

No. 43.

Mr. SANDFORD FLEMING to the Hon. the PREMIER.

SIR,—

Ottawa, 9th May, 1895.

I have the honour to submit for the consideration of your Government the following observations respecting the proposed Pacific cable :—

1. At the Colonial Conference held in Ottawa last year a resolution to the following effect was unanimously passed “That the Canadian Government be requested, after the rising of this Conference, to make all necessary inquiries and generally to take such steps as may be expedient in order to ascertain the cost of the proposed cable and promote the establishment of the undertaking in accordance with the views expressed in this Conference.”

2. In pursuance of this resolution steps were taken immediately after the close of the Conference to gain the desired information, and since that date communications have from time to time been forwarded to all the Governments concerned conveying full statements of facts learned or proposals tending to promote the establishment of the undertaking.

The following is a summary of the information obtained (1.) It has been definitely ascertained that a landing-station within the Hawaiian Republic, or on any of the unoccupied islands in the same latitude, cannot be obtained *vide* report of special Commissioner to Hawaii to His Excellency the Governor-General of Canada, 15th November, 1894 [see Enclosure I in No. 32] , *vide* likewise letter to Sir Mackenzie Bowell from Sandford Fleming (April 18th, 1895), submitting copies of informal letters to and from the Minister of Foreign Affairs, Honolulu copy enclosed) (2.) The only island available for the purpose of a landing-station in that mid-ocean region appears to be Fanning Island. (3.) The practicability of establishing a cable from Canada to Australia and New Zealand by way of Fanning Island has been conclusively ascertained. (4.) Tenders have been received from reliable firms for completing telegraph connection between Canada, New Zealand, and Australia by way of Fanning Island. The cable can be laid on this route and its efficiency guaranteed for three years after completion for the total sum of £1,517,000. (5.) It has been convincingly shown that the cable can be established on this route by the co-operation of the several Governments without involving any onerous charge on the Exchequer of either country

In a memorandum (of date 1st December, 1894) on the subject, forwarded in December last, there are carefully prepared estimates of revenue and expenditure supported by the testimony of official gentleman of repute. These estimates go to show that the income from the cable would pay interest on the whole capital after meeting working and all other expenses moreover, that there would be a surplus each year. These estimates have, so far as known to me, never been confuted, and the gentlemen who give their support to them stand so high wherever they are known, that I cannot doubt the general soundness of the conclusion.

3. These are the results of the inquiries made, and the importance of the information obtained may be judged from the fact that the construction of a direct telegraph cable between the Australasian Colonies and Canada was one of the principal objects for which the Conference assembled in Ottawa.

The importance of the information is further emphasized by the following resolution, which was unanimously passed by the Postal and Telegraph Conference held at Hobart in February last, at which all the Australasian Governments were represented. That the Conference reaffirms the desirability of the construction of a Pacific cable, and, in view of its ascertained practicability, the Colonial Governments take steps for the furtherance of the project at the earliest opportunity.”

4. In pursuance of the resolution of the Ottawa Conference, it was, early this year, suggested that a joint Commission be appointed for the purpose of considering the whole subject, and recommending such further action as might seem advisable, the Commission to consist of three members, representing—(1) the Imperial Government, (2) the Australasian Colonies, (3) the Dominion of Canada.

5. Learning that the Hon. Mr Ward, Postmaster-General for New Zealand, had reached London, and that he had taken an active part in the Hobart Conference of February last, the following telegram was sent to Sir Charles Tupper, High Commissioner for Canada in London : “Ottawa, 17th April, 1895.—To Tupper, London.—Australasian advices suggest propriety of Ward and yourself seeing Colonial Minister, and representing importance of Government initiating joint Commission respecting cable.—Bowell.” In sending this telegram it was felt that Mr Ward, who had so recently arrived in England from Australia, could speak for those colonies, while Sir Charles Tupper could speak for Canada, in urging that the Imperial Government should take action in regard to a joint Commission, or in some other manner promote the establishment of the undertaking. Sir Charles Tupper reports that on the 22nd April he had an opportunity, along with Mr Ward and the Agent-General for New Zealand, of discussing the subject at the Colonial Office, and that the discussion led him to the conclusion that the Home Government is not likely to take definite action until informed of the views of the colonies, that the Home authorities are waiting to be informed in regard to the extent of their support, and when advised he thinks the matter will be taken up vigorously by the Colonial Office.

6. The chief purpose of the appointment of a small joint Commission would be to ascertain the financial support necessary and to arrange its equitable apportionment. It seems to be a business-like way of obtaining the mind of the several Governments without irrevocably committing any one of them to a heavy or to any liability. It would even be possible, if the Commissioners were limited in number, for them, as a body, to have direct conference with each one of the Governments, and by this means they could arrange more easily than in any other manner the exact terms upon which the several Governments may best unite in carrying out the undertaking.

7. It will be obvious that, until the terms be settled on equitable principles by some joint authority, there will always be more or less hesitation on the part of the several Governments in deciding what financial or other assistance they should offer. I know of no better means of practi-