

purchase from them the Australian branch at a reasonable price, and work it by Government. The justice of this proposal must be obvious: if by reason of the establishment of a work necessary in the public interests, and a part of the property of the company be rendered unprofitable in consequence, that company would have no reasonable ground of complaint if the unprofitable part be taken off the company's hands and the capital returned for investment elsewhere. The branch from Singapore to Australasia in the hands of the Government would, even with a greatly reduced traffic, be self-supporting. Under Government control, the only charge over current and ordinary expenses would be interest on cost at the lowest rate at which money is obtainable by Governments. In this case the branch would be worked as a self-supporting undertaking for the benefit of the public—in the hands of the company, necessarily the branch is worked as part of a system for earning dividends at the expense of the public.

A Second Pacific Cable.

In the evidence submitted to the Committee it has been alleged as absolutely necessary, if a trans-Pacific cable be laid at all, that it should be laid in duplicate. Curiously enough, the gentlemen who have laid greatest stress on the necessity for two cables across the Pacific are among those most averse to the establishment of a Pacific cable under any circumstances. It has been made to appear that a single cable has been rarely laid in any part of the world, and that in cases where two cables are not laid side by side at the same time duplication immediately follows. Mr. Preece could not recall an instance of any company relying on a single cable. The impression conveyed was that provision is made for laying both cables from the start, or directly on the completion of one cable the work of laying the second invariably is proceeded with. I take the liberty of mentioning that this course is not universally followed. The Eastern Extension Company's cable from Madras to Penang was single for twenty-one years; the first cable was laid in 1870, it was duplicated in 1891. The cable of the same company from Penang to Singapore was laid in 1870, it was duplicated in 1892, twenty-two years afterwards. The same company laid a single cable from Australia to Tasmania in 1869, and duplicated it in 1897, after a lapse of eighteen years. The same company laid a single cable from Australia to New Zealand in 1876; the second cable was not laid until 1895. The Cape of Good Hope had telegraphic communication established by a single cable in 1879; duplication was not effected until ten years afterwards. A single cable was laid from Portugal to Brazil in 1874, and it was not duplicated until 1884. There are many other instances; I have, however, mentioned a sufficient number to make plain that there is no such rule invariably followed as that alleged. The duplication of a cable is a matter which is entirely governed by circumstances; generally it is proceeded with when additional facilities are required by the traffic or warranted by the prospect of a rapid development of business. I am perfectly satisfied that eventually many cables will be required across the Pacific, but to my mind there is no necessity for establishing more than one at present. In the event of the cables between Singapore and Australasia passing under Government control, a single Pacific cable would, in reality, constitute a third cable connecting Australasia with the rest of the world, and as such it would greatly diminish the chances of the telegraph separation of these colonies.

Of course, the Eastern Extension Company may decline to part with their Australia branch on reasonable terms, or enter into any traffic arrangement which would be mutually beneficial. In that event the expediency of laying a second Pacific cable would, in course of a few years, become a matter of consideration. Should a second trans-Pacific cable for any reason be deemed advisable, in my judgment the most advantageous arrangement would be, not to lay it alongside the first cable on the Fanning Island route, but to open negotiations for touching at Honolulu. I have formed the opinion that, although the application for landing privileges on one of the Hawaiian Islands proved unsuccessful three years ago, the improved friendly spirit beginning to prevail will before long reach that stage when a desire will be evinced for the landing of a Canada-Australia cable at the capital of these islands. In the United States it is seriously proposed to lay a cable from San Francisco to Japan, and it is not improbable that this undertaking will be assisted by the United States Government. It is obvious that two trans-Pacific cables, one from San Francisco to Japan, another from Vancouver to Australia, crossing at Honolulu, would be exceedingly helpful to each other, as the interchange of messages would be rendered easy, and telegraphic correspondence between the countries at the termini of each cable would be greatly facilitated. This arrangement would practically become an international system to facilitate commerce, so much to be desired.

In view of all the circumstances, if I may venture to express an opinion, it seems to me advisable that a determination should at once be reached to lay a single cable on the Fanning Island route as a national undertaking under Government control, and that the cable should be of the weight and character recommended by Lord Kelvin, seeing that the capacity of such a cable for the transmission of messages would be ample for all purposes. In my view, duplication of the cable should be deferred and an opportunity afforded the Eastern Extension Telegraph Company to consider the suggestion to part with their Australian branch on fair and acceptable terms. Should circumstances in a few years require the laying of a second cable from Canada to Australasia, it is clear, to my mind, that great advantages would result from constituting the second cable essentially a commercial line touching at Honolulu. The cost of a cable from Vancouver to Australia touching at Honolulu would be very little, if anything, over a million sterling. Referring to the main cable, that proposed to be laid on the Fanning Island route, the reliable evidence submitted to the Committee now places the feasibility of the proposal beyond all doubt. It has been established that Canada and Australasia can be connected telegraphically without touching foreign soil, and that a cable of adequate speed-capacity can be laid at a moderate cost. The views respecting traffic, of leading merchants and others familiar with Australian trade, give grounds for the belief that the cable established as a national undertaking would be self-supporting. Nothing in the future is more probable than an augmentation of business resulting from the additional facilities provided by the new line of communication and the lowering of charges. The new line will give an impulse to commercial activity, and, besides being eminently useful to commerce, there may be times in the near future, such as the emergency of a few months back which found South Africa telegraphically isolated, when the value of the Pacific cable would be incalculable. No one can withhold assent from the views of the President of the Postal and Telegraph Conference held in Hobart last year (Hon. J. Gavan Duffy), expressed in these words: "I think that for strategical and Imperial reasons, and for encouraging the growth of the Imperial sentiment, it would be a wise thing to lay this cable. . . . It would be a great spectacle to see the three great branches of the Empire united together, and in times of war it would be of immense value to the Imperial Government and the colonies. If it is undertaken it should be by England and her colonies co-operating together. Of course, we must remember that Canada is not so vitally interested in this question as we are. This will be to us not only a connection with Canada, but a direct connection with the heart of the Empire—London."

SANDFORD FLEMING.

APPENDIX to Preceding STATEMENT No. 2.

ABSTRACT of replies from leading Australasian merchants and others respecting the growth of traffic, the probable earnings of the Pacific cable, and the effect of that undertaking on general commerce, referred to in the note on the Pacific cable by Mr. Sandford Fleming, London, 16th December, 1896.

In order to ascertain the views of mercantile men and others interested in the Australasian trade, replies were invited to the following question (December, 1896):—

FIRST.—*The Probable Development of Telegraph Business.*

Questions.—(1.) With great facilities for business created by the establishment of the Pacific cable and the charges lowered to 3s. per word, would it be reasonable to expect that the gross telegraph business between Australasia and Europe would increase in future years? (2.) Considering the rapid development of the Australasian Colonies, the improved facilities and reduced tariff by the Pacific cable, and having reference to the growth of telegraph business during the past twenty years, would it be unreasonable to expect for a number of years to come an average annual increase of 15 per cent. in the total traffic between Australasia and Europe? (3.) If you think 15 per cent. unreasonable under all the circumstances, please state your opinion of the probable traffic in future years.