

It would follow, therefore, judging by the expenditure and by the revenue that, as far as I can see, with the limited knowledge at my disposal in the matter, and under the conditions named the cable line could be laid down and a revenue derived which would meet all the charges.

Of course, in all this it must be understood that I am looking at the financial features of the scheme from the documents before me, and that I have no personal or direct knowledge of the laying or working of cable lines. I do not know that a separate line may not be necessary or that other contingencies may not arise which I have no means of anticipating or foreseeing.

Yours, &c.
(Signed) J. M. COURTNEY.

Sandford Fleming, Esq.,
Ottawa.

(f.)

Letter from W. Hepworth Mercer, Esq., Colonial Office, London.

Rideau Club, Ottawa,
Oct. 11th, 1894.

DEAR MR. SANDFORD FLEMING, c

BEFORE leaving Ottawa I desire to congratulate you on the evidence which is now in the possession of the Canadian Government that your views as to the cost of laying the proposed Pacific cable were moderate and reasonable. It must be a matter of great gratification to you to find after so many years of controversy and opposition that your estimates are more than borne out by the practical offers now received.

With regard to the question of the prospective revenue of the cable, I have carefully examined the data and studied the principles upon which you have formulated the estimates contained in your memorandum dated Sydney, 11th October 1893, and your letter to Mr. Bowell of 20th July 1894, and I have satisfied myself that your conclusions are thoroughly sound. Assuming that the cable is to be a Government enterprise, participated in by Great Britain, Canada, and Australasia, I think that the estimates of revenue would at least be fully borne out by actual results.

It seems to me that there is now an excellent case for presentation to the various parties interested, and the Australasian Colonies in particular will no doubt look forward to the accomplishment of an enterprise which will, we may fairly hope, give them an unprecedentedly low telegraphic tariff in return for a smaller expenditure than they have been paying for a comparatively high one.

I hope, speaking for myself, that in a matter of such wide concern, and involving, besides the direct commercial benefits, results the importance of which cannot be estimated in figures or weighed in a balance sheet, the Australasian, the Dominion, and the Imperial Governments will all be able to join in the project.

I am, yours very sincerely,
(Signed) W. HEPWORTH MERCER.
