

Before leaving Canada I gathered from the proceedings of the Postal Conference, and the papers appended thereto, and I learn from other public documents since my arrival in Sydney, in substance as follows :—

- (1.) It is designed that the cable from Queensland to New Caledonia shall form the first link of the Trans-Pacific Cable, and that it is the intention of the Company to proceed section by section as further subsidies are obtained.
- (2.) An opinion is expressed in some quarters that it is impossible to lay a cable through the Pacific Ocean from any part of Australia or New Zealand to Canada without landing at some places such as New Caledonia, Samoa, and Hawaii, where British influence is not supreme.
- (3.) From the fact that the lines of the Eastern and Eastern Extension cable system touch foreign soil at several points, it has been urged that the Pacific Cable, landing at New Caledonia, would be in no worse position than the present line of telegraph between Australia and England.

In considering these points, I would first direct attention to the character of the agreement between the French Government and the Société Française des Télégraphes Sous-Marins, dated 3rd February, 1893, subsequently ratified by the Parliament of France.

I beg leave to submit a translation of the following five articles of this agreement :—

Working, maintenance, and organisation to be subject to control of the French Under-Secretary of State.

Article III.—As far as the establishment and maintenance of the proposed cable, as well as the organisation of the service, the fixing and collecting of rates, the control, the relations with the public and the connecting of the new line at either end with submarine or land line systems is concerned, the Société Française des Télégraphes Sous-Marins shall observe the table of rules and obligations approved by the Under Secretary of State for the Marine Department and the Colonies, all the clauses and conditions of which it accepts as having the same force as the terms of this agreement.

Company to have offices in France, cable to be made in France, and to be laid, worked, and controlled entirely by French subjects.

Article V.—The Society agrees to have its head offices in France, to engage French administrators only, to have the cable manufactured by French employees in works situated on French territory, and to guarantee the laying of the cable by a French ship and crew.

Society not to cede any of the rights of this agreement or to amalgamate with other company unless the permission of the French Government be first obtained.

Article VI.—The Society shall not, without the expressed written consent of the French Government, cede any of the rights resulting from the present agreement, nor lease its lines or amalgamate its interest with those of any other company.

Transit rate, Australia to New Caledonia, to be fixed by the French Government and the Society. Maximum rate to equal 90 centimes per word.

Article X.—The transit rate over the cable between Australia and New Caledonia shall be mutually agreed upon by the French Government and the Society. The maximum rate shall be 90 centimes a word.

Disputes to be settled by Council of State.

Article XII.—Any dispute as to the interpretation or the non-performance of those presents arising between the Government, of the one part, and the Société des Télégraphes Sous-Marins, or persons claiming under them, of the other part, shall be decided by the Council of State.

These provisions of the agreement make it plain that the telegraph from Queensland to New Caledonia will be under the absolute control of the French Government, and hence no parallel can be instituted between the new line across the Pacific, as contemplated by its promoters, and the Eastern and Eastern Extension system. The lines of that system certainly pass over portions of foreign soil, but it cannot be held that any foreign Power controls the administration and management of the Company's affairs. Moreover, if, owing to unavoidable geographical reasons, the wires of the Eastern and Eastern Extension Telegraph Company necessarily touch territory which is not British, the more is it to be desired that Australia should be connected with the mother country by a line of communication which nowhere would pass over the soil of another nation, or in any sense be subject to the dictates of a foreign Power.

The Pacific cable, as originally projected and advocated for many years, has been designed to connect the two greatest divisions of the British Colonial Empire—Australia and Canada—by a route substantially British throughout. Unless such a route be physically impossible, it would, in my judgment, be unwise in the last degree to place the first section of this undertaking absolutely under the control of a foreign Power.