

The question of the relative interest of the colonies and the Mother-country in the matter is open to argument; but the dominating principle which has governed Canada and Australasia is that the scheme "cannot fail to promote Imperial unity," a principle which we are glad to notice is accepted by Her Majesty's Government. The cable affords an alternative route to the East, passing entirely through territory under British control; its importance from a strategical point of view is manifest; and the possession of the first cable across the Pacific appears to be a matter of the highest commercial importance. And, again, there is the question of connecting Canada and Australasia. If, as we believe, the cable cannot fail to promote Imperial unity—and Her Majesty's Government share that opinion—the proposal certainly seems to justify the principle of joint ownership and control, which has formed the key-note of the discussions and negotiations for so many years.

The opinion seems to be very generally expressed, as the result of the presentation to Parliament of the recent correspondence, that the responsibility of constructing and working the cable should be borne by the different parts of the Empire interested, including, of course, the Mother-country, and that to them jointly should accrue any profits, direct or indirect, which may arise from the undertaking. From no point of view, in any case, can the proposal now submitted be regarded as either satisfactory or equitable to Canada and the colonies we represent. It may be pointed out that if the loss on the undertaking during the first three years of working of the cable were to largely exceed the sum estimated by the Committee of 1897, the total contribution of Her Majesty's Government even then might be less than £20,000, spread over that period; and, as already mentioned, a very large measure of control over the enterprise is demanded in consideration of the offer to accept this small contingent liability.

But the serious part of the proposal is that Canada and Australasia would be called upon to raise the money on their own responsibility. It is evident that this could not be arranged by them on such favourable terms as if Her Majesty's Government were associated in the enterprise, and that their abstention would add materially to the expenses of constructing and working the cable. It cannot be questioned that the reduction of the annual outlay for these services would operate to the advantage of the Mother-country as well as to the colonies, and it is this aspect of the case that we desire to commend to the serious consideration of Her Majesty's Government.

We trust you will give us an opportunity of discussing the matter with you, in the hope that Her Majesty's Government may be disposed, after reconsideration, to join the colonies in raising funds for the cable, and in constructing and operating it. Such a decision would practically involve little or no more liability than the suggestions you have made to us. At the same time we feel justified in stating that Canada, at any rate, and we think the Australasian Colonies also, would not be prepared, as we are advised, to proceed with the matter on the lines laid down in the communication now under acknowledgment.

We are, &c.,

STRATHCONA, High Commissioner for Canada.

JULIAN SALOMONS, Agent-General for New South Wales.

ANDREW CLARKE, Agent-General for Victoria.

W. P. REEVES, Agent-General for New Zealand.

HORACE TOZER, Agent-General for Queensland.

The Right Hon. J. Chamberlain, M.P., Secretary of State for the Colonies.

No. 50.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 16th May, 1899.

PACIFIC cable: Imperial Government having refused adopt Committee's report, project likely seriously hampered. Have suggested Postmaster-General, New South Wales, confer with colonies and make immediate forcible protest. Authorise you to protest behalf New Zealand. Endeavour with colonies, Canada, obtain reversal decision. Governor asked move Colonial Office reconsider.

No. 51.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 16th May, 1899.

PACIFIC cable: In reply to your telegram of to-day, already protested by letter, and at lengthened interview with Chamberlain informed him exact proportion guarantee minor matter. Laid great stress necessity Imperial partnership. Chamberlain promised friendly careful further consideration.

No. 52.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,

London, S.W., 19th May, 1899.

SIR,—

Referring to my letter of the 12th instant, I beg to enclose copy of a further joint letter addressed by the High Commissioner for Canada and the Agents-General to the Secretary of State for the Colonies on the subject of the Pacific cable.

I also enclose copy of your cablegram of the 16th instant, and copy of my reply thereto of the same date.

The Hon. the Premier, Wellington.

I have, &c.,

W. P. REEVES,