

encircled its whole extent. The scheme was illustrated by a map of the world, with the chief cable-lines laid down upon it. If the proceedings of the Conference be referred to it will be seen that a trunk line of telegraph was projected from London through Canada to Australasia, with extensions to South Africa, India, and China. It was shown that by the Canadian route all the chief British possessions on the four continents would be brought into electric touch with each other and with the Imperial centre in London. It was demonstrated, moreover, that this result could be accomplished without touching a single acre of foreign soil, and without traversing shallow seas where cables are most liable to injury from ship's anchors and other causes, and where they can be so easily fished up and destroyed. No fact can with greater confidence be affirmed than that the cables by the Canadian route would be far less vulnerable than the existing cables, or those now projected by the Eastern Extension Company. But even if no advantage in this respect could be claimed, it requires no argument to prove that telegraphic connection between England and Australasia would be infinitely less subject to interruption from accident or wilful injury by having the Canadian line established in addition to the Eastern Extension lines, especially as the former would be on the opposite side of the globe and far removed from the immediate theatre of European complications.

It is not possible to believe that any one disassociated from, and uninfluenced by, the Eastern Extension Company can view the proposed Canadian Pacific cable with disfavour. If it be important to strengthen the connection between the United Kingdom and the outlying portions of the Empire, no one can question its necessity. But the Eastern Extension Company has never taken a friendly view of the Pacific cable. From the first it has been its determined opponent. The proceedings of the Colonial Conferences of 1887 and of 1894 give evidence of this fact. The report on the mission to Australia by the Canadian delegates gives some indication of the intense and persistent antagonism displayed by the company and the manner in which its powerful influence has been employed to thwart the enterprise. It may not be an unwarranted surmise that the immediate purpose of the company in submitting to the Conference of Premiers their new proposal was to divert attention from the Pacific cable.

The Eastern Extension Company represents a combination of associated companies engaged in telegraph transmission between England and Australasia. The lines of the company comprise those of three amalgamated companies: (1.) The "British Indian Extension," from Madras to Singapore, with a share capital of £460,000. (2.) The "British Australian," from Singapore to Australia, with a share capital of £540,000. (3.) The "China Submarine," from Singapore to Hongkong and Shanghai, with a share capital of £525,000. The combined share capital of these three companies amounted to £1,525,000. On their amalgamation the united share capital, by a well-known process of "watering" to the extent of £472,500, was increased nominally to £1,997,500. The united company, since known as the Eastern Extension, Australasia, and China Telegraph Company (Limited), has been exceedingly prosperous; it has paid 7 per cent. on the enlarged capital, equal to 9 per cent. on the original capital. An examination of the published statements establishes that it has in addition expended out of the profits earned no less a sum than £1,571,540 on extensions and other productive works, and there remains unexpended and undivided to-day a reserve of surplus profits amounting to £804,193. These figures establish that the Eastern Extension Company has become a remarkably profitable investment. It regularly pays good dividends, but the dividends are no guide to the profits made. It holds in reserve undivided profits far exceeding in amount the whole value of its cables between Asia and Australia. The accounts of the company for 1896 and the first half of 1897 show that the net profits actually earned during these periods amounted to 13 per cent. on the present capital, and 17 per cent. on the capital prior to its being watered. The company is unwilling to have this state of affairs changed. They know perfectly well that the telegraphic traffic is steadily increasing, and that as the traffic grows the profits will become still greater. It is easy, therefore, to understand why the company has never viewed with friendly feeling the proposed Pacific cable. Its managers are not willing to divide the business with the new line. They must retain it entirely in their possession. They have secured a rich monopoly, and their desire is to make it even more profitable and to strengthen and perpetuate it.

The Pacific cable has been projected in no spirit of hostility to any company or to any country. It has been advocated as a means of extending to the whole Empire the advantages derivable from the geographical position of the Dominion. Canada offers the connecting-link in an Imperial chain of telegraphs encircling the globe. When the project is completed it will bring the Mother-country into direct electrical connection with every one of the great possessions of the Crown in both hemispheres without touching the soil of any foreign Power. Thus it cannot fail in a high degree to promote Imperial unity. Indeed, it is difficult to conceive how a perfect union or any union of the whole is possible without union between the parts. The whole Empire is in strong sympathy with the aims and aspirations which a few years back were limited to a few men of advanced thought. The historical event of last June has shown to the world that "the British people are one people animated by one spirit." It is recognised that we are approaching the period when new relations may be established between the United Kingdom and those younger British communities beyond the seas, known in past history as colonies, but which are passing from colonial tutelage to a higher national status. In order to promote these closer relations, what is more desirable, what more necessary, than that each and all be connected by the appliances which art and science have devised? Canada stands first among the British communities of the outer Empire. Scarcely second to Canada we look forward, in no long period, to welcome the kindred Dominion of Australia comprising under one federal Government half a dozen colonies, each possessing great potentialities. What more in harmony with the spirit of the British people than that Canada and Australia be brought in close communion? Is it not indispensable to vital public interest that those two great