

Ottawa, October 28th, 1898.

The Right Honourable Joseph Chamberlain,
Secretary of State for the Colonies.

Sir,—I had the honour, on the 28th of December of last year, to address Sir Wilfrid Laurier respecting the proposal to establish a State-owned Pacific cable. Circumstances have since arisen which impel me to ask permission to address you on the subject of a State-owned system of cables for the British Empire.

In the remarks which follow, the subject will be discussed on its merits. I venture to think that the arguments advanced will make it clear that such a service is extremely desirable, and is fast becoming a necessity. The telegraph is an essential ally of commerce, and is indispensable to the full and satisfactory development of trade and shipping. The trans-Pacific steamship lines which have been established are heavily handicapped by the absence of any direct means of telegraphy between the ports with which trade is carried on. The Pacific Cable would serve the purposes of trade between Australasia and Canada, but these countries are debarred from establishing independent telegraphic connection with Hong Kong, the terminal port of some of the steamship lines. Under an agreement, dated 28th October, 1893, the Eastern Extension Telegraph Company strengthened its monopoly by having Canada and the Australasian Colonies telegraphically excluded from Hong Kong, and forbidden to lay, or assist in laying, any new cable to that port for a period which does not expire until twenty years from the present date.

There remains only one way of gaining telegraphic connection with Hong Kong freed from exacting charges, and that is through the Home Government. In granting to the Eastern Extension Company exclusive privileges, Lord Ripon, then Colonial Secretary, reserved to Her Majesty's Government the option to take possession