

moderate and the traffic large. The report of that Committee has never been published, for some reasons which are known only to the official mind of the Colonial Office in England. For reasons of policy they have objected to the publication of the report of that Committee. However, the Canadian representative and Sir Sandford Fleming—who did not sit as a member of the Committee, having stepped out and acted as consulting expert only, because the other colonies only sent one representative each—the Canadian representatives reported to the Canadian Government their own proceedings in connection with that Committee. Some considerable time ago I obtained an address from the House asking for the report of that Committee, and the reports of the Canadian representatives thereon. The Secretary of State reports in the return which was brought down yesterday: that “the report itself asked for is held as confidential under instructions from the Imperial authorities not to publish until permission is given to do so.” The reports of the Canadian representative and of Sir Sandford Fleming have been brought down in this return, which I shall certainly not read to the House at this time, although I hope that it will be printed for the information of the public on this very important matter. I will, however, occupy a few moments in reading a letter received from Sir Sandford Fleming by myself, in response to a request of mine for a concise and brief statement of the whole question. The letter is as follows:—

DEAR MR. CASEY,—

Ottawa, May 26th, 1898.

I am very glad to reply to your inquiries. I have recently received many communications from Australia, all pointing to the great interest taken in the Pacific cable, and the desire on the part of these rich and growing communities, seated in that favoured region of the globe, to cultivate close relations with Canada. The communications received embrace official and private letters. Among the former the following extracts from letters received from the Premiers of Queensland and New Zealand may be taken as illustrations.

The Premier of Queensland states in a letter of the 19th February, 1898, that his Government “have in no sense altered their views as to the advantages to be derived by the Australian colonies and the Empire generally from the construction of the proposed Pacific cable, connecting Australia with Great Britain by way of Canada.” He is pleased to be able to give his “hearty assurance of entire sympathy with the movement in favour of this important national undertaking, and trusts that before long it may be possible to take some definite steps in the direction of executing what is by Queensland regarded as not only a very desirable, but a very practicable scheme.”

The Premier of New Zealand, in a letter of the 16th March, 1898, expresses the hope “that no efforts will be spared on the part of Canada to ensure the accomplishment of the scheme for a cable from Australia to the United Kingdom by way of the Pacific.” He adds: “The New Zealand Government strongly favours the Pacific cable.”

In the same month (March) the Premiers of New South Wales, Queensland, Victoria, and Tasmania, met in Melbourne, and agreed on behalf of those colonies to supply one third of the cost of the Pacific cable if Canada and Great Britain will co-operate with them. New Zealand was not represented at this Conference, but the letter of Mr. Seddon, the Premier, above quoted, indicates that the undertaking is strongly supported by his Government. This fact he communicated to the Conference of Premiers by telegraph.

The cost of the cable has been ascertained to be under £1,500,000, and the most careful experts have calculated that an annual gross income of £150,000 would more than meet interest, sinking fund, working expenses, and maintenance. In the year 1896 the cable traffic between Australasia and Europe, according to Government returns, reached 2,326,984 words. If we reckon the traffic at 3s. a word (the rate between Australia and Europe is 4s. 9d. per word), we have a gross revenue of £349,047, showing very clearly that, even assuming the cable business will never exceed that of 1896, there would be amply remunerative business for the Pacific cable. But the cable business is progressive. The following is a statement taken from the Government returns of the number of words transmitted in each year from 1891 to 1896. The traffic for last year (1897) has not yet been received. Total words transmitted, in 1891, 1,110,869; in 1892, 1,321,412; in 1893, 1,401,293; in 1894, 1,323,243; in 1895, 1,948,630; in 1896, 2,326,984. This establishes that from 1891 to 1896 the cable business has more than doubled, and, in view of the stimulating effect of a new line of communication, it is reasonable to estimate that the gross cable business in 1901 will not be less than 4,000,000 words. As 1,000,000 words at 3s. a word will produce £150,000, the revenue required to cover every charge against the Pacific cable, it is evident that if the Pacific cable obtains one-quarter of the Australian-European traffic it will be a paying concern from the first year it can be put in operation.

To my mind there is no reason to apprehend that the Pacific cable will not obtain far more than one-quarter of the entire cable business. The Australian land lines are public property, managed by the Post Office Departments, and each Government will have the power to direct traffic over the Pacific cable, so as to make it remunerative. The cable business takes its origin chiefly in New South Wales, Queensland, Victoria and New Zealand, and it is obvious that if these colonies have a proprietary interest in the undertaking its complete financial success will be assured. New South Wales, Queensland, and Victoria have agreed through their Premiers to become responsible for one third of the whole cost. It is understood that the Imperial Government will be willing to bear one-third. There remains one-third to be borne by New Zealand and Canada, in proportions to be agreed upon.

These facts and explanations clearly establish that whatever share of the co-partnership may be assumed by Canada the liability will be merely nominal. As the existing traffic alone, without taking into account the new business certain to be created, would be more than sufficient to cover working-expenses, maintenance, interest, and sinking fund to pay off the original loan, all increase of business and all new business to be developed between Canada, the United States, and Australia would swell out receipts in a few years so as to admit of a reduction in charges on messages much below present rates, by which great advantage to the public would result.

It has been proposed to establish this national work through the instrumentality of a Pacific cable trust, to be created by the several Parliaments. This trust to be empowered to raise by loan the required capital, providing for its replacement by sinking fund. The loan to be guaranteed by the associated Governments in agreed proportions. The Pacific cable trust would be a small Board on which the associated Governments would be represented. As empowered by statute it would do everything necessary to establish and operate the line, collect the revenue, and properly account for it. By this means a great national undertaking, designed to promote trade and bring the outer Empire into electric contact, would be easily established without any actual addition to the public debt or any annual charge on the tax-payer.

George E. Casey, Esq., M.P.

Yours, &c.,

SANDFORD FLEMING.

It may be asked, Sir, why, if this enterprise is so sure to pay, it should not be undertaken by a private corporation. The answer is, that if it were undertaken by a private corporation, the provincial Governments in Australasia, which have been referred to, would not be bound by their own interest to send over it the business necessary to make it a paying concern. That is a very sufficient answer in itself. It would have to compete for its business with the Eastern Extension Cable Company, a tremendously wealthy and influential corporation, in trying to get into the good graces of the provincial Governments which control that business, and it is easy to understand that a new company could not compete successfully with an old, influential, and wealthy one. In the second place, the capital could not be obtained at nearly as reasonable rates by a company as by a cable trust, with the guarantee of the different Governments. The ordinary rate of profit expected by investors would certainly range from 5 to 8 per cent., or probably more, whereas the rate of