

## II.

MY DEAR SIR CHARLES,—

Ottawa, 28th March, 1894.

I have your letter of the 13th March, in reply to mine of the 23rd February. I think I must ask you to allow me to trouble you with a few words of explanation.

It is perfectly true that my recent proposals do not necessarily involve any direct contribution from the Imperial Government to the cost of the cable from Canada to Australia. The reasons are easily explained. I have contended for years that Imperial interests are so great and so vital that the cost of establishing the undertaking should undoubtedly be shared by the Home Government, but what were the circumstances as they were presented to me when I went to Australia last summer? You will at once see that I had little or no hope that the Imperial Government would do anything. At the Colonial Conference of 1887 after the whole matter had been discussed and the arguments for Imperial assistance plainly stated, no encouragement was held out. The Postmaster-General, speaking for the Government, said, "It would be a matter of extreme difficulty, I think, without precedent, for the English Government itself to become interested in such a scheme in such a way as to constitute itself a competitor with an existing commercial enterprise carried on by citizens of the British Empire." It was quite well understood that he had reference to the Eastern Extension Telegraph Company and to what had taken place since then up to the present time. Everything goes to show that the Home Government has adhered to the views expressed at the Colonial Conference. I will not say that they have regarded the interests of the Eastern Extension Company as more important than the interests of Canada and Australia, but the facts appear to show that they have evinced no great desire to establish a competing line across the Pacific. From our standpoint they indeed appear to have taken a protecting interest in that company by keeping back the competing line. In proof I have only to refer you to the statement of the 20th February, recently sent you by Mr. Bowell, respecting the nautical survey, and again to the despatch of last September from the Colonial Office to the Colonial Government sent off to Australia so soon as the Canadian delegate left, and which he found confronting him on his arrival in Australia with the documents contained, antagonistic to his mission in respect to the Pacific cable.

Knowing all this and a great deal more, for I have watched most carefully every circumstance bearing on the cable, it is not surprising that on my visit with Mr. Bowell to Australia I despaired of assistance of any kind coming directly from the Imperial Government. Moreover, that feeling of despair was not confined to me. It was evidently shared by at least two of the Australasian Governments, as they had been forced by the indifference and seeming want of sympathy of the Home Government to grasp at the prospect of securing telegraphic connection across the Pacific, even through a foreign company. This was the situation when we reached Australia on the 9th October, we were greeted by announcements in the Press that a French ship was actually then at work laying the first section of 800 miles of the Pacific cable under a subsidy from France, New South Wales, and Queensland. And it must be confessed there was indeed the greatest possible danger of the undertaking so vitally important to the British Empire passing under French control, and terminating not at Vancouver but at San Francisco. I need scarcely say that I regarded such a prospect as a national calamity, and I imposed upon myself the task of showing the Australian Colonies that it was not too late to avert such an evil. In view of all the facts I have briefly alluded to, I felt it would only be deceiving the people of the Australasian Colonies to hold out hopes of Imperial assistance, at least such assistance as could be counted on in the first place. I felt it was best to look the difficulties straight in the face, I indicated to them that it was expedient to act independently of the Home authorities, even if the object in view was of the highest Imperial importance. These being my views, and they were forced upon me by the circumstances, on the 11th October I put them in shape, and there they are, for good or for evil, presented in my memorandum of that date. This document was considered by Mr. Bowell of sufficient importance to be transmitted for the information and consideration of the several Governments, and it was accordingly forwarded by him the following day.

While in Australia I felt quite satisfied, and I think I am right in saying that Mr. Bowell when he became familiar with the facts was equally satisfied, that, however much we were convinced that the great Imperial interests involved in the undertaking warranted the active co-operation of Her Majesty's Government, it would in the common interests and under the circumstances described be unwise to insist upon the Home authorities taking the initiative, or to make Imperial assistance a *sine quâ non*. We were driven to the conclusion by everything we knew, by all the surrounding circumstances, by the very latest despatches from the Colonial Office, that it would be futile to look for any direct and immediate Imperial assistance, and we honestly felt that to make Imperial assistance an absolutely indispensable condition would simply be to work into the hands of the enemies of a British cable across the Pacific.

The present position of the question is no doubt different to what it was when we visited Australia, and those in control of Imperial affairs may now be awakened to a more correct sense of their duties to the outer Empire. It is unnecessary for me to say that I trust that may be the case, and I shall indeed rejoice if Her Majesty's Government be induced to assist in the cost of the cable to the extent of one-third, or to any considerable extent. In my letter of the 23rd February I pointed out a way in which the Imperial Government could very easily assist. True, for the reasons you correctly state, the assistance by means of guarantee would not be equal to a subsidy of one-third the interest on the cost, but I venture to think that it would equal in value more than one-half such a subsidy, and as the same principle of assistance in the form of a guarantee could be applied to raise new capital, which in a few years will in all probability be required to lay a second cable, it would in this way prove of as much actual value as the full amount of the subsidy you propose to ask.