Sub-enclosure 1 to Enclosure in No. 43.

Mr SANDFORD FLEMING to the MINISTER of FOREIGN AFFAIRS, Honolulu.

Ottawa, Canada, 17th January, 1895.

I notice by Press reports that you are expected to reach Washington shortly, and I am reminded thereby of having sent to you by last mail a copy of my report on the mission to Honolulu, which you will not have received. Please accept a second copy, enclosed.

The President of the United States has submitted for the determination of Congress the request of your Government to be at liberty to lease to the British Government a portion of Hawaiian territory for landing the cable between Canada and Australia. The President recommends that the

assent of Congress be promptly accorded in order that Hawaii may as quickly as possible gain the

advantage of telegraphic communication with the rest of the world.

The case laid before your Government last October by Mr Mercier and myself is briefly this. We mentioned that it was determined to connect Canada and Australasia telegraphically, that it can be accomplished in two ways First, by laying a cable on a route which would have no station nearer the Hawaiian Islands than about 900 miles distant second, by a route which would have a station on some one of the Hawaiian Islands. All recognised that in the interest of general commerce it would be desirable to lay the cable by the second route if satisfactory arrangement could be effected with your Government for a landing-station. Hence the mission to Honolulu in which I took part.

I am aware that a preference has been shown in some quarters for a direct cable between Hawaii and San Francisco, and I would only remark that, if the Senate assents to the application

of your Government, both cables may eventually be established.

The promoters of the Canada-Australia cable do not ask for exclusive rights to supply telegraphic service to your people, and moreover, in view of the geographical position of the Hawaiian Islands, it would be an admitted advantage to Australian traffic to have a second cable laid to the mainland at San Francisco. As far as the Hawaiian Islands are concerned, it is not necessary for me to point out to you that obviously it would be more advantageous to have cables extending from Honolulu to Australia, and through Australia to Asia, as well as to America, than to have only one cable extending to San Francisco.

Since I returned to Ottawa from Honolulu the Government here has received tenders from the best cable-manufacturers for laying the Pacific cable by both routes mentioned. It will be obvious to you that unless the Hawaiian Government, within a reasonable time, be placed in a position to carry out such arrangement as that indicated in the enclosed papers, we will be obliged to abandon the idea of forming a mid-station within the Hawaiian Archipelago, and proceed with the laying of the cable elsewhere. Personally, I would regret that any necessity should arise for following the Believe me, &c. latter course.

Sandford Fleming.

Francis M. Hatch, Esq., Minister of Foreign Affairs, Hawaiian Republic.

Sub-enclosure 2 to Enclosure in No 43.

Mr SANDFORD FLEMING to the MINISTER of FOREIGN AFFAIRS, Honolulu.

Ottawa, Canada, 7th March, 1895. DEAR MR. HATCH,-

I wrote you on the 17th January when it was thought you were on the way to Washington. My letter was forwarded to the representative of the Hawaiian Republic in that city I enclose a

copy, though I have no doubt you will have received my letter by this time.

As the matter now stands, it appears that the Senate of the United States has taken no action on the recommendation of the President to give assent to the application of your Government respecting a lease to the British Government of an uninhabited island for cable purposes. Moreover, no provision has been made by Congress for connecting the Hawaiian Islands telegraphically with

I take upon myself to address you informally on the subject. I am doing so without the authority or even the knowledge of any one connected with the Canadian or British Government, merely as a private individual who since 1880 has taken an active part in endeavouring to have

a trans-Pacific cable established in the best and most useful way

I need not revert to the mission to Honolulu last year I will only say that it was undertaken on my own recommendation without any knowledge of the treaty which places it beyond the power of the Hawaiian Government to grant a lease such as that asked for. The purpose I have now in writing is to ascertain if there be any other means by which the mutual advantages which would result from telegraphic connection with your country may be secured. In my letter of 17th January I indicated that without an arrangement for landing the cable on one of your Islands we will be obliged to pass them and find a landing-station on Fanning Island on the route to the colonies in Australasia.

Naturally your Government must regard with interest a proposal to lay a cable across the Pacific which, by a slight deflection and some mutual arrangement, would give the people of the Hawaiian Republic direct telegraphic connection at once with America and Australia. It is quite true that your Government is debarred from granting a lease, or special rights, such as were asked for last year but does it follow that ordinary landing privileges may not be offered? There are in all, I think, thirteen cables across the Atlantic to New York, the majority of which touch either at Newfoundland or the coast of Nova Scotia. These have been laid and worked from the commencement without any difficulty whatever, and I can see no reason why a cable from Canada to Australia, touching at any point you may desire in the Hawaiian Islands, may not similarly be established in the common interest. I gathered from what was said last summer that your Government would prefer the trans-Pacific cable to land at Honolulu rather than on a distant island, for the reason