

the submarine telegraph system, which now embraces 107,000 miles at a cost of something like thirty-seven millions sterling.

I may mention as a contrast and to give an idea of the importance of this system, that the whole length of the land lines now in existence in the world is some 1,750,000 miles, which represent an estimated cost of £52,000,000.

The submarine cable system is, with the exception of some 7,000 miles, entirely under British control, and has been the result of private enterprise.

There are now, however, unmistakable signs that France, Spain, and Italy would like to have submarine telegraphs also. France and Italy especially are making not only efforts to manufacture cables, but they have been building ships with a view to laying and repairing them.

The value of the submarine system as it is now controlled, under British management, it is impossible to over-rate, either from a political or commercial point of view. I am sure that you must be alive to its importance for Imperial purposes. I am told that in regard to our enormous commerce and its relation to the movements of our great mercantile marine, both the one and the other are more or less controlled and influenced by our sub-marine system. The economy in the working of ships is very great indeed; and in commercial transactions there are few of any magnitude which do not involve the forwarding and receiving of telegraphic messages.

These circumstances show that it is of great importance that the control of the telegraphs should be, as far as possible, in British hands; while it is of equal importance that the tariffs should be as low as it is possible to make them. Private enterprise has originated and carried on these companies, but of course they must be worked with a view of giving a reasonable return to the shareholders.

The companies over which I have the honor to preside have mainly to do with the Mediterranean system, the Red Sea, Australia, New Zealand, China, Japan, the Cape and West Africa, and also one of the cables to America.

The maintenance of these systems necessitates no fewer than 10 large repairing steamers, fully equipped for laying and repairing. We have established tanks for the purpose of storing spare cable at Gibraltar, Malta, Syra, Suez, Perim, Zanzibar, Singapore, and Shanghai. In these tanks at the present moment there are no less than 1,500 miles of cable. On several occasions during the recent times of war these stores have been of great value by enabling the companies to meet the Government's urgent demands at the moment, by connecting at times Besika Bay, Gallipoli, and Princes Islands in the Sea of Marmora. Later again, Port Said and Suakim were connected.

I merely mention these facts as showing how necessary it is for the Government to keep in friendly hands such an important reserve of power which may on certain occasions become invaluable. Should the Government and the colonies come to an understanding, similar depôts would be established at the Cape as well as in our other colonies.

From my long experience I am not speaking without authority as regards the enormous value that these submarine telegraphs possess in promoting commercial relations between the various commercial centres of the world, and in bringing into daily, indeed hourly, contact all our colonies and dependencies with the mother country.

I have quite lately written to Sir Robert Herbert on this same subject, and he may in conversation with you have alluded to my letter to him, but I thought I might venture to submit to you in a separate form my views as at present laid before the Australian Colonies and Cape Colony, in the hope that you may have leisure to peruse them and if satisfied with the scheme support it at the Conference.

If these low rates which I suggest are established it would probably rank amongst the most important events of Her Majesty's Jubilee.

I am, &c.,  
JOHN PENDER.

The Right Hon. Sir HENRY HOLLAND,  
&c., &c., &c.