In the same year the Canadian-Australasian steamship service was inaugurated. The fact that Canada and Australia are in different hemispheres, and that the winter of the one is the summer of the other, pointed to a good prospect of trade in agricultural produce. In Canada during the winter butter was 1s. 6d. per lb., while in Australia at the same time it was only 5d. There would be an almost equally good market for potatoes, apples, and Impressed with this fact, the Canadian Government, as early as 1889, offered a subsidy of £25,000 for a fortnightly steamship service; but it was not till New South Wales was prepared to add another £10,000, and the service was made monthly, that any one could be induced to undertake the contract. The first steamer of the line, the Miowera, left Sydney for Vancouver in May 1893.

In the following September the Hon. (now Sir) Mackenzie Bowell, the Canadian Minister of Trade and Commerce, left Vancouver on a mission to Australia to promote the extension of trade which the new line made possible. But as no steamship service can thrive unless the ports at which it touches are in telegraphic communication, the subject of the Pacific cable was also to be discussed, and in this connection the Minister was accompanied by Mr Sandford Flem-It was impossible in the short time at their disposal before the opening of the Canadian Parliament to make a tour of all the Australian colonies, but such as they visited evinced great willingness to co-operate both in the matter of trade and telegraphic communication. In order to obtain a definite expression of opinion from the whole of Australasia, it was proposed to hold a Conference at Ottawa in the following year.

Before this met, however, the Intercolonial Postal Conference, held at Wellington in March 1894, showed that the Australian colonies were in earnest with regard to the Pacific cable, by proposing to guarantee interest at 4 per cent on a capital not exceeding £1,800,000 for fourteen years to any private company undertaking to lay the cable and not to charge more than 3s, per word for telegrams to Great Britain.

The Ottawa Conference was opened in June of the same year, and the subject of the Pacific cable was made of primary im-The majority of the portance. colonies - including Australian Queensland and New South Wales, who had bound themselves to a subsidy for the French cable to New Caledonia - were strongly in favour of it. West Australia was not represented, and the delegate from South Australia, the Hon. Thomas Playford, although he declared that his Government would not oppose the scheme, criticised it very freely. His attitude in the matter is explained by the fact that South Australia, at great expense, constructed land - lines right across the continent from south to north in order to make a junction at Port Darwin with the first cable laid from Java. The land-lines had always proved a loss, and if the Pacific cable were laid, the annual deficit would be still further increased. Against loss from this cause, however, the other colonies were prepared to indemnify South Australia.

The first point that Mr Playford urged against the scheme was its impracticability, in support of which he quoted a statement made by Mr Patey at the Colonial Conference of 1887, in which he mentioned depths of

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