

TELEGRAPHY BETWEEN ENGLAND AND AUSTRALIA.

CANADIAN OFFICES, 17, VICTORIA STREET,

LONDON, S.W., *July 18th, 1890.*

TO AUSTRALIANS AND NEW ZEALANDERS.

FELLOW COLONISTS,

I beg leave to address you on a subject of more than ordinary importance at the present moment, when your Colonies are completely cut off telegraphically from the rest of the world.

The accompanying correspondence with Lord Knutsford refers to the traffic-revenue guarantee, proposed to be given to the Eastern and Eastern Extension Telegraph Companies. I have the best authority for stating that my letter of June 26th, fairly expresses the Canadian view of the case.

While the reply of the Secretary of State indicates that the Home Government declines to join in the guarantee, there is, as I am informed, some probability that the Australian Governments may, under force of circumstances, accept the terms offered by the existing Telegraph Companies. I venture therefore as a fellow Colonist to point out that by co-operating with Canada a much more advantageous arrangement can be effected.

The proposed guarantee to the Eastern and Eastern Extension Telegraph Companies, it is estimated by the representatives of these companies, would add to the liabilities of the Australasian Colonies, £54,000 more or less per annum.

The length of cable to reach across the Pacific from Canada to New Zealand and Australia, allowing 20 per cent. for slack, is estimated by competent authorities at 8,900 miles. A cable of the very best type can be laid over this distance for less than £1,750,000; it is perfectly safe therefore to take the outside cost in round figures at £1,800,000.

I have elsewhere given good reasons why this cable should be a public undertaking, owned by the Governments, worked and managed under a Government Superintendent.

If so established, the whole capital, under a joint Government guarantee, could be raised at about 3 per cent., and would involve an annual charge of £54,000.

I have elsewhere given indisputable evidence that telegraph messages may be sent between England and Australasia by the Canadian route at less than one-quarter the present rates.

I need scarcely ask which course should be followed. The question is should a monopoly of telegraph business be built up in the hands of the existing Companies, or is it in the public interest to establish an independent line, owned by the public, and under Government control? The one course would reduce the cost of telegraph messages to one-half the present rates, and add a liability to the Australian Colonies estimated at £54,000 per annum. The second course would reduce the cost of messages to one-quarter the present rates, and involve no heavier annual charges, while the £54,000 guarantee would be shared by Canada, and, I trust I may add, by the mother country. Moreover, the cable would be owned by the contributing Governments, and the profits would accrue to reduce, perhaps eventually extinguish, the interest charges. This is merely the financial view of the question; its momentous political aspect is dealt with in my letter to Lord Knutsford (appended), and in other documents submitted to Her Majesty's Government.