

Time of Completion.—The time limited for the completion of the cable is three years from the date of the contract, but, as it is desirable to have telegraphic communication established as soon as practicable, proposals may state a shorter period, or the same parties may make two offers, one on the basis of three years, the other on the shortest period within which the undertaking may be accomplished.

Proposals.—Proposals based on the above general conditions, and in either of the three forms set forth, to be addressed to the Minister of Trade and Commerce, and delivered at his department in Ottawa on or before the 1st day of November, 1894.

Department of Trade and Commerce, Ottawa, 6th August, 1894.

4. *Resolved*, That, in view of the desirability of having a choice of routes for a cable-connection between Canada and Australasia, the Home Government be requested to take immediate steps to secure neutral landing-ground on some one of the Hawaiian Islands, in order that the cable may remain permanently under British control.

5. *Resolved*, 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 Pacific cable, and promote the establishment of the undertaking in accordance with the views expressed in this Conference.

APPENDIX B to Mr. FLEMING'S STATEMENT No. 1.

Report on Tenders.

SIR,—

Ottawa, 20th November, 1894.

I have the honour to report on the replies received by you on the 1st instant, in response to the public advertisement of the Government of Canada, inviting cable-manufacturing contractors and others to state the terms upon which they would be prepared to lay and maintain in an efficient condition a submarine electric cable across the Pacific from Canada to the Australasian Colonies.

1. Sir John Pender, Chairman of the Eastern Extension Telegraph Company, 50, Old Broad Street, London, addressed a letter to you, dated 19th October, 1894, in which he represented (1) that full information respecting the depth and nature of the sea-bed has not been obtained, and in consequence reliable opinions cannot be formed; (2) that Mr. Alex. Siemens's estimates of revenue are fallacious, and that my own estimates are not much more reliable; (3) that a cable laid as intended would be quite useless and would prove a commercial failure; (4) that a telegraph established across the Pacific as proposed would result in a loss of at least £90,000 a year to the company he represents. Sir John Pender, in short, discourages in every possible way the attempt to span the Pacific by a Canada-Australian telegraph. He states, however, that he will be most happy to enter into negotiations for accomplishing the work if sufficient inducements be offered him, and he pleads that his company "will be able to undertake the work on better terms than could be offered by any other company."

2. Mr. W. Sharpley Seaton, 57½, Old Broad Street, London, likewise addresses you 19th October, 1894. This gentleman sets forth at some length the great necessity which exists for a detailed survey. He considers this to be of primary importance, and counsels delay until such a survey be made.

3. The Chairman of the Telegraph Construction and Maintenance Company, 38, Old Broad Street, London, writes 19th October, 1894. He criticizes generally the proposals which have been published by the Canadian Government, and raises objections to the conditions laid down for intending contractors. He objects to each one of the eight routes specified, and proposes a new route, taking in Honolulu and Samoa. On this route the firm he represents would lay a cable of a good type and weight between Vancouver and New Zealand (only) for £1,870,000. This amount, however, does not include maintenance for three years or for any period; nor does it include a branch cable to Australia. He urges as a first step that the line should be sounded over its entire length on the exact route chosen, and he states that his firm cannot undertake to guarantee the repair of the cable until a further investigation has been made of the sea-bottom over which the cable is to be laid. The writer of this communication estimates that a cable could be laid on Route No. 8 for about £1,300,000, but this, he states, would depend upon its proving possible to find an available and safe mid-station between Honolulu and Fiji. He further states that maintenance on this or any route cannot under present conditions be guaranteed by this firm.

4. Mr. Francis A. Bowen, 3, Tokenham Buildings, King's Arms Yard, London, sends a proposal, dated the 20th October, 1894. This gentleman, for himself and his associates, offers to construct and submerge a cable on any route which may be selected for £200 per knot of 6,082·66 ft. The offer presents itself to me as being in an exceedingly ambiguous form, as there is nothing to show what the total cost may be on any route, and there is no explanation as to how the total cost is to be ascertained, whether the number of knots shall be reckoned on the actual distance between stations, or on the length of cable paid out; nor is it clear that the price stated includes the cost of buildings, instruments, &c., moreover, and to my mind the most serious objection to this offer is the specification of the core to be used; the weight of copper and gutta-percha appears to be designed to be the same throughout without reference to the length of sections to be spanned. As specified the core would be too light for the long section and unnecessarily heavy for the shorter sections. Mr. Bowen places the additional charge for maintenance at £237,000 for the three years.

5. The India-rubber, Gutta-percha, and Telegraph Works Company refer to the invitation for proposals under Form C—that is, on the basis of a traffic guarantee. This company is unable to make a firm offer under this form; they, however, submit an estimate in the following words: "For your guidance we may state that in our opinion a twenty-five years' annual guarantee, payable quarterly, of the following amounts, as placed against the respective routes, should suffice for the effective establishment and maintenance of the cable: Route No. 1, £226,000; Route No. 2, £217,000; Route No. 3, £215,000; Route No. 4, £153,000; Route No. 5, £202,000; Route No. 6, £199,000; Route No. 7, £184,000; Route No. 8, £197,000."

There is no other reference in any of the replies received to the establishment of the trans-Pacific telegraph under a Government traffic guarantee (Form C), and none whatever to the formation of a company to carry out the undertaking under a Government subsidy (Form B).

With respect to the matter of soundings referred to in the first, second, and third communications, above noticed, I would only remark that it would require soundings to be taken in a very comprehensive manner to give even an approach to a full knowledge of the sea-bed, and that it would involve much cost and prolonged delay. However valuable such a survey would undoubtedly prove in a scientific point of view, it is by no means indispensable to the laying of a cable or to its effectual maintenance. Cables have been laid, and successfully laid, when no such comprehensive surveys have been effected; indeed, the best information goes to show that a large proportion of cables at present submerged have been laid without any precise and detailed knowledge of the sea-floor. The majority of such cables are, I believe, in good working-order, and few of them have ever required any great expenditure for repairs. Be all that as it may, the Government is now in possession of definite offers from firms of the highest standing and widest experience to lay the Pacific cable on any one of the eight routes specified. All the soundings required for securely and successfully laying the cable are to be made by the contractors themselves during the time occupied in manufacturing it, and so satisfied are they on this and all other points that they are quite ready to enter into contract to complete the undertaking and guarantee its maintenance for three years for a definite sum.

There are four regular tenders according to Form A, accompanied by ample details and full information on all essential points. After carefully and critically examining and comparing them, I beg leave to submit the following abstract:—

Regular Tenders.—Form A. The cable to be owned and controlled by Government; to be worked under Government authority; and to be kept in repair by the contractor for three years: No. 1. From Siemens Brothers and Co., 12, Queen Anne's Gate, Westminster, London. No. 2. From the Fowler-Waring Cable Company, North Woolwich, London. No. 3. From the W. T. Henley Telegraph Works Company, 27, Martin's Lane, Cannon Street, London, and