

No. 28.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,—

Ottawa, 3rd November, 1898.

I have the honour to transmit for the information of your Government a copy of a letter addressed to the Right Hon. Joseph Chamberlain, on the subject of a State-owned cable-service for the Empire. I venture to think the arguments submitted very strongly support the establishment of the Pacific cable.

I have, &amp;c.,

SANDFORD FLEMING.

The Right Hon. R. J. Seddon, Premier, Wellington, New Zealand.

## Enclosure in No. 28.

Sir SANDFORD FLEMING to the Right Hon. the SECRETARY of STATE for the COLONIES.

SIR,—

Ottawa, 28th October, 1898.

I had the honour, on the 28th December of last year, to address Sir Wilfrid Laurier respecting the proposal to establish a State-owned Pacific cable. [See No. 11, F.-8, 1898, enclosure.] Circumstances have since arisen which impel me to ask permission to address you on the subject of a State-owned system of cables for the British Empire.

The paper which follows discusses the subject on its merits. I venture to think that the arguments adduced make it clear that such a service is extremely desirable and is fast becoming a necessity. The telegraph is an essential ally of commerce, and is indispensable to the full and satisfactory development of trade and shipping. The trans-Pacific steamship lines which have been established are heavily handicapped by the absence of any direct means of telegraphy between the ports with which trade is carried on. The Pacific cable would serve the purposes of trade between Australasia and Canada, but these countries are debarred from establishing independent telegraphic connection with Hongkong, the terminal port of one of the steamship lines. Under an agreement, dated the 28th October, 1893, the Eastern Extension Telegraph Company strengthened its monopoly by having Canada and the southern colonies telegraphically excluded from Hongkong, and forbidden to lay, or assist in laying, any new cable to that port for a period which does not expire until twenty years from the present date.

There remains only one way of gaining telegraphic connection with Hongkong freed from exacting charges, and that is through the Home Government. In granting to the Eastern Extension Company exclusive privileges, Lord Ripon, then Colonial Secretary, reserved to Her Majesty's Government the option to take possession of the cable between Singapore, Labuan, and Hongkong, by giving twelve months' notice and paying the company £300,000.

My letter of December last to Sir Wilfrid Laurier sets forth the position and the attitude, to Canada and the Australasian Colonies, of the Eastern Extension Telegraph Company. The proposal submitted in the following paper would undoubtedly interfere with the rich monopoly which that company enjoys, and to some extent, and for some time, diminish its profits; but I venture to hold that no private company, however rich and influential, should be allowed to stand in the way when great Imperial interests are at stake. It must be borne in mind, too, that telegraphy is one of the most astonishing results of science, and that the facilities which it offers, if not shackled by hindrances, may be rendered of greater and greater value to the human race.

The advantages of cable-connections and low charges increase with distance in an accelerating ratio. It is impossible, therefore, to set a limit to the commercial, social, and political benefits which would result to the Empire from a State-controlled cable-service reaching every British possession. In the following remarks I have pointed out that the Pacific cable, established as now proposed, will prove to be the key to such a service, and practically its forerunner.

I have, &amp;c.,

SANDFORD FLEMING.

The Right Hon. Joseph Chamberlain, Secretary of State for the Colonies.

## Sub-enclosure to Enclosure in No. 28.

## BRITISH EMPIRE CABLE-SERVICE.

THE action recently taken in London in adopting the principle of cheap Imperial postage suggests that the time has arrived when the expediency of establishing a complete telegraph-cable system throughout the Empire may be considered on its merits. The advantages which will inevitably follow the adoption of a universal penny postage appear to be generally recognised, and I venture to think the public mind will be prepared to entertain favourably another proposal not less important. It is not necessary in the least to undervalue cheap postage or detract from its immense importance in order to show that a cheap telegraph-service on a comprehensive scale is easily attainable, and that it would prove an effective means of speedy communication for an Empire such as ours.

The transmission of letters has always been a function of the Government; indeed, it has been wisely held throughout the civilised world that the postal service should be controlled by the State. The electric telegraph is a comparatively modern introduction. In the Mother-country private companies were the first to establish lines of telegraph, but in 1868 it was found to be in the public interest to have them taken over by the State and placed under the Post Office Department.