by the joint payment of £18,400 per annum.

It will not be overlooked that when the foreign subsidies expire, a further charge of £24,100 per annum will have to be met from some source. Even if it be required to be borne by the ten Governments in equitable proportions, it could not weigh heavily on any of them, but it is anticipated that when all the subsidies run out the revenue from the telegraphs will be amply sufficient to meet interest and every other charge. The new Pacific Telegraph system, as a Government work, will be established with capital secured at a very low interest, making it possible for a profitable business to be done at exceedingly low schedule rates. The great reduction in rates thus rendered possible would give a wonderful impetus to telegraphy, and, as a consequence, the business, it is believed, would so greatly increase as to admit of revenue meeting fully every proper charge against it. This will be more apparent when it is considered that at no time would revenue be chargeable with dividends or bonuses which the shareholders of all private companies mainly look for.

After the discussion at the Conference it can no longer be held that the existence of the Eastern Extension Company must preclude the establishment of the new line of communication across the Pacific; a line demanded not simply by colonial growth and general commercial progress, but in a still greater degree by the exigencies of the Empire. That it is vitally expedient to secure the new line as a measure of defence can be judged by the magnitude of the consequences which at any time may result from neglect in establishing it. This has been emphatically recognised by the highest authorities in England and likewise acknowledged by members of Her Majesty's Government and by the representatives of all the Colonies at the Conference.

It is claimed that the scheme set forth meets all the objections which have been raised, and goes far to harmonize every interest; it would undoubtedly establish the new line of communication at the least possible cost, and enable the principal self-governing Colonies to co-operate with the Home Government in carrying out a project of a very great Imperial importance.

Ottawa, 26th September, 1887.

SANDFORD FLEMING.

Nos. 4818-23/87.

[TELEGRAM.]

THE PREMIER OF VICTORIA TO THE PREMIERS OF QUEENSLAND, SOUTH AUSTRALIA, TASMANIA, NEW ZEALAND, COLONIAL SECRETARIES OF NEW SOUTH WALES AND WESTERN AUSTRALIA.

Melbourne, 23rd December, 1887.

Pacific Cable.—Seems highly important that practicability be set at rest by a survey, as proposed by the Colonial Conference. I suggest that the matter might be moved a step forward, if the several Colonies move Governor to wire the Secretary of State representing the desirability of giving effect to the two resolutions of the Conference adopted on 6th May. If this is concurred in, I will act accordingly as regards Victoria.

D. GILLIES.

No. 4833/87.

THE PREMIER TO THE AGENT-GENERAL.

Melbourne, 23rd December, 1887.

Pacific Cable.—Ask whether Fleming's letter, 8th June, to Secretary of State for the Colonies not yet answered. Am suggesting Colonies wire through Governors.

D. GILLIES.

P.87/4098.

[TELEGRAM.]

THE PREMIER OF NEW ZEALAND TO THE PREMIER OF VICTORIA.

Wellington, 24th December, 1887.

Pacific Cable.—Suggestion approved. Have requested Governor to urge Secretary of State. We have heard from Mr. Fleming that Canadian Government are willing to undertake survey if Australian Governments contribute to cost. Have wired Premier, Sydney, who has not replied.

H. A. ATKINSON.

P.87/4115.

[TELEGRAM.]

THE PREMIER OF QUEENSLAND TO THE PREMIER OF VICTORIA.

Brisbane, 28th December, 1887.

I should like to have the opportunity of discussing the question of the Pacific Cable survey with you before anything definite is done.

S. W. GRIFFITH.

87/4866.

[TELEGRAM.]

THE PREMIER OF VICTORIA TO THE PREMIER OF QUEENSLAND.

Melbourne, 28th December, 1887.

Pacific Cable.—I observed your name as signatory of a letter to Sir H. Holland, dated London, 18th May, requesting Her Majesty's Government to take action on the resolutions of the Conference *in re*. I therefore relied on your concurrence, and have telegraphed to other Colonies in same terms as to you. New Zealand replies quite agreeing, and has moved Governor accordingly. Have you any new objection?

D. GILLIES,
Premier.

P.87/4122.

THE PREMIER OF TASMANIA TO THE PREMIER OF VICTORIA.

Hobart, 28th December, 1887.

Pacific Cable.—Consequent upon negotiations proceeding with Eastern Extension Company, respecting Bass Straits cable contract, this Government unwilling to move. This subject is specially fitted for reference to the Postal and Telegraph Conference to be shortly held at Adelaide.

P. O. FYSH.

P.87/4144.

[TELEGRAM.]

THE PREMIER OF QUEENSLAND TO THE PREMIER OF VICTORIA.

Brisbane, 30th December, 1887.

I assumed that you had received Mr. Sandford Fleming's circular letter, containing proposals for carrying out survey, to which I have replied, saying that I hoped shortly to have an opportunity of consulting other Governments. I think his proposals should be considered before making request through Governor as suggested by you. I hope to be in Melbourne on the twelfth.

S. W. GRIFFITH.

No. 87/4912.

[TELEGRAM.]

THE PREMIER OF VICTORIA TO THE PREMIER OF QUEENSLAND.

Melbourne, 30th December, 1887.

Mr. Fleming's proposals for a survey were, I understood, as an alternative in default of a survey by the Imperial Government. But as far as I am aware the Imperial Government has not yet refused to perform the work, and it is premature to proceed with other proposals. My idea, therefore, was to press for a reply to the delegates' letter of 16th May, and if that is unfavorable, then it will be time enough to consider an alternative scheme.

D. GILLIES,
Premier.

P.88/51.

THE PREMIER OF SOUTH AUSTRALIA TO THE PREMIER OF VICTORIA.

Adelaide, 4th January, 1888.

Re survey for Pacific Cable, we consider this is a subject that might be fairly discussed at Postal Conference about to be held.

T. PLAYFORD.

P.88/89.

THE COLONIAL SECRETARY OF WESTERN AUSTRALIA TO THE PREMIER OF VICTORIA.

Perth, 7th January, 1888.

Pacific cable matter seems scarcely sufficiently advanced for this Government to take any step.

MALCOLM FRASER.

P.88/137.

[TELEGRAM.]

THE AGENT-GENERAL TO THE PREMIER.

London, January 12th, 1888.

Pacific Cable.—Fleming's letter answered. Holland says if Colonial Governments concerned provide necessary funds, Admiralty will be urged accelerate survey.

GRAHAM BERRY.

P.88/490.

THE AGENT-GENERAL TO THE PREMIER.

Victoria Office, Victoria-street,

Sir,

Westminster, S.W., 13th January, 1888.

With reference to your telegraphic despatch of the 23rd ultimo, asking whether Mr. Sandford Fleming's letter of the 8th of June to the Secretary of State for the Colonies had been answered, I have the honour to enclose, for your information, copy of the despatch of Sir Henry Holland to the Marquis of Lansdowne on the subject, which I have received through the courtesy of the Canadian office. I telegraphed the substance of Sir Henry Holland's letter to you yesterday, in the despatch of which a copy is subjoined.

GRAHAM BERRY.

THE HONORABLE THE PREMIER, MELBOURNE.

[ENCLOSURE No. 1.]

THE SECRETARY OF STATE FOR THE COLONIES TO THE GOVERNOR-GENERAL OF CANADA.

MY LORD,

Downing-street, 12th July, 1887.

I have the honour to transmit to your Lordship, for communication to your Government, a copy of a letter from the representatives to the Colonial Conference of Governments interested in the question of the proposed cable between Canada and Australia, with correspondence, between this Department, the Admiralty, and Mr. Sandford Fleming, C.M.G., on the subject.

I would observe that as there is at present no sufficient prospect of the necessary funds being available for the maintenance of a telegraph cable across the Pacific, even if the ocean bed to be traversed should prove to be exceptionally favorable, it would be impossible to justify a heavy special expenditure in pushing on the surveys; but if it could be established that the Colonial Governments concerned would be prepared to provide the necessary funds, I should be in a better position to urge upon the Lords Commissioners of the Admiralty the desirability of accelerating the survey.

I request that Mr. Sandford Fleming may be informed of the contents of this despatch.

H. T. HOLLAND.

GOVERNOR-GENERAL,

THE MOST HONORABLE THE MARQUIS OF LANSDOWNE, G.C.M.G.,
&c., &c., &c.

[For Enclosure No. 2, see P.88/137, ante.]

P.88/619.

[TELEGRAM.]

THE PREMIER OF QUEENSLAND TO THE PREMIER OF VICTORIA.

Brisbane, 24th February, 1888.

Have you made any representations to Imperial Government with respect to soundings for Pacific cable? Have you any further information how matter stands?

S. W. GRIFFITH.

No. 88/757.

[TELEGRAM.]

THE PREMIER OF VICTORIA TO THE PREMIER OF QUEENSLAND.

Melbourne, 25th February, 1888.

Pacific Cable.—I have not, so far, made representations to Imperial Government with a view to get soundings made for Pacific cable. You will remember that I suggested this course to the other Colonies, but only New Zealand responded, and the matter stood over for the Postal Conference in Sydney. Of course you are acquainted with the resolution of the Postal Conference in the matter. I see no reason why we should not now make representations on this basis to Imperial Government.

D. GILLIES.

No. 88/897.

THE PREMIER TO THE GOVERNOR.

Premier's Office,

Melbourne, 5th March, 1888.

Memorandum to His Excellency the Governor.

The Premier presents his duty to Your Excellency, and begs to bring under Your Excellency's notice the following resolution, relative to the proposed Pacific telegraph cable, which was passed at the Postal Conference held at Sydney in January (ultimo), and at which the whole of the Australasian Colonies were represented, viz.:

"That this Conference is of opinion that it is desirable that a survey should be made of a suitable route for an ocean telegraph cable, by way of the Pacific, *via* Vancouver Island, the cost of the survey to be defrayed by Great Britain, Canada, and the Australasian Colonies represented at this conference.

"This, however, is not to bind any of the countries named to accept the proposals of the Pacific Cable Company; and that the subject of the resolution be communicated to the various Australasian Governments."

New South Wales dissented.

This Government concurs in the recommendation contained in the resolution referred to, and will be prepared to bear its proportion of the cost, as suggested by the Conference.

Mr. Gillies begs to request, therefore, that Your Excellency will have the goodness to communicate by telegraph with the Right Honorable the Secretary of State on the subject, and ask that the Board of Admiralty may be moved to undertake the desired survey at the earliest possible date.

D. GILLIES,
Premier.

No. 88/978.

THE PREMIER TO THE AGENT-GENERAL.

Premier's Office,
Melbourne, 9th March, 1888.

SIR,

With reference to my telegram of the 23rd December last, and to your telegram in reply of the 12th January, relative to the proposed Pacific cable, I have the honour to forward herewith, for your information, a copy of a memorandum on the subject, addressed to me by His Excellency the Governor, bearing date of the 5th instant.

I have, &c.,
(For the Premier) E. J. THOMAS,
Secretary to the Premier.

THE HON. SIR GRAHAM BERRY, K.C.M.G.,
AGENT-GENERAL FOR VICTORIA, LONDON.[For Enclosure, *vide* No. 88/897, *ante*.]

P.88/1415.

THE GOVERNOR TO THE PREMIER.

Government House, Melbourne.

The Governor begs to forward to the Honorable the Premier the enclosed copy of a cablegram which he has this day received from the Secretary of State for the Colonies with reference to the survey of a suitable route for a Pacific Ocean Telegraph Cable *via* Vancouver Island.

HENRY B. LOCH.

[ENCLOSURE.]

[Telegram.]

THE SECRETARY OF STATE FOR COLONIES TO GOVERNOR SIR HENRY B. LOCH.

London, 28th April, 1888.

Your despatches, 8th March, and your telegram, 7th March, communicated to Admiralty. Question of survey cannot be decided pending receipt of Postal Conference proposals and views of Canadian Government; but H.M.S. *Egeria* is about to leave Sydney for survey duty, including soundings between New Zealand and Sandwich Islands.

No. 88/1798.

THE PREMIER TO THE GOVERNOR.

Premier's Office,
Melbourne, 5th May, 1888.*Memorandum to His Excellency the Governor.*

The Premier presents his duty to Your Excellency, and has the honour to acknowledge the receipt of Your Excellency's memorandum of the 28th ultimo, forwarding a copy of a cablegram from the Secretary of State for the Colonies of the same date, relative to the proposed survey by the Admiralty of a suitable route for a Pacific Ocean telegraph cable *via* Vancouver Island.

It is stated in the cablegram referred to that the question of making the desired survey cannot be decided until the Postal Conference proposals and the views of the Canadian Government are in the possession of the Imperial Government.

The Report of the Proceedings of the recent Postal Conference will doubtless be forwarded to Lord Knutsford through His Excellency the Governor of New South Wales, in which colony the conference was held; but with the view, if possible, of expediting a conclusion with regard to the particular subject to which this correspondence relates, Mr. Gillies begs to enclose a printed copy of those proceedings, and to

request that Your Excellency will have the goodness to transmit it to the Secretary of State for the Colonies.

The resolution relating to the Pacific Ocean telegraph cable appears in pages 7 and 12 of the Report.

D. GILLIES,
Premier.

P.88/2264.

[CIRCULAR.]

THE SECRETARY OF STATE FOR THE COLONIES TO THE GOVERNOR OF VICTORIA.

SIR,

Downing-street, 1st May, 1888.

I have the honour to transmit to you, for communication to your Government, a copy of a letter which I caused to be addressed to the Lords Commissioners of the Admiralty, respecting the survey which Her Majesty's Government have been requested to make of a route for a cable telegraph between Canada and Australia across the Pacific Ocean, together with an extract from their Lordships' reply.

Her Majesty's Government concur in the opinion expressed in the letter from the Admiralty, that the question of accelerating the survey must remain open until there is a prospect that the funds for the construction of the cable will be found. My telegram of the 27th ultimo was founded on the letter from the Admiralty annexed to this Despatch.

I have, &c.,
KNUTSFORD.

THE OFFICER ADMINISTERING
THE GOVERNMENT OF VICTORIA.

[ENCLOSURE 1.]

COLONIAL OFFICE TO ADMIRALTY.

SIR,

Downing-street, 16th March, 1888.

With reference to your letters M./1212 of the 28th of May, and M./1557 of the 5th of July last, on the subject of a proposed telegraph cable between Canada and Australia, I am directed by Lord Knutsford to transmit to you, to be laid before the Lords Commissioners of the Admiralty, a copy of a telegram received from the Governor of Victoria, urging that an early survey may be made of a suitable line for a cable.

As the Colonial Governments of Australia appear to be prepared to provide, in conjunction with the Imperial Government and the Government of Canada, a proportionate share of the expense of such a survey, Lord Knutsford, with a view to that further consideration of the question which has become necessary, would be obliged if their Lordships would furnish him, if it is in their power to do so, with an approximate estimate of the probable cost of a survey.

I am, &c.,
JOHN BRAMSTON.

THE SECRETARY TO THE ADMIRALTY.

[ENCLOSURE 2.]

[TELEGRAM.]

THE GOVERNOR OF VICTORIA TO LORD KNUTSFORD.

Melbourne, 7th March, 1888.

In accordance with resolution passed by Postal Conference held Sydney, the whole of Australian Colonies being represented, my Government ask that Admiralty may be moved to make early survey of suitable route for ocean cable telegraph by way of Pacific Ocean *via* Vancouver Island, cost to be defrayed by Her Majesty's Government, Government of Canada, and Australasian Colonies.

[ENCLOSURE 3.]

EXTRACT FROM A LETTER FROM THE ADMIRALTY TO COLONIAL OFFICE, DATED
4TH APRIL, 1888.

5. H.M.S. *Egeria* is now on the point of sailing from Sydney to perform the important work of clearing up the dangers, and fixing the positions of, and surveying the Islands on the route from New Zealand to Vancouver, a work which my Lords understood was strongly urged by Rear-Admiral Sir George Tryon on the representations of the Colonies.

6. In the course of this work the *Egeria* has orders to obtain deep soundings, which will in two or three years furnish more detailed information than now exists as to the varieties of depths to be expected on the general line of cable.

7. To survey a route for a cable to any purpose would, however, entail long searching for the best line, examination of contours of coral islands, and continuous close sounding; and three years' steady work at that and nothing else would probably not complete the survey.

8. The operations on which the *Egeria* is about to be employed will provide for work of immediate value to, and of urgent necessity in connexion with, the commerce now springing up; and will also furnish gradually (at a minimum cost) the preliminary information required, and a great part of that directly bearing on the laying of a cable.

9. My Lords do not, therefore, consider that it is advisable to make any alteration in the orders under which the *Egeria* is about to act; and as no vessel can be spared from her hydrographic work in any other part of the world, the question of hastening the survey by providing another vessel must, in their Lordships' opinion, remain open until Lord Knutsford is able to inform this Department that there is a reasonable prospect that the funds for the construction of the submarine cable across the Pacific will be found, and that time is of importance in Imperial interests.

10. In reply to the inquiry contained in the last part of your letter, my Lords desire me to state that the annual cost of H.M.S. *Egeria* is about £12,000, and that if a similar vessel is provided especially for the purpose of making a complete survey of the best ocean route and landing-places the cost would be about £36,000. The foregoing estimate is irrespective of the value of the vessel, and the cost of fitting her out.

No. 3557-62/88.

[CIRCULAR.]

THE PREMIER OF VICTORIA TO THE PREMIERS OR COLONIAL SECRETARIES OF THE
AUSTRALASIAN COLONIES.

Premier's Office,
Melbourne, 20th August, 1888.

SIR,

With reference to previous correspondence relative to the desirableness of a survey being made of a suitable route for an Ocean Telegraph Cable by way of the Pacific, and to the resolution of the Postal Conference, held in Sydney in January last, on the same subject, I have now the honour to request that you will be so good as to inform me whether your Government will be prepared to contribute towards the cost of the proposed survey on the basis of the Conference resolution referred to.

It may be well to point out that the circular despatch of the Right Honorable the Secretary of State for the Colonies, dated 1st May last, contains an estimate of the cost of such a survey if carried out by the Imperial Government.

I have, &c.,
D. GILLIES,
Premier.