union, in an age when Governments rest, not on external authority, but on intelligent opinion, it is needless to point out.

It may be asked why, if this enterprise is so sure to pay, it should not be undertaken by a private company. Simply because the Eastern Extension could easily kill a rival company, and the knowledge of that fact clears the field of all rivals. It has fought and is fighting unscrupulously against the proposed Pacific cable, because that would destroy its fat and oppressive monopoly. Its policy is opposed to the public interest, and therefore the public must no longer be tied to its chariot-wheels. As Sir Sandford Fleming says in the return ordered by Parliament :—

"In the interests of the Eastern Extension Company the Pacific cable has been declared to be impracticable; its cost has been greatly exaggerated; it has been denounced as a work which could not be maintained without burdensome subsidies; it has been stigmatized as inimical to telegraphy and trade; and it has been decried and misrepresented in every possible manner. The explanation is to be found in the fact that the company is unwilling to relinquish its monopoly, and to rest satisfied in the future with a reasonable return for capital invested. On this point the writer is tempted to quote a single paragraph from his address at the Colonial Conference of 1894 as given in the proceedings (page 85) :—

"'The progress and well-being of Canada, Australasia, and the Empire cannot be retarded in order that the lucrative business of a private company may remain without change. Even if the Chairman of the Eastern Extension Company succeeded in converting us to his commercial ethics, that the profits of the monopoly he represents must be maintained inviolate, it does not follow that the project of a Pacific cable would not be carried out in some form, even if Canada and Australasia abandon it. There are indeed unmistakable signs that a Pacific cable may shortly be carried out by France and the United States. We all know that France has already completed a section of 800 miles at the southern end, and the United States has recently expended 25,000 dollars in making an elaborate survey of about one-third the whole distance from San Francisco to the Hawaiian Islands. With a rival line in foreign hands, it is easy to see that the Eastern Extension would gain nothing, while the Empire would lose much.'

"With respect to the objections raised by the Eastern Extension Company, they have been completely refuted. The very best evidence shows beyond all question that the project is perfectly feasible; that the cable should be established as a State work; that, so established, the revenue from business obtainable will be ample to meet every charge, including working-expenses, maintenance, renewal, interest on cost, and sinking fund to replace capital; that, in fact, the cable can be established in the most satisfactory manner, and that all its advantages can be attained without any cost whatever to the taxpayer. That the prospects are of this character is attributable to these facts, viz. :—

"1. As a State work, the capital employed would be obtained at the lowest possible rate of interest.

"2. The capital would be limited to the necessities of actual expenditure in establishing the work. There would be no possibility of enlarging the capital account by adding 'promotion expenses' or by 'watering stock' in any form.

"3. No dividend would require to be declared, or bonus paid. Revenue would only have to meet ordinary charges, including interest on the actual cost at a low rate, possibly 2½ per cent.

"4. Remunerative traffic, which would be controlled by the Australasian Governments, already exists.

"5. Such traffic is continually growing, and it is difficult to assign a limit to its growth.

"6. The facilities created and the reduced charges would open up a new and profitable business across the Pacific which would be subject to the new line."

Here, then, is a matter of Imperial and Canadian concern, to which the Government of Canada should give immediate attention. It is bound in honour to act, for it has again and again pressed it on the attention of its partners in the Empire, and unless it makes a practical proposal the matter will drop between three stools. Queensland, New South Wales, Victoria, and Tasmania have recently undertaken to guarantee three-ninths of the cost. New Zealand will probably be good for one-ninth additional. Let Canada offer to guarantee two-ninths, on condition of Britain doing the rest, or of making some equivalent proposal, and the hand of the Imperial Government—or, rather, the heavy wheels of its State coach—would be forced to move. Once set in motion there is no doubt as to the result, and to Canada the credit would again accrue of being awake to the signs of the times, while its position as the half-way house of the Empire would be established for ever.

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