

extinction of the original loan when it matures. All surplus earnings may therefore be regarded as profit; but, as the national object to be attained in establishing the cable is not to realise dividends, the policy of the contributing Governments, when profits accumulate, will probably be to lower the tariff of charges, and by this policy confer additional benefits on trade and commerce.

I have, &c.,

SANDFORD FLEMING.

Hon. Sir Richard Cartwright, Minister of Trade and Commerce.

STATEMENT No. 1 (referred to in the preceding Report of Mr. Fleming), submitted in evidence to the Imperial Cable Committee, 12th November, 1896.

Before expressing my views generally on the Pacific cable, I am asked to relate to the Committee the circumstances which led to the proposal to span the Pacific Ocean by telegraph. I comply with the request with some hesitation, as I am obliged to allude to my personal connection with the matter. In referring to this part of the subject I shall confine my remarks to a very few brief sentences.

The projected submarine electric cable across the Pacific from the western seaboard of Canada has been before the public for many years. The proposal to extend a telegraph to Asia and Australia naturally followed the establishment of a trans-continental telegraph through the Dominion. So far back as 1863 the overland telegraph was projected in conjunction with the trans-continental railway. In that year the explorations for the eastern section of the railway, between Halifax and Quebec, were undertaken by the Imperial and Provincial Governments, and in 1871 the surveys westerly to the Pacific Ocean were commenced by the Government of the new Dominion. A few years after these dates the construction of the telegraph was proceeded with on each respective section. The Hon. Alexander Mackenzie, Premier and Minister for Public Works, was one of the first to take an active interest in the matter. Under his administration the policy was adopted of extending the telegraph from the waters of the St. Lawrence to the Pacific coast; and in 1874 the Government entered into contracts for constructing the telegraph in advance of the railway over nearly two thousand miles of territory.

Occupying the position of engineer-in-chief of the whole line of railway from Halifax on the Atlantic to Vancouver on the Pacific, the establishment of the overland telegraph came under my official charge, and in connection with my duties my attention was directed to the extension of the electric wire across the Pacific. It became plain to me that the national line of communication on which Canada was then expending so much would be incomplete without a connection with the telegraph systems of the countries beyond the Pacific Ocean, and it became equally clear that the spanning of the Pacific by an electric cable would prove of the highest importance to the whole Empire.

In the year 1879 I was called upon to visit London on public business with the then Premier, Sir John Macdonald. I had prepared a telegraph map of the world, with the projected line across the Pacific and its various eastern and western connections laid down thereon. I pointed out that by spanning the Pacific it would be possible to open up a new means of communication to be employed for purposes of general commerce at much lower rates than by existing channels; that it would at once complete the electrical girdle of the globe, and bring Great Britain, Canada, India, Australia, New Zealand, and South Africa into unbroken telegraphic touch of each other, entirely independent of the lines which pass through foreign European countries. Sir John Macdonald submitted the map and explained the proposal to Lord Beaconsfield, and I was led to understand that both Premiers were very favourably impressed with the project, and regarded it to be of great Imperial importance. I am fully warranted in saying that the Canadian Premier so regarded it until his death in 1892. Public attention was for the first time directed to a British Pacific cable in my report as engineer-in-chief of the Canadian-Pacific Railway, which was laid before Parliament in 1880. In this report the map referred to is reproduced on a reduced scale.

Much correspondence followed, to which it is not now necessary to allude. I will only remark that the route first projected was a northern one; this was owing to the absence of information respecting the Southern Pacific Ocean, and the impression which prevailed that physical difficulties existed which offered insuperable obstacles to the laying of a cable on a direct route between Canada and Australasia. In consequence of this impression it was designed to lay the cable from Vancouver to Japan, touching at islands in the Aleutian and Kurile Groups as mid-ocean stations. From Japan the connection with Australasia would be obtained by means of the telegraph to Singapore and the Eastern Extension Company's lines of telegraph.

Through the intervention of the Home Government, negotiations were opened with the view of securing one of the Kurile Islands. Japan was asked to transfer to the British Crown one of these islands in order that the telegraph-station should be under British protection. The cession of an island was not obtained, but permission to land at any suitable point in Yesso was granted, the landing to remain in charge of and under the protection of Japan. (See letter 14th December, 1880, from Sir Harry Parkes, and 23rd December, from Sir A. T. Galt.) An agent was sent to Washington, who, after some difficulty, obtained conditional landing privileges on one of the Aleutian Islands.

On the 1st March, 1881, the Government of Canada introduced certain resolutions in Parliament with the view of promoting the establishment of the cable. After discussion the resolutions were withdrawn and an Act passed incorporating a company to lay the cable. This company proved abortive, and when its charter expired, further information having meanwhile been obtained respecting the Southern Pacific, it was represented to the Canadian Government that the physical features of the Southern Ocean would admit of a cable being laid on a direct route from Canada to Australia, and that the long detour by the Aleutian Islands and Japan could be avoided. (See my letter of the 20th October, 1885.) Correspondence followed, and on the 8th June, 1886, an Order in Council was passed by the Canadian Government recommending that means be taken to obtain an expression of opinion on the projected direct cable to Australia from the several Governments concerned, and to ascertain what amount of assistance each would be prepared to give, and that for this purpose a conference of agents of the colonies be invited to discuss the subject. The co-operation of Her Majesty's Imperial Government was likewise sought.

On the 25th November, 1886, the Home Government summoned a Conference to meet in London the following year, to which the principal Colonial Governments were invited to send representatives. One of the questions to be specially considered was the development of telegraphic communications of utility to the Empire.

At the Colonial Conference held in 1887 the Pacific cable was specially considered, and resolutions were passed in respect thereto strongly favouring its establishment. The published proceedings of the Conference give the discussions at length.

Since the Conference of 1887 repeated efforts have been made to induce the Admiralty to make a complete survey of the bed of the ocean on the most direct route for the cable. A statement respecting the nautical survey appears in the report of the Canadian Minister of Trade and Commerce on his mission to Australia in 1893 (pages 106 to 122).

In 1888 the Canadian Government invited the Governments of Australia and New Zealand to send delegates to Canada to consider the question of telegraphic connection and trade relations. Correspondence resulted, when it was finally agreed that delegates should be sent from Canada to Australia. In 1889 the Hon. J. J. C. Abbott (afterwards Sir John Abbott, Premier of Canada) with several other gentlemen were appointed to proceed on this mission, but the proposed federation of the Australian Colonies, then actively discussed, had the effect of postponing the visit. It was felt that the time was inopportune, and that it would be advisable to wait until the colonies would be united politically.

Early in 1893 a Postal and Telegraph Conference was held at Wellington, New Zealand, at which all the Australasian Colonies were represented, and resolutions were passed urging the establishment of a Pacific cable.

In September, 1893, the Canadian Minister of Trade and Commerce (the Hon. Mackenzie Bowell) was sent as a delegate to Australia to confer with the several Governments on the subject of the Pacific cable and the development of trade. A full account of this delegation will be found in the report on the mission to Australia (see pages 66 to 106).