

As an outcome of the delegation to Australia, a Conference was held in Ottawa the following year (1894). At this Conference the Imperial Government, the Canadian, the South African, and all the Australasian Governments were represented.

The published proceedings of the Conference held in Ottawa in 1894 furnish a full account of the discussions. The following resolutions were passed in respect to the establishment of the Pacific cable: (1.) *Resolved*, That, in the opinion of this Conference, immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia. (2.) *Resolved*, That the Imperial Government be respectfully requested to undertake at the earliest possible moment, and to prosecute with all possible speed, a thorough survey of the proposed cable route between Canada and Australia; the expense to be borne in equal proportions by Great Britain, Canada, and Australian Colonies. (3.) *Resolved*, That it is for the interest of the Empire that, in case of the construction of a cable between Canada and Australasia, such cable should be extended from Australasia to the Cape of Good Hope, and for that purpose arrangements should be made between the Imperial and South African Governments for a survey of the latter route. (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.

Acting under instructions of the Conference of 1894, the Canadian Government invited cable-manufacturing contractors and others to state the terms upon which they would be prepared to lay and maintain in efficient condition a submarine electric cable across the Pacific from Canada to the Australasian Colonies. Proposals were invited in three different forms.

I herewith submit, for the information of the Committee, the detailed general conditions under which proposals were invited (see Appendix A); likewise the tenders subsequently received by the Canadian Government; likewise my report on the tenders, dated the 20th November, 1894, made at the request of the Minister of Trade and Commerce (see Appendix B).

Soon after the tenders were received I prepared a memorandum giving my views respecting the establishment of the cable. As these views are strengthened and confirmed by subsequent events, I beg leave to submit this memorandum to the Committee as part of the present statement:—

Memorandum.—Ottawa, 1st December, 1894.—The information obtained since the meeting of the Colonial Conference in July last is of a character to call for special notice. The Conference, by the fifth resolution relating to the Pacific cable; requested the Canadian Government to take the necessary steps to urge forward the undertaking in accordance with the views expressed by the delegates and the resolutions passed by them. On the 10th September a special Commission was appointed by the Canadian Government to proceed to Honolulu, to enter into negotiations with the Hawaiian Government for the possession of a neutral landing-ground for the cable, should it be deemed expedient or desirable to touch at Honolulu or at some other island in the Hawaiian Group. The object was to obtain a choice of routes. While it was the decided feeling of the Conference that the cable should only touch islands on the route in the possession of Great Britain, there were technical as well as commercial reasons for obtaining the use of an island within the Hawaiian archipelago. The report on the mission submitted for the information of His Excellency the Governor-General, 15th November, points out that, while there is a fair prospect of obtaining the use of an island on conditions generally acceptable, the result of the mission remains undetermined, as it awaits the action of the United States Government, owing to a treaty engagement between the two countries. Consequently, as the matter at present stands, there is no alternative line which can be chosen. The route known as No. 1, touching at Fanning Island, is the only route open for adoption. The question of carrying the cable by way of Honolulu or some one of the Hawaiian Islands rests with the Hawaiian Government and the Government of the United States. As soon as the Hawaiian Government feels at liberty to enter into an agreement, such as that suggested during the recent mission, which would secure to them the advantages of telegraphic connection with the markets of the world, it will probably be heard from. Any offer it may make may be considered on its merits before contracts for laying the cable be entered into."

Tenders.

On the 6th August an advertisement appeared in the London newspapers asking for tenders. Cable-manufacturing contractors and others were invited by the Canadian Government to state the terms upon which they would be prepared to lay and maintain in efficient condition a submarine electric cable across the Pacific from Canada to Australasia.

Tenders have been received from some of the best and oldest firms; they establish four important desiderata: (1.) They set at rest all questions respecting the practicability of the project. (2.) They establish indisputably that Great Britain can obtain direct telegraphic communication with the British colonies of the Southern Hemisphere, without having resort to any soil not British territory. (3.) They clearly prove that there is no requirement for delay in order to make elaborate preliminary surveys, offers having been received from cable-manufacturers of the widest experience, who, with the information and data possessed, are prepared to lay the cable and guarantee its success. (4.) The tenders give definite information as to the cost of the undertaking; moreover, they furnish proof that the outlay of capital required is less than the amount which has been estimated.

The definite data thus obtained overcome all obstacles which were supposed to stand in the way of the first resolution passed by the Conference—viz., that "immediate steps should be taken to provide telegraphic communication by cable, free from foreign control, between the Dominion of Canada and Australasia." The Governments concerned are now placed in possession of information essential to the consideration of the best means necessary to the consummation of the project.

As there might be some divergence of opinion as to the best means to be taken to carry out the undertaking, the Canadian Government, in asking for proposals, intimated that offers would be received in three different forms, viz.:

—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. Form B: The cable to be owned, maintained, and worked by a company under a fixed subsidy for a term of years. Form C: The cable to be owned, maintained, and worked by a company under a Government guarantee of traffic for a term of years.

The only actual offers received are according to Form A. That no offers were received according to Forms B and C may be due to the fact that it was felt desirable to predetermine the maximum charges, so as to preclude a subsidised or traffic-guaranteed Pacific Cable Company amalgamating or combining with the existing company to the disadvantage of the public. It was stipulated that under Forms B and C the maximum rates to be charged on messages to and from Great Britain and the Australasian Colonies shall be 3s. per word for ordinary telegrams, 2s. per word for Government telegrams, and 1s. 6d. for Press telegrams. Trans-Pacific messages to be charged at proportionate rates. These are the rates agreed upon at the Postal and Telegraph Conference held in New Zealand in March last.

My opinion as to the best means of establishing the Pacific cable has been long given, and as early as the Colonial Conference of 1887. I submitted my views again at the recent Colonial Conference, and on occasions before and since that date I have explained the principles which in my humble judgment in view of the public interest should be followed. I do not think it necessary to repeat the arguments I have frequently used in favour of establishing the Pacific cable as a public undertaking, so that it may remain under Government ownership and control. I beg leave to refer to my remarks which the Minister of Trade and Commerce submitted in a memorandum, dated the 11th October, 1893, to the Australasian Governments, likewise to what I said at the Colonial Conference in June last (extracts are appended). On both occasions I pointed out that it would be unwise to subsidise a company, when the object could be attained more economically and far more advantageously to the public by other means. It has since been suggested, as an alternative to a subsidised company (Form B), to establish a company under a Government