

that Honolulu is the point in the republic where shipping and commerce centre. Let us look forward a few years to the time when cables will be laid from San Francisco to Japan, and from Vancouver to Australia, and assume that the two lines intersect at Honolulu. It will be obvious that mutual benefits would result to the telegraphic interests, and likewise to general commerce.

These two great trans-Pacific cables would constitute in effect an international system at Honolulu, the point of intersection. Telegraphic traffic from all points would be interchanged with the greatest facility. There is no hostility between the project of a cable from Vancouver to Australia and another from San Francisco to Japan. There is no reason to anticipate any but the most friendly relations, indeed, they would be most helpful to each other, and they would work together to the common advantage.

In view of these possibilities, which are perfectly clear to me, I would regret to see any necessity for proceeding with the Canadian-Australian cable without touching at your islands. As the matter now stands there is no alternative. It must be laid direct from Vancouver Island to Fanning Island without finding a landing-place on any part of the Hawaiian Group. I am unwilling to think that it is too late to bring about some change by which eventually the advantages referred to would be realised. So long as the treaty is in force you cannot lease any territory or grant any special privileges. But it may not follow that you are debarred from allowing a submarine cable to land on your shores. This, however, is a matter for you to determine, and I will merely add that, if your Government sees fit to make any proposal which will admit of the main line of the cable between Canada and Australia being diverted from its course so as to give your people telegraphic communication, I shall gladly submit it for consideration. In view of the negotiations and arrangements now in progress, allow me to suggest the advisability of as little delay as possible.

I am, &c.,

SANDFORD FLEMING.

Francis M. Hatch, Esq., Minister of Foreign Affairs, Honolulu.

Sub-enclosure 3 to Enclosure in No. 43.

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

DEAR MR. FLEMING,—

Foreign Office, Honolulu, H.I., 1st April, 1895.

I thank you very much for your letter of the 7th ultimo, and for the copy of your report in the cable matter. The letter addressed to me at Washington has not yet come to hand. I note with much interest your remarks in regard to different lines of cables intersecting at Honolulu, and that in your opinion such lines would be helpful to each other and would work together to the common advantage. This you will remember is in line with the idea we expressed last summer that, logically, Honolulu was the point to touch at in this group. It would be a matter of the greatest congratulation here if by international agreement Honolulu could be made a telegraphic centre. We are fully conscious, however, of the difficulties in the way.

In regard to your closing suggestion that, though prevented by treaty from granting any special privilege, we may not be debarred from allowing a submarine cable to land on our shores, I can only say that, having assumed by our action in submitting the matter to the Government of the United States that the whole subject comes fairly within the scope of the treaty it is almost inconceivable that we could now for any reason withdraw from that position while the matter is under consideration at Washington.

Believe me, &c.,

F. M. HATCH.

[For report on proceedings of the Conference at Ottawa, June, 1894, respecting the Pacific Cable, see A.—5, 1895, pp. 4, 5, 10, and 11.]

Approximate Cost of Paper.—Preparation, not given; printing (1,425 copies), £27 8s.

Price, 1s.

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1895.