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*The Pacific Cable: A study in the 'connectional history'
of Australia and Canada within the
British Empire, 1872-1902*

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PREFACE

A history of the Pacific cable involves considerable problems in approach and sources. These difficulties begin with the range of political communities and actors involved; no less than six separate imperial and colonial administrations spanning twenty-five years of intense politics. I have concentrated on the more neglected aspect of this history; the perspective to be gained from the Australian sources. A definitive history of the cable would ultimately involve a rigorous treatment, similar to this examination, of all the regional and metropolitan forces involved in this fascinating if deeply-tangled narrative of technological and imperial development in the late Victorian era.

Within the Australian context, a considerable problem of sources and their whereabouts had to be surmounted before I could begin my initial assessment. The crucial documentary resources, which record the making of the cable connection in the years prior to Australia's Commonwealth of 1901, I found to have scattered among a range of state and federal archival deposits. After 1975, the Department of the postmaster-general was further divided between 'Australia Post' and 'Telecom Australia', yet again affecting archival collections. I further found that key sources used by the major doctoral dissertation of Dr K.J. Melhuish, within her 1965 study of "Australia and British Imperial Policy 1885-1902" (Sydney) were no longer available at the Sydney General Post Office. These were at last found through Australia Post, in a disused warehouse in Chippendale. I have been able to draw heavily

from these neglected papers. Since my discovery they have fortunately been moved to be housed in the 'historical section' of Telecom, safely located at the City South Exchange, Sydney.

Personal papers proved less useful than I had hoped. The Larke papers and the Rowan letterbooks, held at the National Library, Canberra, were valuable, essentially for the period 1885-99. But private collections of several of the significant figures in the narrative could not be traced despite my assiduous efforts: I would have particularly appreciated the private papers of the more important colonial postmasters-general. A larger-scale study, from a wider perspective of research, would also wish to peruse the sources in Canada and London. However, given the richness of the documentation available in Australia, and the large general literature on British imperial and telegraphic history, this thesis has still faced a task of comprehension and 'reconstruction' that at times seemed as difficult to achieve as the Pacific cable itself.

*

My debts in making this study are considerable.

I would first like to acknowledge the important support given me by the Public Relations Section of Telecom Australia (New South Wales division). They gave me open entry to their archival papers, and provided generous financial assistance in the completion of the thesis -- while allowing me complete independence in my analysis. In particular, the personal help of Mr. Chris Wood, Historical Officer of Telecom (New South Wales) was appreciated. Mr. Alan Smith (Victoria) and

Mr. Patrick O'Callahan (Queensland) were also kind enough to supply documents from their original Telecom files. The assistance of Mr. Vann Cremer and Mr. David Sharpe, both of Australia Post (Sydney) was often invaluable. In New Zealand, Dr. A. Wilson, of the national postal service, was also helpful with source materials, as well as generous in offering New Zealand perspectives on my narrative. Professor T.H.B. Symons and Professor B.H. Hodgins, both of Trent University, initially encouraged me to undertake graduate work in Australia, to my benefit. Professor Alan Wilson, an authority on Sir Sandford Fleming, kindly responded to my query on Canadian sources and perspectives. I have certainly benefited from discussions with Professor K.S. Inglis, Research School of Social Sciences, A.N.U.; Dr Ann Moyal, Sydney; Dr B.H. Fletcher, Sydney; and Dr John Achison, Armidale College, during the difficult period of 'writing up'. A word of thanks is also due to Mr Bill Rowlings of Telecom for patiently proof reading the final draft. Lastly, I thank Professor D.M. Schreuder, my supervisor of studies. His enthusiasm for history and his good humour pulled me through many dark days. Despite an onerous schedule, he meticulously read each chapter as it took shape. His comments are responsible for any coherence this thesis might possess.

The second drafts and corrections of this thesis were made, on a word processor, by Ms Donna Castles, with assistance from Ms Karyn Luckhurst and Ms Zoe Miltiadou. Their expertise and patience is gratefully acknowledged.

Without the support and special encouragement of my wife Ellie Horgan, this thesis could not have been undertaken and completed. I dedicate this work to her especially.

Sydney, New South Wales,

JJH

'Canada Day', 1 July, 1986

For Alice and Ellie

"This act, the signing of the Pacific Cable contract, simple and unpretending as it may seem, was really a greater step towards the unity of the Empire than the most splendid conquest. As an act of partnership between six Governments, it is far reaching in its effects, and may be regarded as the forging of the key to the solution of the great Imperial problem."

Sir Sandford Fleming,
to the Royal Society of Canada,
22 May, 1901.

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Introduction

Imperial and Commonwealth history has traditionally emphasised the interaction of the periphery states with the metropolitan centre of Empire. Few scholars have seriously addressed the connections between the various colonial societies of settlement. In 1902, the physical barrier separating the Dominion of Canada and the Commonwealth of Australia was bridged by way of a submarine cable, bringing the two largest settlement colonies in the British Empire into direct telegraphic contact. The history of the Pacific cable offers an excellent case-study in examining one aspect of the relationship between the two major self-governing colonies of settlement within the context of the British Empire. In the idiom of the late Professor W.L. Morton, it provides a fascinating aspect of the 'connectional history' of the settlement Empire. The Pacific cable was not only the first public work undertaken jointly by Great Britain, Canada, New Zealand and the Australian colonies. It was also the first technological project conceived in the colonies to promote the unity of the Empire, and which actually was achieved.

British Imperialism after 1870 can be very generally divided into two schools of thought. One was loosely associated with Gladstonian liberalism and the other with conservatism and unionism. The first tended to view the Empire as a collection of independent states tied to Britain by only sentiment and interest, an historic legacy of earlier expansion and overseas enterprise. To Gladstone, for example, the best means of promoting the British Empire was to grant the maximum of self-government, or self-responsibility to the major societies of settlement. This tradition of "voluntaryism", bordering on

"anti-imperialism" in the eyes of its critics, was an orthodoxy of approach even firmly subscribed to by many officials in the British public service.

This aspect of the "official mind", in the public service, made it difficult for the exponents of the second interpretation of Empire, the "consolidation and reconstruction" school. They advocated an assertive foreign and colonial policy, to expand and develop the power of the British in world politics. This view was pressed on policy by Joseph Chamberlain, a liberal minister of the Unionist government after 1895. However, the Pacific cable demonstrates that the emphasis of the "new Imperialism" focused on 'reconstruction', rather than consolidation. The thrust of late-19th century British imperialism often found its form in attempts to exploit tropical possessions, and it did not always give first priority to development of the older Empire of settlement.

The idea of crossing the Pacific with a submarine cable as a partial or 'all-British' project originated in Sydney. The local 1876 Post and Telegraph Conference passed a resolution requesting the postmaster-general of New Zealand to inquire into the prospects of a telegraph cable which would begin in Australia and terminate in California. The Canadian plan for a Pacific cable found its origins in the final report of Canadian Pacific Railway engineer-in-chief, Sir Sandford Fleming, to the Dominion Parliament. This proposed a north Pacific route from the west coast of Canada, via the Aleutian Islands, to Yesso, Japan. It was not until 1886 that Canadians and Australians jointly began to consider a direct telegraphic communication link.

Initial contact led to further discussion. In 1887 the proposal was advanced significantly when the Imperial government convened the first Colonial Conference, to discuss topics of mutual concern. It was this meeting which brought the Pacific cable to the attention of a wider public. Sir John Pender, chairman of the "Eastern Extension, Australasia and China Telegraph Company", was particularly interested in the possibilities of the proposition. The Eastern Extension Company had a vested interest in the progress of the Pacific cable movement. This resulted from ownership of the only existing overseas cable which connected Australia and New Zealand with the Old World. In years ahead, the supporters of a Pacific cable would change, as would the proposed routes and the means of financing the project. The only constant would be the persistent opposition of the Eastern Extension Company, with its alternate plans and proposals.

From the Post and Telegraph Conference of 1876, to the actual laying of the Pacific cable in 1902, the various colonial governments of Australia were largely motivated by the excessive tariffs charged by the Eastern Extension Company. Despite the desire of some Australian colonies to break the monopoly, co-ordinated action often proved elusive, frustrating and time-consuming. For example, in 1891 the Eastern Extension Company succeeded in mollifying the restless colonial critics by reducing the tariff, and thus lessening the need to force competition. Given that the mere discussion of an alternative telegraph line moved the monopoly to cut their ordinary charge for telegrams by half, it is hardly surprising that discontented rumblings continued throughout the decade.

The rise of a new Imperialist sentiment in Britain, at the metropolitan heart of Empire, as well as the colonies during the 1890's, kept the Pacific cable idea in the foreground. A number of reasons were involved. Paramount was the growing desire to assure secure communications for commercial and defence reasons. The submarine cable system of the Eastern and the Eastern Extension companies suffered from the 'fatal flaw' of landing on, or near, foreign territories. As British trading power declined relatively, in relation to the European powers and the United States, the commercial community in Britain feared any disruption to communications, and by extension commerce, which would follow any aggression toward an over expanded 'Greater Britain'. Indeed, noted Imperial defence expert Sir Charles Dilke commented that,

It is imperatively required, for the safety of the Empire, in order to insure, in time of war, the communication between its various portions, that they should be connected by a series of purely British cables, having no shore ends upon foreign territory.¹

However, these fears did not move the "official mind" until Chamberlain's appointment to the colonial office in 1895. Once the Imperial government agreed to assist the interested colonies in propagating a Pacific cable, events moved quickly. The problem was then that of keeping the project alive while the British authorities often prevaricated.

It was Sandford Fleming who was, of all concerned, the most able in facing that task of promoting the Pacific cable in the face of both opposition and indifference. As an associate of Canada's

1. Sir Charles Dilke and Spenser Wilkinson, Imperial Defence. 1897, cited in George Johnson ed. The All-Red Line: The Annals and Aims of the Pacific Cable. Ottawa, 1903, pp.262-63.

senior conservative statesmen, Fleming was able to keep the proposed cable in the political arena just when it appeared that interest was waning in the antipodes. G.N. Savory, in his 1972 thesis on "Colonial business initiatives and the Pacific cable: A study in the role of private enterprise in the development of Imperial communication", has argued that Fleming's resolve was paramount to the success of the project. This assertion is well made.

However, what needs to be added to that view is the crucial role which I will show was played by successive Australian colonial ministries in the completion of the cable. The annual "Post and Telegraph Conferences" in Australia repeatedly expressed a desire for a Pacific cable; and Australian delegates to the Ottawa Conference of 1894, and the Pacific Cable Committee of 1896, strongly approved resolutions favouring the Pacific scheme.

Yet, even with the support of all colonial parties, the Pacific cable was not easily achieved. Finalising details involved continuous correspondence, discussion and hard negotiation between Canada and the Australian colonies. In a move to expedite those lengthy negotiations, Canada dispatched its first trade commissioner to Australia in 1895. The presence of a Canadian intimate with the Pacific cable movement kept the Imperial and intra-colonial objective in sight. But, it still did not alleviate colonial rivalry. This process in particular involved a good deal of 'one upmanship' on the part of New South Wales. Disregarding the spirit of the Australian federal movement, the colonies haggled over almost every aspect of this history: financial contributions; delegates to the Pacific Cable Board; the veto power of the Imperial government; and generally attempting to secure the best terms for their own

colony. This tortured process offers an insight into the workings of British Imperialism at the turn of the century. Should promoting the Empire prove beneficial to the colonies, then all were in favour. If closer ties with Britain interfered with colonial autonomy, then 'Empire' was placed in second order of priorities.

While these negotiations continued over the years, the 'monopoly' was not undefended. The Company responded to each set of circumstances by challenging the practicality of a second service and, when absolutely necessary, offering liberal concessions. Once the Pacific cable was on the verge of being realised, in a last attempt to limit the impact of competition on profits, the Eastern Extension Company offered a further reduction in rates and also an alternative cable, connecting Western Australia with South Africa, and then Britain - providing the Australian colonies allowed the Company to open offices in the capital cities, to collect and deliver telegrams. At the time of this last offer, all telegraphic business was handled by the general post offices. It was on this basis that the Imperial partnership of the Pacific cable was formed. The Eastern Extension Company was unable to convince the colonies of Queensland, Victoria and New Zealand of their good intentions; but, at the last moment, even after the Pacific Cable Bill had received Royal assent, New South Wales ignored protests from other partner states, and granted the concessions as requested. By so doing, New South Wales received lower rates during the 18 months when the Pacific cable was being constructed, while the other colonies involved with the Pacific cable paid a higher tariff.

The decision by the administration of New South Wales actively to support the Pacific cable, to the detriment of the Eastern

Company on the one hand, while delivering a financial death blow with the other, is a curious and paradoxical development. This is particularly true as the so called 'Adelaide agreement' was signed after the formation of the Commonwealth, and only months before postal matters were handed over to the central government. By entering into an agreement with the Company, the caretaker government of New South Wales soured the unity of the Pacific cable compact, and strained the developing relationship between Canada and the new Commonwealth of Australia.

It is my intention to follow the development of the Pacific cable 'movement', focusing on the actions of New South Wales up to and including the signing of the Adelaide agreement. I will argue that the Eastern Extension Company was so determined on preserving a monopoly over the Australian telegraph traffic, that it actively prolonged the debate over the viability of the Pacific route; and, in the end, moved to restrict the success of the new line by establishing a direct service to the public. Through private negotiations with the colonies interested in the Pacific cable, the Company was able to divide and conquer a significant Imperial undertaking.

CHAPTER ONE

SUBMARINE TELEGRAPHY AND THE ESTABLISHMENT OF AN 'INFAMOUS
MONOPOLY', (1837-1887)

Prior to the advent of electricity, communications were painfully slow. The transmission of written or spoken messages depended on the speed and availability of transportation. In the case of overseas communications, many months separated the sending and receiving of information; making replies often outdated and useless. The electric communications revolution began in 1837 when the Electric Telegraph Company of London opened its lines for business.¹ From that point, investors and entrepreneurs began to consider the possibility of crossing under the high seas with cables. The application of electricity to communications broadened the possibilities and potential for commercial growth. Rapid communications meant more precise information on market fluctuations than ever before. Should the "magic" electric wire be adapted to transmissions across the oceans, the significance of telegraphy would take on a whole new meaning. The achievement would not only further British commercial development, but it would add a new dimension to the administration and expansion of Empire.

The story of the early years of submarine telegraphy is one of repeated failure. Theorists had no doubt of its practicability. However, many years passed before a means of insulating the wire was perfected.² The first attempt to institute overseas communications was undertaken by the English Channel Submarine

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1. Hugh Barty-King, Girdle Round the Earth: The Story of Cable and Wireless. 1851-1979. London, 1979, p. xiv.
 2. The perfection came with the institution of 'gutta percha'. Mayalayan for gum cloth, gutta percha was first used in experiments as an insulating material in 1848. See Charles Bright, Submarine Telegraphs: Their History, Construction and Workings. London, 1898, p.248.

Telegraph Company in 1850. The Company had received concessions from the French government to establish a line from Dover to Calais. The cable was successfully laid, but the signal went dead after only a few hours of operation.³ The fact that communications had been established allowed the company to maintain its concession, and the next year the line was a success, bringing London and Paris into direct contact.⁴

This initial success set off a flurry of speculation about the future prospects of the new technology. Accompanying the excitement over the submarine telegraph was a proliferation in the field of land telegraphy. In 1855, there was already 8,000 miles of electric wire, pulsating its currents on almost every continent. Of that, two British firms, the Electric Telegraph Company and the English and Irish Magnetic Telegraph Company, controlled 6,700 miles.⁵ Overall, in the United Kingdom, a total of over one and a half million pounds sterling had already been invested in telegraphs. The idea of expanding to other continents lured even more funds into submarine cables over the next decade. The most ambitious scheme was to cross the North Atlantic and join Europe to North America.

In 1856 the American Cyrus Field travelled to London to find investors for the Atlantic Telegraph Company. On 6 November, after finding three hundred and forty-five Britons willing to invest one

3. Ibid, p.9.

4. Ibid, p.12.

5. Barty-King, op. cit., p.10.

thousand pounds each, the company was floated.⁶ One of the investors was John Pender, already a director of the English and Irish Company. The Company had been granted a subsidy of £14,000 per annum from both the British and American governments, an unprecedented move in the brief history of submarine cables. Since the English channel cable had been laid, four attempts were made to connect England and Ireland, the last being successful. In 1853 a second cable had been laid across the channel, and by 1857 Anglo-Dutch and Anglo-German cables were in operation.⁷ All had been financed solely by private enterprise, without government assistance. The subsidy to the Atlantic Telegraph Company was a precedent with varied implications for the future.

That same year the subsidised Company made an unsuccessful attempt at laying a cable across the Atlantic. The cable broke in mid-ocean, casting doubt upon the feasibility of laying a long and heavy apparatus in the depths experienced in the Atlantic. Pender and Field were not deterred and, rather than sell it off to ease the loss, they convinced the other members of the board to use the reserve cable, and try again.⁸ By 17 July of the next year, the venture had succeeded, and the Old world was a tap away from the new. The possibilities created by this wire under the sea were 'nobly' recorded:

It has been the result of the great discoveries of the past century to effect a revolution in political and social life by establishing a more intimate connexion between nation

6. Ibid, p.11.

7. Bright, op. cit., p.15.

8. Barty-King, op .cit., p.13.

and nation, with race and race. It has been found that the old system of exclusion and insulation are stagnation and death. National health can only be maintained by the free and unobstructed interchange of each with all. How potent a power then is the telegraphic destined to become in the civilization of the world.⁹

The wonder and awe of the greatness of modern science was brief. The transmission was weak from the start, and the line went silent after only one month of operation. Still, the exercise had proven that it was possible to lay a cable at a great depth and over a long distance. The fault was electrical. Improvements in design and construction would come as trial-and-error were continued.

The futile efforts to link Europe and America deadened the initial financial excitement about submarine cables. However, the subsidy granted by the British government maintained investors' enthusiasm. Conscious of the importance of communications to India, the Red Sea and India Telegraph Company was formed to bring Britain into contact with her most valued possession. In 1858 a "guarantee of dividends" was granted by the British government, which amounted to a subsidy of £36,000 per annum for the establishment of communications to India.¹⁰ The guarantee, 4 1/2 per cent on capital for fifty years, was to be effected providing the line worked. The proposed route was divided into sections, the first from Suez to Aden and the second from Aden to Karachi.¹¹ The line was completed in 1860, but faults occurred immediately and the cables were abandoned. Under the terms of the guarantee, the

9. Charles Briggs and Augustus Maverick, The Story of the Telegraph. (New York, 1858), cited in Barty-King, p.13.

10. Bright, op. cit., p.57.

11. Idem.

British government was obliged to continue the payments until 1908, even though a complete message was never received.¹²

The string of failures prompted the British government to appoint a committee of inquiry into the construction and working of submarine telegraph cables.¹³ The committee consisted of eight members, four nominated by the board of trade and four from the Atlantic Telegraph Company. It sat from 1 December 1859 to 4 September 1860, examining promoters, engineers, scientists and anyone "whose knowledge or experience might throw light on the subject".¹⁴ After exhaustive deliberations, the committee concluded that knowledge of the intricacies of cable construction had advanced and would continue to do so. The cables that had failed to operate effectively might have worked "had the conditions been sufficiently understood beforehand."¹⁵ The favourable report was gratefully received by cable promoters. But, even with expert evidence that the future of ocean telegraphy was bright, the British government was thereafter reluctant to enter into subsidy agreements for private cable ventures.

The report did encourage further attempts. By 1861 the European land lines had been extended to Baghdad in the east. The following year the government of Bombay formed the Indo-European Telegraph department with the aim of connecting Karachi, India's

12. Barty-King, op. cit., p.15, Estimates of the total cost of the failed project were in excess of £1,800,00. See Bright, p.59.

13. Idem.

14. Idem.

15. Ibid, p.60.

westernmost town, with the Turkish telegraph lines.¹⁶ Rather than risk constant interruption of the service by "the vandalism of the barbarous and unconquered natives" who lived between the two terminal points, it was decided to lay a cable through the Persian Gulf.¹⁷ Regardless of the findings of the special committee, submarine cable telegraphy was still suspect and expensive. To minimise the amount of cable required, a land line was erected across Baluchistan to Gwadur at the north of the Gulf of Oman. From there the line took to the sea, landing at Foa near the mouth of the river Shat-el Arab.¹⁸ On 27 January, 1865, the first telegraphic link between India and England was secured, marking the "first instance of any great length of cable being a complete and lasting success."¹⁹

The fruition of communications with India breathed new life into the scheme to cross the Atlantic by submarine cable. Despite losing all but £150 of its £460,000 paid capital, the Atlantic Telegraph Company was still in existence.²⁰ The Company found it difficult to attract investors and approached the British

16. Barty-King, op. cit., p.17. The head of it was immediately responsible to the secretary of state, and it was not part of the Public Works department.

17. Bright, op. cit., p.73.

18. Barty-King, op. cit., p.18.

19. Bright, op. cit., p.77. By the time of the construction of the cable to India, Bright states that, "the science of constructing and laying submarine telegraphs was pretty definitely worked out, and no very striking departure in general principles has since been introduced; indeed, the pioneer stage may be said at this juncture to have reached its termination."

20. Barty-King, op. cit., p.15.

government requesting a guarantee similar to that which was granted to the Red Sea promoters. Initially, the government balked at the idea, but, after sustained pressure, eventually agreed to a guarantee of 8 per cent on a capital of £600,000 "conditional of the cable being successfully laid and a trans-Atlantic telegraph working."²¹ In December 1862, having obtained a similar concession from the United States government, the Company issued a prospectus to raise £600,000, in 8 per cent shares, and appointed a consulting committee to fully review all facets of the project.²²

By the following May the company had only raised £300,000. Undaunted, the directors called for tenders, and eventually accepted that of Glass, Elliot and Company. However, after the consulting committee recommended improvements in the design and manufacture of the cable, the cost rose to £700,000. The Company was faced with the problem of paying for £700,000 worth of apparatus with only £300,000 capital. To overcome the problem of insufficient funds, John Pender orchestrated a merger between the Gutta Percha Company and Glass, Elliot and Company. On 7 April, 1864, the Telegraph Construction and Maintenance Company Limited was registered in London with a capital of £1,000,000 and Pender as chairman.²³

The Atlantic Company, of which Pender was still a director, in the next month (5 May) offered Telcon a contract to lay a cable

21. Ibid, p.16..

22. Bright, op. cit., p.180.

23. Barty-King, op. cit., p.21. For further commentaries on the formation and history of the new company see G.L. Lawford and L.R. Nicholson, The Telcon Story, 1850-1950. London, 1950. The new entity will hereafter be referred to as Telcon.

across the Atlantic for £837,140. The Atlantic Company would pay £300,000 in cash and make up the rest in shares to Telcon.²⁴

The proposition was risky but the potential profits were enormous. The fundamental defect in the earlier attempts to lay long, heavy cables resulted from the need to use two ships and to splice the cable in mid-ocean. To overcome this, Telcon secured the Great Eastern, a then unused passenger vessel, formerly on the far eastern run.²⁵ The Great Eastern was a giant for its day, "an enormous vessel of 22,500 tons burden."²⁶ After being refitted, it was more than adequate to carry the full length of cable.

With much fanfare and high expectations, the Great Eastern began on 22 July, 1865, paying out cable from Valentia Island in the United Kingdom, at a speed of six knots. Two days later, after laying eighty-four miles of cable, the first of many defects emerged.²⁷ Repairs were effected and the Great Eastern continued on its way to North America. Five days later another defect was found and repaired. The final calamity occurred two-thirds of the way across the Atlantic; the cable broke and lay silent in 2,300 fathoms. Immediate steps were taken to recover the cable. After eleven days, the last of the grappling rope gave way and the project was abandoned.²⁸

24. Bright, op. cit., p.82.

25. For a detailed account of the Great Eastern and other cable ships, see K. R. Haigh, Cables and Submarine Cables. London, 1968.

26. Bright, op. cit., p.85.

27. Ibid, p.89.

28. Ibid, p.90.

Although a serious failure from a financial point of view, the excursion did give some cause for enthusiasm. The insulating capability of gutta percha had proved adequate under the pressure of great depths and the conductivity of the copper core was "substantially increased" by the low temperatures.²⁹ The Great Eastern had performed beyond expectations and the undertaking would have succeeded had the recovery equipment been sufficient. Like the previous attempts at submarine telegraphy, the engineers learned much from the failure. The next venture would see the connection realised.

Capitalising on the excitement within the scientific community, Pender offered immediately to lay a new cable, as well as retrieve the latest line, and continue it to North America, for only £500,000. Because of its three successive failures, the Atlantic Telegraph Company was barred by the British attorney-general from floating further capital at 12 per cent. Consequently, a new company, the Anglo-American Telegraph Company, was formed to raise the capital Pender required.³⁰ The shareholders were ostensibly directors of Telcon and the most perseverant of the former company.

On 13 July, 1866, equipped with reinforced grappling rope, the Great Eastern once again departed from Valentia. Fourteen days later the cable was landed at Hearts Content, Newfoundland. Telcon fulfilled its agreement on 2 September when the Great Eastern surfaced the 1865 cable and, finding it in perfect order, continued the line to Newfoundland, establishing a second means of

29. Ibid, p.91.

30. Barty-King, op. cit., p.22.

communications with North America.³¹ Not only had submarine telegraphy advanced to laying a cable of unprecedented length without incident, but a fractured cable had been raised and repaired in mid-ocean. Both events augured well for the future of the technology, and also for John Pender.

The triumphs of 1866 led to a proliferation of underwater cables. Although the telegraph was fast becoming indispensable to commerce, the business community and the press were not satisfied with the service provided by the private telegraph companies. High tariffs were acceptable for overseas telegraphy, considering the cost of materials and the preliminary failures. However, the high cost for inland messages was less easily explained away. The debate in England over whether to nationalise the telegraph lines, active since the 1850's, reached its apex in 1868 in the form of the Telegraph Bill.³² The Act authorised the British Post Office to buy up the existing telegraph companies and the telegraph business of the railway companies.

This move by the Disraeli administration had the full support of Gladstone's liberals.³³ The principle at issue was whether the interests of the public could be met by companies primarily functioning in the interests of shareholders. "The internal communications of a great state were not matters for private

31. Bright, op. cit., p.102.

32. Jeffrey Kieve, The Electric Telegraph: A Social and Economic History. Plymouth, 1973, p.138. For details of the opposing views on the subject of nationalisation, see pp. 119-137.

33. Kieve speculates that partial democratisation brought about by the Reform Bill of 1867 changed the view of state ownership in the mind of both the public and politicians. Ibid, p.152.

enterprise at all; they were of national importance and involved a national obligation."³⁴ The post office had control of telegraphy in the Australian colonies and elsewhere, to great advantage. Public support for the Bill was evidenced in the 77 private petitions and 177 press petitions in favour of nationalisation. Of the 319 petitions against the plan, only one was from an individual not associated with the telegraph companies.³⁵ On 23 June 1868, in deference to the power and influence of those opposed to the proposed take over, a select House committee was formed to examine the matter in its entirety. However, before the committee could begin its work, details of the financial package to be offered to the companies became known, and the opposition was largely withdrawn.³⁶

The nationalisation of inland telegraphs proved to be a boon for capitalists and submarine telegraphy. Charles Bright noted that the Bill,

afforded an opportunity of securing for new telegraphic ventures a good deal of the capital now let loose by the "winding up" of the ... telegraph companies which had, up to that time, shared amongst them the control of the land lines of Great Britain and Ireland. For this result of the acquisition of our land telegraphs by the State had the necessary further consequence of liberating something like £8,000,000 sterling for re-investment by those who looked favourably on electric telegraphs as a subject of safe and sure remuneration.³⁷

The quickest off the mark in the race to invest in submarine cables was John Pender, at that time the chairman of the Anglo-American

34. Ibid, p.146.

35. Ibid, p.147.

36. Ibid, p.148. The Bill was passed in August 1869 by the liberal administration.

37. Bright, op. cit., p.110.

Telegraph Company and Telcon. His assets in the English and Irish Magnetic Company freed, he quickly became the "Cable King" through boldness and considerable business acumen. Within four years he became directly responsible for extending the electric girdle three-quarters of the way around the world.³⁸

With the credibility of ocean telegraphy established by the Atlantic cable, the commercial community began to bemoan the poor existing connection to India. Delays were customary and messages were frequently mutilated by non-English operators along the line through the Middle East and Europe. On 29 January 1869, Pender formed the British Indian Submarine Telegraph Company to connect Suez and Bombay via the Red Sea. The contract for the cable was given to Telcon.³⁹ Pender then signed an agreement with the Anglo-Mediterranean Company for "twenty-one years of cooperative working."⁴⁰ The agreement meant that the connection of India was two-thirds complete with Malta and Alexandria being joined by the Anglo-Mediterranean cable, and Suez was linked to Bombay by Pender. In June, Pender formed the Falmouth, Gibraltar and Malta Telegraph Company to complete the all-ocean route to India.

Events continued to move quickly, and after securing concessions the previous June, Pender formed his third company in December 1869, the China Submarine Telegraph Company, to lay a cable

38. Ibid, p.32. Pender entered the House of Commons as a Liberal in 1862-1966. He was returned in 1872-1885 having consolidated a considerable cable empire. See Oxford Dictionary of National Biography, Vol.XXII.

39. Barty-King, op. cit., p.27.

40. Ibid, p.28.

from Singapore to Hong Kong.⁴¹ To bring the new line in contact with India and England, Pender then formed the British India Extension Telegraph Company. The company contracted Telcon for 1,800 miles of cable, to be laid from Madras on the east coast of India to Penang on the Malayan Peninsula, and then on to Singapore.⁴² The contract was fulfilled on 5 January, 1871, bringing London into contact with Hong Kong and all ports between. Pender's dominance began to assert itself.

I

The steam engine has been heralded as the premier technological advance in the history of imperialism by shortening the time expended transporting people, goods and information.⁴³ The electric telegraph was its perfect complement in further eradicating time and distance. Indeed, Dr. Ronald Hyam has suggested of the cable that,

...it could be argued, was more important than the steamship or the railway because it carried information overseas. It thus facilitated the centralisation of facts and figures and the concentration of economic and military power. It laid the mechanical basis for a world market by providing fast transmission of political news, and intelligence about the trading situation and market prices.⁴⁴

41. Ibid, p.38.

42. Idem, All Pender's cables were manufactured and layed by Telcon. See Bright, p.109.

43. Daniel R. Headrick, The Tools of Empire: Technology and European Imperialism in the Nineteenth Century. Oxford 1981, p.17. Headrick argues of the cable that, "Few inventions of the nineteenth century were as important in the history of imperialism."

44. Ronald Hyam, Britain's Imperial Century, 1815-1914, A Study of Empire Expansion. London, 1976, p.108.

Nowhere in the world was this more appreciated than Australia. With submarine cables extending out from England, as close to Australia as Singapore, the prospect of instantaneous international communications was seriously entertained.

By the 1860's steamships and fast clippers had drastically reduced the travelling time from London to Sydney. The opening of the Suez canal in 1869 further raised expectations of faster service. However, few vessels on the Australian run took advantage of the shorter distance afforded by the canal. Sailing vessels were slow through the canal and in the tropics, and the great distance meant that steamships used too much cargo space for coal.⁴⁵ The completion of the New York to San Francisco railway system offered still another avenue for commerce and communications. By 1879 the average transit time of mail from London to Melbourne took forty-four days via Suez, and forty-six days by the American route.⁴⁶ These improvements were warmly received by politicians and businessmen. But, with the 'world shrinking' as the telegraph inched its way around the globe by land and sea, the call for direct and comparatively instant communications grew louder. The connection of Australia to the expanding international telegraph network would increase the commercial value of the colonies, and repudiate Disraeli's contention that they were "a millstone around our neck."⁴⁷

45. Geoffrey Blainey, The Tyranny of Distance, South Melbourne, 1966, p.218.

46. Ibid, p.221.

47. Barty-King, op. cit., p.37.

The first proposal to lay a submarine cable to Australia was broached in 1854 by promoters of the Red Sea cable. The plan was to continue the above project from Madras to Ceylon, then across the Indian Ocean to Perth. When the Red Sea line failed, the proposal was discarded.⁴⁸ In 1858, after the brief success of the Atlantic cable, the project resurfaced and, although discussions continued for some years, it was again abandoned.⁴⁹ In 1862 a prospectus was issued in the name of the Anglo-Australian and China Telegraph Company, to connect Rangoon, Singapore, Java and Moreton Bay, at a cost of £2,080,000. The colonies were asked to guarantee a subsidy of £50,000 per annum for thirty years.⁵⁰ In view of the substandard achievements in ocean telegraphy, the colonies declined, and the proposal was left to drift.

Pender's advances changed this, and by 1869 negotiations were near completion. Pender had successfully connected London with the major cotton centres of the east. His next transaction was to bring England into communications with the wool producers of Australia. The managing director of Telcon wrote to the Governor of South Australia in early 1870 (22 January) informing him of the formation by Pender of the British-Australian Telegraph Company.⁵¹ The

48. F.R. Bradley, "History of the Electrical Telegraph in Australia" in Royal Australian Historical Society. Vol. 20, 1934, p.14.

49. Idem.

50. Ibid, p.15.

51. Idem. At the time, discussion of overseas communications had narrowed to two routes: "1st Western - A land line from Port Augusta, South Australia to King George's (Albany) and Perth,
(Footnote continued to page 24)

Company proposed to lay a cable from Singapore to Burketown, Queensland, landing the cable first at Port Darwin in South Australia's Northern Territory. Telcon then despatched an agent to Adelaide to secure landing concessions at Port Darwin before finalising details with the Queensland government.

Upon arrival in Adelaide, the agent was confronted by Charles Todd, the superintendent of electric telegraphs, and a plan to construct an overland telegraph from Port Augusta to Port Darwin.⁵² Todd's proposal to cross the continent by telegraph was a bold undertaking. The arid interior had only been traversed once - by John McDouall Stuart in 1862. Although the Company had made a tentative agreement with Queensland, the agent conceded to Todd's request, and wrote to London outlining the new proposal.

While awaiting Pender's response, Todd busied himself preparing estimates of the cost of the plan for parliament. In a report dated 18 April, 1870, Todd calculated the cost of the venture to be £120,000.⁵³ Realising that time was against them, the South Australian government moved quickly on Todd's recommendations. On 4

(Footnote continued from page 23)

thence via submarine cable to Ceylon. 2nd Northern - An extension of the Queensland line from Cardwell to the Gulf of Carpentaria, Burketown or Normanton, and thence - (a) By the continuation of the land line through the Northern Territory of South Australia to Port Darwin, thence by cable to East Java, or (b) by cable from Normanton or Burketown to East Java, connecting at Port Darwin as an intermediate station."

52. Ibid, p.16.

53. Peter Taylor, An End to Silence: The Building of the Overland Telegraph from Adelaide to Darwin. Sydney, 1980, p.39. With only two short telegraph lines to his credit, and no knowledge of the terrain, it is little wonder Todd underestimated the total cost by £400,000.

June the agent had received instructions from London, and informed the ministry that

I am now in a position to state that the cable will be landed at Port Darwin, if the South Australian government will pledge themselves to have a land-line open for traffic by 1 January, 1872, connecting the port with the present system of colonial telegraphs.⁵⁴

The arrangement suited Pender and his associates. South Australia had relieved them of their commitment to construct a land line from Port Darwin to Burketown, and then join the Queensland telegraph system. To South Australia would go the prestige of being responsible for connecting Australia to the rest of the world.

Writing some years later, Todd reflected on the formidable task which faced the small colony:

We were thus committed to the completion of a telegraph line, nearly 2,000 miles long, through a difficult and dry country, of which we knew nothing except what we could glean from Stuart's journal, and which was wholly unoccupied by white men for a distance of 1,400 miles. Stuart was dead and could not help us, but we knew that there were broad stony deserts to cross, long stretches of heavy high sandhills, at right angles to the course of the line, which could not be turned or avoided; long stages without water, and that for the greater part of the way the country was so sparsely timbered that wooden in some cases, iron poles would have to be carted immense distances.⁵⁵

The arduous work was begun in June 1870, and was completed after much hardship on 22 August 1872.⁵⁶ Although not in working order by the stipulated date, the undertaking was monumental. When the deadline passed, there were grumblings from the

54. Ibid, p.40.

55. Charles Todd, "Telegraph Enterprise in Australasia", Royal Colonial Institute. Vol. XVII, 1886, p.153.

56. Peter Taylor's account of the two years of toil is recommended reading for a detailed record of the overland expedition.

British-Australian Company for compensation. However, on 24 June 1872, the new cable connecting Java with Port Darwin failed, and the grumblings ceased.⁵⁷

Before the landline was completed, the proprietors of the submarine cable it was racing to meet, held an "extra-general meeting".⁵⁸ On 2 May 1872, Pender addressed the shareholders of the British Indian Submarine Telegraph Company on the subject of amalgamating with the Anglo-Mediterranean Company; Falmouth, Gibraltar and Malta; and the Marseilles, Algiers and Malta Companies. The recommendation was approved, and on 1 June the Eastern Telegraph Company (hereafter Eastern) was registered.⁵⁹ The following year, Pender sealed his position as the world's telegraph magnate by combining his British Australian, China Submarine, and British Indian Extension Companies, into the great "Eastern Extension Australasia and China Telegraph Company" (hereafter Eastern Extension). The company had a capital of £3,000,000, and Pender was its Chairman.⁶⁰

Direct telegraphic communications between England and Australia was at last initiated on 15 November. Celebrations were held in the colonial capitals, and London, "rejoicing at this fresh bond of union between different members of the Empire."⁶¹ Cable

57. Ann Moyal, Clear Across Australia. Melbourne, 1984, p.53.

58. Barty-King, op. cit., p.39.

59. Bright, op. cit., p.119.

60. Barty-King, op. cit., p.53.

61. K.S. Inglis, "The Imperial Connection: Telegraphic
(Footnote continued to page 27)

communications had changed the face of imperialism now that the British government was in intimate contact with Canada, India, the far east and Australia. With the component parts of the British Empire united by the bond of telegraphy, the traditional liberal concept of voluntaryism became dated, and various schemes of imperial unity, and even federalism, became the vogue. This rising tide of sentiment, between 'kith and kin', grew stronger, due in no small measure to submarine cables. The "magical business", as Sir Henry Parkes quipped, "uniting us hand in hand as it were with the parent land."⁶²

The political and imperial significance of submarine telegraphy was not immediately apparent. Professor K.S. Inglis argues strongly that it was within the commercial community that the transformation in colonial life was most obvious.

After 1872 Australian producers knew what buyers in London had been offering twenty-four hours earlier for wool, wheat, tallow, preserved meat, copper, leather, tin and whatever else they were growing or making or mining for export.⁶³

Merchants also benefitted from the magic wire, for they could now reduce stock and order replacement items by telegraph when required. Foreign investment also increased, as up-to-date information on colonial opportunities became available overseas.

(Footnote continued from page 26)

Communication between England and Australia, 1872-1902", in A.F. Madden and W.H. Morris-Jones (Ed.) Australia and Britain: Studies in a Changing Relationship. Sydney, 1980, p.22.

62. Ibid, p.24.

63. Idem. For an account of the long term developments resulting from the first telegraphic connection with Australia, see Moyal, op. cit., pp. 61-73.

As Australian dependence on the new technology developed, so did dissatisfaction with the frequent interruptions and high tariffs. Between 1872 and 1883 the overseas service was disrupted more than 30 times - totalling 540 days, or eighteen months of silence.⁶⁴ The overland line proved equally unreliable, breaking down for 101 days over the same period. For this service the telegraphing public was required to pay 10s. 8d. per word. As early as 1872 colonial businessmen protested that, as electricity cost little, it should also be sold inexpensively.⁶⁵ However, the proprietor of the lone wire to Australia refused to reduce the tariff.

The monopoly of Australian traffic enjoyed by the Eastern Extension Company was strengthened in 1875 when Sir Julius Vogel entered into an agreement with the Company to connect New Zealand with the Australian continent. Vogel travelled to London to confer with the agent-general for New South Wales, and the various cable companies. After discussions with Siemens Brothers and Company had broken down, Vogel entertained proposals from Pender's company. In his report to the New Zealand government Vogel stated that

I found that the Eastern Extension Telegraph Company (Limited) much desired to enter into an agreement for the work; and that their desire proceeded not so much from anticipations of the pecuniary results of laying a cable to New Zealand as from anxiety to forestall opposition to their Indo-Australian system.⁶⁶

It was the opinion of the Eastern Extension Company that, should another firm secure the New Zealand contract, they "would eventually

64. "The Australasian Cable Question", Reprinted from the Electrical Review. 4 March 1887, Telecom Archives, Sydney.

65. Inglis, op. cit., p.23.

66. New Zealand Parl. Paps., 1875, F.-6A, p.1.

start an opposition line to India and Great Britain."⁶⁷ Consequently, New Zealand was able to negotiate from a position of strength and in their best interests, despite the objectionable monopoly that would result; and on 1 February 1876, the cable was laid between Botany Bay, New South Wales and Nelson, New Zealand, two months ahead of schedule.⁶⁸

It was not until 1876, when the successive faults in the cable network caused disruptions for over six months, that the colonial ministries began to question the "fool's paradise" inherent in relying on a single means of communication. In May, the New South Wales colonial secretary expressed his administration's view, on the undesirable state of the existing telegraph system, in a circular letter to the other colonies. He suggested that the time had arrived to consider a second cable, possibly "by the use of the line from Sydney to New Zealand, and thence by the Sandwich Islands to San Francisco."⁶⁹ A Pacific cable would be expensive, and out of the question, without some assistance from America. To that end, E.C. Cracknell, the superintendent of telegraphs for New South Wales, was to seek concessions in America on his way to London.

His mission in the United States a failure, Cracknell arrived in London in July to negotiate with the Eastern Extension Company. The object of the discussions was to ascertain what terms the Company required to duplicate its lines and reduce the tariff to

67. Idem.

68. Barty-King, op. cit., p.23.

69. Colonial Secretary, N.S.W. to Chief Secretary, Victoria, 18 April 1876, New South Wales Parl. Paps., 1877-78, 52- p.2.

Australia.⁷⁰ After examining the information available in London, on the condition of the Company's cables, Cracknell recommended the duplication of the line from Singapore to Banjoewangie, leaving the line from there to Port Darwin as it was. The Eastern Extension Company was in the process of duplicating the Red Sea to Bombay section of the line as well as the portion from Rangoon to Penang.⁷¹ They were willing to duplicate the Singapore to Banjoewangie cable for a total subsidy of £45,000, a tariff reduction being left to further negotiations. As the Company had exclusive concessions throughout the East, and a Pacific route would be very expensive "without the slightest prospect of the Government of the United States subsidizing any portion", the options were limited.⁷²

The various colonial governments addressed the matter of improving cable communications at the conference of January 1877 in Sydney. The two main points considered by the conference were duplication of overseas communications and reduction of the tariff. After discussion, the gathering resolved "that it is desirable to extend and improve the means of telegraphic communication between Australia and Europe, by the duplication, where necessary, of the cable or lines connecting the same."⁷³ Three routes were determined as practicable. The government of Queensland was asked

70. Ibid, p.3.

71. Idem.

72. "Minute of the Superintendent of Electric Telegraphs" ibid, p.5.

73. New South Wales Parl. Paps., 1876-77, 157-, p.2.

to open negotiations for the construction of a cable from that colony to Singapore. South and Western Australia were to do the same to Ceylon. Lastly, New Zealand was to inquire into the establishment of communications with the United States, and to attempt to procure a subsidy from America with the view of reducing the tariff to 6s. per word. While the other colonies were engaged in encouraging competition to the existing cable system, New South Wales and South Australia were empowered to make arrangements to reduce the Eastern Extension Company's tariff to 6s. per word for a subsidy not to exceed £20,000 per annum.⁷⁴

Anxious that the initial governmental steps to address the unsatisfactory telegraphic situation would not lapse, the Sydney Chamber of Commerce requested that the postmaster-general receive a deputation. On 21 June Saul Samuel met with prominent businessmen to discuss his ministry's inaction.⁷⁵ Samuel explained that New South Wales could not accept the current offer from the Eastern Extension Company, as it would amount to only a partial duplication and would not go far in securing communications. Conceding that the present cable operators, and the colony of South Australia, should be considered in any scheme, because of their pioneering labours in creating the existing system, Samuel intimated that his ministry favoured a second independent cable. To this the deputation intimated that an acceptable alternative would be a Pacific line,

74. Idem.

75. Sydney Morning Herald, 22 June 1877. Samuel would continue to play a prominent role in the Pacific cable debate as agent-general for New South Wales throughout the 1890's.

either to San Francisco or to Vancouver.⁷⁶ In response, Samuel pointed out that the primary obstacle which confronted a quick solution to the problem was the multiplicity of interests involved. Without concerted action, the colonies would continue to labour under the yoke of high tariffs and insecure cables.

In pursuit of the conference resolution relating to a Pacific cable, the New Zealand government despatched a Memorandum to the United States government. It outlined the state of affairs in Australia concerning overseas communication, and highlighted the advantages to be won by establishing direct communications across the Pacific. The Memorandum stated that,

Monopoly should be guarded against as far as possible... by the choice of the Pacific Ocean course, from the United States southward, not only would this advantage be most effectually gained, but a line would be secured which might reasonably be expected not to fail at the same time as one from England eastward.⁷⁷

This reasoning weighed heavily in favour of an alternative via the Pacific. However, the sea bed of the Pacific was virtually 'terra incognita' and depths were anticipated to exceed five thousand fathoms. Estimates of the cost of a Pacific cable were speculative and varied. The only constant was that no commercial group had as yet entertained the idea, and the United States would not provide a subsidy.⁷⁸

Pender renewed his efforts to induce the Australian and New Zealand governments early in 1878 to grant his company a subsidy to

76. Idem.

77. New South Wales Parl. Paps., 1877-78, op. cit., p.13.

78. Sydney Morning Herald, 12 January, 1878.

duplicate its far eastern cables. In a telegram to the colonial ministries, Pender proposed that

The recent break to the Port Darwin cable brings forcibly before me the necessity of duplication. I would be disposed to advise my Board to make considerable sacrifice to meet the wishes of the Colonies. I would propose a subsidy to be given to cover interest on cost of duplication, with increase for any reduction of tariff the Colonies may desire.⁷⁹

To that end, Pender sent another agent to Australia to negotiate an agreement. The duplication offered would satisfactorily meet the desires of the colonies, in as much as the exorbitant tariff would be lowered. However, the question of reliability would not be answered by laying a second line in the same seas that had proved adverse to submarine cables. The marine life prevalent in the warm shallow waters between Java and Port Darwin would be equally inclined to bore through two cables as one. Any further concessions to the Eastern Extension Company would, also, more firmly entrench the Company's monopoly.

Despite the arguments against an agreement, Pender was determined to succeed in his quest.⁸⁰ The situation needed a rapid resolution, and no other Company was better-placed to fulfill the needs of the colonies. An agreement with the Company would provide the colonies with the lower rates which they required in the most inexpensive and efficient manner. Consequently, in December, after months of bargaining, the Company and the colonies found

79. Agent, Eastern Extension Telegraph Company to Colonial Secretary, N.S.W. 3 January 1878, New South Wales Parl. Paps., 1877-78, op. cit., p.15.

80. The Eastern Extension Company commanded 60 per cent of the total traffic to India and 80 per cent to China, Java, and Australia. Barty-King, op. cit., p.62.

common ground. The Company contracted to lay and maintain alternate cables between Port Darwin and the India land lines, provided that the colonies granted an annual subsidy of £32,400.⁸¹ The Company also agreed to reduce the charge for press messages to 5s. 1d. and government messages to 6s. 4d. The contract also stipulated that the Australian colonies reserved the right to purchase the new cables, provided the Company had paid dividends of over 10 per cent for five years.⁸²

A Pacific cable offered many advantages over the existing system, both commercially and strategically. At their beginning, submarine cables were seen merely as tools to promote trade and further strengthen British economic power. However, as the world cable network expanded, the significance of rapid communication for defence purposes became more obvious.⁸³ Imperial security depended on safe and efficient communication. This position gained prominence during the Sudan crisis and the rumours of a European conflict in 1885. At the height of these concerns of Empire, the cable to Australia went silent. The Eastern Extension line was down for only three days, but, had war broken out, the colonies would not have been alerted. The Pacific route, via Vancouver, promised an alternative far removed from Europe and the east, touching only British-controlled soil, which was perceived as an incalculable advantage in times of war. However, with the duplication of the

81. New South Wales Parl. Paps., 1878, 376-A, p.2.

82. Ibid, p.38. New Zealand and Queensland refused to enter the agreement.

83. P.M. Kennedy, "Imperial Cable Communication and Strategy, 1870-1914", English Historical Review. Vol. 86, 1971, p.729.

Eastern Extension line to Port Darwin, the clamour to secure an independent route declined and the Pacific cable idea went into remission.

III

In the latter part of 1885 the proposal to join Australia and America by submarine cable assumed a distinct and practical shape. In December a group met in Sydney to lay the foundations of a plan to undertake a Pacific cable. The leader of the group was Randolph C. Want, the solicitor for the New South Wales government in London.⁸⁴ With him were Melbourne engineer F.C. Rowan, and Audley Coote, then a member of the Tasmanian legislative council.⁸⁵ Want convinced them that he represented an "association of wealthy and influential" men in London, which was anxious to establish telegraphic communications with Australia by way of the Pacific Ocean.⁸⁶ Want was due to leave for London, and en route, met with American politicians and businessmen to discuss the possibility of securing a subsidy from Washington. Rowan and Coote were to advance the project in Australia, and Sir Julius Vogel had agreed to do the same in New Zealand.⁸⁷

84. The son of noted New South Wales solicitor Randolph J. Want and brother of John Henry (attorney-general 1885, 1886-87, and 1894-99), he was well placed in the free trade circles of power. Australian Dictionary of Biography. Vol.6, p.350.

85. Rowan to Want, 18 January 1886. F.C. Rowan Letterbooks, M.S. 931, National Library of Australia.

86. "Memorandum to the Federal Council of Australasia, January 1886, ibid.

87. Rowan to Want, 25 February 1886, ibid. Coote had been actively promoting alternative cable schemes since 1873.

(Footnote continued to page 36)

Want's departure was sudden, and he left his colonial agents in a lurch. With no information about the composition of the London syndicate, or a specific proposal to lay before the colonial parliaments, the two were left with little to do but await further instructions. In January, 1886, Coote urged that they take advantage of the sitting in Hobart of the Federal Council of Australasia. He argued that a proposal to all the colonies represented would at once carry more weight than individual appeals. Rowan was hesitant about the idea and felt that they should wait until news of Want's activities in America became known.⁸⁸ Coote's haste was attributed to a second equally mysterious syndicate in London.

The emergence of two groups of potential investors was a boon to the prospect of an alternative means of communication, but it created confusion in Australia. Coote's brother, George, was resident in London, and he contacted him representing John Hennicker Heaton, the great postal reformer, and others who were willing to undertake a Pacific cable - should the interested governments offer a guarantee. Audley Coote was of the opinion that the Australian colonies would not grant subsidies, as Want had envisaged, and he was inclined to side with his brother's associates and the

(Footnote continued from page 35)

Involved with financing controversial projects ranging from railways and streetcars to telegraph cables, his most notable association was with Siemens Brothers. As the professed agent of that company and Want's consortium, Coote was only interested in his own aggrandisement. Australian Dictionary of Biography. Vol.3, p.455.

88. Idem.

guarantee.⁸⁹ After being assured of the bona fides of Heaton's syndicate, and that Want and Vogel were to be considered, Rowan agreed to Coote's plan of approaching the Federal Council.

On 21 January, 1886, Rowan wrote to the postmasters-general of New South Wales and New Zealand (not members of the Federal Council) to advise them of the proposal about to be laid before the Hobart conference.⁹⁰ What Rowan and Coote did not consider was that the constitution of the Federal Council prohibited it from hearing matters which had not first been considered by the colonial parliaments. Further, propositions concerning finance could not originate from the council.⁹¹ Consequently, the first step by the two agents led to nothing but embarrassment and letting their plans be known publicly. Frustrated, Rowan wrote to Coote:

I agreed to co-operate and we wrote jointly to New South Wales and New Zealand and to the press, assuring them that we intended doing what it now seems we could not in any case have done and what would have been useless if we had been able to do it... Our assertions to the colonies and to the press that we represented a powerful syndicate at home were only justified in my mind by your assurance that if Want and his friends objected, your friends were to the fore and ready.⁹²

Coupled with Coote's miscalculation was a continued silence from Want in America. Without details of the syndicate they represented, or the extent of negotiations in America and Great Britain, they were in no position to promote a Pacific cable.⁹³

89. Rowan to Coote, 23 February 1886, ibid.

90. Rowan to Postmaster-General, N.S.W. 21 January 1886, Telecom Archives, Sydney.

91. Rowan to Postmaster-General, N.S.W., 18 February 1886, ibid.

92. Rowan to Coote, 23 February 1886. op. cit.

93. Rowan to Want, 25 February 1886, ibid. Rowan wrote "Your silence leaves me rather awkwardly placed here but I will continue to watch your interests as well as my own."

With the revelation of a renewed bid to cross the Pacific by electric telegraph, numerous other options surfaced to compete for colonial favour. After learning of Coote and Rowan's request for a government guarantee over a subsidy, Vogel abandoned his support for a Pacific line, and, instead, advocated a cable from Queensland to Great Britain through the east.⁹⁴ Another proposal was to connect Perth with Ceylon or Mauritius, Natal and then the Cape. All of these routes would ultimately join with the Eastern Company lines to London. If the object was to free the colonies from the monopoly, it could not be achieved except by the Pacific route.⁹⁵ In an effort to satisfy the colonial desire for lower telegraph rates, and also protect its position, the Eastern Extension Company offered to reduce the tariff for private messages to 8s. per word on messages between London and Adelaide, provided that the colonies extended the term of the subsidy agreement by six and a quarter years.⁹⁶ The uncertainty of the Pacific proposals left this as the most practical solution.

The Cape route was the more desirable of the other options, as it could be laid touching only British territory. Heaton had previously advocated such a route in 1883 at the Intercolonial

94. Idem.

95. Cracknell to Rowan, 19 March 1886, ibid. Cracknell stated that, "The Eastern Company have the joint purse system with the Great Northern, the Indo-European and the Extension Company so that an independent service cannot be got by going North or Northwest."

96. New South Wales Parl. Paps., 1885-86, *395-, p.2.

Conference in Melbourne.⁹⁷ When the Silvertown Company displayed a preference toward the Cape over the Pacific route, Heaton temporarily abandoned the Pacific proposal and joined with them.⁹⁸ Coote cabled to his brother: "Warn Heaton Cape route opposed Pacific liked strive to obtain contractor."⁹⁹ The statement was not entirely correct, as none of the colonial ministries had publicly declared an opinion on either.

Coote's aim was to keep his friends in London united, by offering some hope of success in negotiations for a Pacific cable. Continuing the exaggerated optimism, he wrote that

if we dropped the Pacific route other parties are ready and waiting to take it up, and the feeling in favour of an alternative route to England which would at the same time connect us with America is so strong that if the two schemes viz that via the Cape and that via the Pacific were placed on even terms before the Governments concerned the decision would be for the Pacific route without hesitation.¹⁰⁰

His confidence was unfounded, and he and Rowan were still not in a position to advance the scheme.

Before Rowan and Coote could officially place the Pacific idea before the local legislatures, a detailed critique of the plan emerged in Sydney. In a Memorandum which recommended acceptance of the Eastern Extension offer, Cracknell claimed that a Pacific cable

97. J. Hennicker-Heaton to the President and Members of the Australasian Intercolonial Conference, Sydney, 29 November 1883, Mitchell Library.

98. Silvertown was the common name given to the India Rubber, Gutta-Percha, and Telegraph Works Company. Bright, op. cit., p.157.

99. A. Coote to G. Coote, 8 March 1886, F.C. Rowan, op. cit.

100. Idem.

would be "very expensive and very risky."¹⁰¹ Cracknell argued that the Pacific had not been adequately surveyed and was riddled with destructive coral reefs. He estimated the cost of a Pacific cable to be £2,000,000, with annual working expenses of £210,000. Assuming an annual traffic of 300,000 words (more than 50% of the total traffic in 1885) and a tariff of 7s. per word, the total revenue would only be £75,000. Cracknell concluded,

I am sure the public will be better served by accepting the proposal for an extension of the subsidy, than by paying a syndicate a large sum annually for procuring nothing more than the Colonial Governments interested can secure by negotiating direct with the Cable Companies... the Colonies are very well served; and, without very considerable additional subsidies... no sweeping reduction of rates can be secured.¹⁰²

Cracknell's report left Rowan and Coote in an awkward situation. Want had intimated that they could expect assistance from Cracknell, it now appeared that this was not the case.¹⁰³ This led the two helpless agents to conclude that Want was not at all clear on his plans.

101. New South Wales Parl. Paps., 1885-86, op. cit., p.3. Cracknell arrived in South Australia from Britain with Todd in 1855 as his assistant. In 1858 he was appointed assistant superintendent of telegraphs for New South Wales on Todd's recommendation. Three years later he became superintendent. This close association with the "father" of the overland telegraph impaired Cracknell's independence in relation to the Pacific scheme. Australian Dictionary of Biography. Vol.3, p.488.

102. Idem.

103. Rowan to Judge Casey, Melbourne, 15 May 1886, F.C. Rowan Letterbooks, op. cit. "...when telling me of his interview with Cracknell, he said: 'Cracknell must of course get something - I have as good as told him so - and if there is no other way you and I must each give him something out of our shares.'" On 21 May 1887, Rowan wrote to Want of Cracknell, "Cracknell has, in the opinion of most people, weakened his position as Government adviser very much by his open and vigorous advocacy of Pender's cause." Ibid.

Despite his misunderstanding of colonial opinion, Want was making progress in America. In February 1886 he was joined in San Francisco by Sir Alexander Stuart, the former New South Wales premier, who was on his way to London for the Colonial and Indian Exhibition. Stuart had long felt that the colonies "lay under a very heavy grievance in the high rates charged for telegrams" and his position added greatly to the cause of a Pacific cable.¹⁰⁴ Once allied, the two travelled together to Washington for discussions with the secretary of state. Upon learning of their activities, the Canadian premier, John A. Macdonald, invited them to Ottawa to discuss "a matter of great importance to the two groups of Colonies."¹⁰⁵

The subject of a trans-Pacific cable was first raised in Canada by Sandford Fleming. In 1879, as Chief Engineer of the Canadian Government's Railways, he wrote to the Canadian superintendent of telegraphs outlining the significance of the pending completion of a Canadian land line from the Atlantic to the Pacific:

It appears to me to follow that, as a question of Imperial importance, the British possessions to the west of the Pacific Ocean should be connected by submarine cable with the Canadian line. Great Britain will thus be brought into direct communication with all the great colonies and dependencies without passing through foreign countries.¹⁰⁶

The following year, in his Report on the Canadian Pacific Railway, Fleming elaborated on his earlier proposal. With the rapid advance

104. Stuart to Jennings, 23 April 1886, Telecom Archives, Sydney.

105. Idem.

106. George Johnson (Ed) The All-Red Line: The Annals and Aims of the Pacific Cable. Ottawa, 1902, p.8.

of the international telegraph network, Fleming questioned why the Pacific was the only ocean without a submarine cable. As the South Pacific was reported to be marked by unusual depths and coral reefs, he suggested that a Pacific cable could be laid from Vancouver Island through the north Pacific via the Aleutian Islands to Japan, then on to Hong Kong.¹⁰⁷ Such a cable would provide North America with a cheaper direct line to Asia without having to involve non-English speaking operators.

Upon being relieved of his duties as engineer-in-chief of the Canadian Pacific Railway in 1880, Fleming pursued his idea with full vigour. On 17 June of that year, the Privy Council of Canada endorsed a Minute which granted Fleming the exclusive privilege of landing a submarine cable on the Pacific coast of Canada; and the right to place a wire for cable business on the line of the Canadian Pacific Railway.¹⁰⁸ The Canadian land-line was not completed until 1885, so Fleming was unable to generate further interest in the plan.

However, as the 1880's progressed, Fleming's imperial proclivities became increasingly fashionable. Indeed, with the completion of the Canadian land line, he renewed his efforts to have his scheme realised. In a Memorandum to Macdonald, of 20 October 1885, Fleming asserted that the obstacles to a south Pacific cable were no longer considered sufficient to prevent a direct line from

107. Sandford Fleming, "Memorandum: In Reference to a Scheme for Completing a Great Intercolonial and Intercontinental Telegraph System, by Establishing an Electric Cable across the Pacific Ocean." London, 1882, p.3. Telecom Archives, Sydney.

108. Ibid, p.12. These concessions had lapsed before the cable was completed.

Canada to 'Australasia'.¹⁰⁹ He argued that the security of the Empire demanded an alternate means of communications with Australia and the East. Canada's position, as the "halfway house of the Empire", offered the alternative desired:

The projected line...would supply an independent line of communication so much desired and in so doing would indirectly, but it is held very materially, strengthen the military and naval power of Great Britain while it would directly promote the highest interests of every one of the great colonial possessions.¹¹⁰

After learning of the mission of Want and Stuart in America, Fleming suggested as a corollary to the Canadian line from Atlantic to Pacific, that the Canadian government undertake the task of persuading the Australians to consider Vancouver as the more practical terminus of the proposed Pacific cable.¹¹¹

Macdonald convinced Stuart and Want that the Canadian government was interested in promoting the idea. On 8 June 1886 the Macdonald administration authorised the High Commissioner in London, Sir Charles Tupper, to confer with the various colonial agents-general, and attempt to "secure the co-operation of her

109. Letter to the Premier of Canada, by Sandford Fleming, 20 October 1885, in "Documents in Reference to the Establishment of Direct Telegraphic Connection Between Australia, New Zealand, Canada and Great Britain", London, 1886, p.23. Telecom Archives, Sydney.

110. Idem.

111. Memorandum, Canadian and Australian Cable, Sandford Fleming, 6 April 1886, ibid, p.18. See also Queensland Parl. Paps., 1886, Colonial Office to Agent-General, 30 March 1886. "In view of the completion of the Canadian Pacific Railway, it would seem to deserve consideration whether such a cable, if constructed, might not advantageously have its terminus in British Columbia."

Majesty's government on the subject."¹¹² The Indian and Colonial Exhibition, then being held in London, afforded Tupper an opportunity to comply with his government's request. On 12 July a meeting was held at Tupper's residence consisting of the agents-general for 'Australasia', Want and Fleming.¹¹³ The subject of a Pacific cable dominated discussion, particularly the question of what form of assistance the promoters would expect from the interested colonies. With the exception of the South Australian delegate, all were sympathetic to the proposal. But none could offer any assistance unless authorised by their respective governments.

The progress of the Pacific cable project was interrupted in July, partly by the death of Stuart, and partly by the "electoral crisis" in London.¹¹⁴ With the installation of the Salisbury administration, Want renewed his efforts to secure a subsidy from England. The change in government was timely for the promoters of the Pacific cable scheme. Gladstone's Liberals were too involved in the issue of 'Home Rule' to give the Pacific plan more than passing attention. The coming to power of the party of unionism and imperialism so encouraged Want that he declared in September a faith that the government "will subsidise the proposed Pacific cable."¹¹⁵

No confirmation of any agreement was forthcoming from the Salisbury government. However, upon the dissolution of Parliament

112. Committee of the Honourable Privy Council of Canada, 8 June, 1886, in "Documents in Reference"...op. cit., p.4.

113. Sydney Morning Herald, 14 July 1886.

114. Ibid, 14 September 1886.

115. Ibid, 3 September 1886.

in November, the Queen's speech from the throne stated,

I have observed with much satisfaction the interest which, in an increasing degree, is evinced by the people of this country in the welfare of their Colonial and Indian fellow subjects; and I am led to the conviction that there is on all sides a growing desire to draw closer in every practicable way the bonds which unite the various portions of the Empire. I have authorised communications to be entered into with the principal Colonial Governments with a view to the fuller consideration of matters of common interest.¹¹⁶

Accordingly, on 25 November, the secretary of state for the colonies despatched a circular to the colonies under self-government inviting them to attend a conference in the new year to discuss matters of Imperial defence and communications.

Encouraged by the tone and character of the government's intimations to the colonies, a large public meeting was held in London (on 7 December) to issue a prospectus for a Pacific cable. Before then, on 23 November, the Pacific Telegraph Company, Limited had been formed - to construct a "new line of telegraphic communication between England and Australasia, a line under exclusively British control."¹¹⁷ Want and George Coote had succeeded in uniting the two syndicates interested in the establishment of a Pacific cable, bringing together a number of influential politicians and businessmen.¹¹⁸ Of particular importance was the support of Sir Donald Smith, later Lord Strathcona, the chairman of the Canadian Pacific Railway and a

116. Parl. Paps., 1887, Vol. LVI, Cd. 5091, p.VII.

117. Owen Jones, Secretary (Pro Tem) of the Pacific Telegraph Company to Duncan Gillies, 8 December 1886, Australasian Federal Council, No. 87.320.

118. See APPENDIX A.

director of the Hudson's Bay Company.¹¹⁹ To Strathcona a Pacific cable meant an increase in the amount of traffic over his company's land lines. As a result, he offered "favourable terms" to the supporters of the cable for use of the Canadian route.¹²⁰

The promoters of the Company confidently claimed several advantages in favour of their proposal. Firstly, from the Imperial and strategic point of view, the projected cable would place the Empire's Pacific fleet into direct contact with England, and would provide a secure means of communications in time of war. Secondly, a direct cable to North America would increase the commercial importance of the Pacific region. With the "favourable terms" offered by the Canadian Pacific Railway, a Pacific cable would also have the effect of drastically reducing the tariff between England and Australia. However, in view of the enormous costs of constructing and maintaining a cable of the length required, the interested governments were asked to pay £100,000 per annum for twenty-five years.¹²¹

Concerned by how far the Pacific cable discussions had gone, Pender offered to reduce the tariff to whatever level the colonies requested, provided the Company's profit levels over the three

119. Noted as one of Canada's most successful capitalists, Strathcona began his rise by joining the wealthy syndicate which purchased the St. Paul, Minneapolis and Manitoba Railway in 1879, opening up the Canadian Northwest for the first time. After being appointed High Commissioner in 1896, Strathcona headed negotiations for Canada in London during the final phase of the cable debate. MacMillan Dictionary of Canadian Biography. p.721.

120. Jones to Gillies, op. cit.

121. Parl. Paps., 1887, op. cit., p.104.

previous years were maintained. In a letter to the colonial postmasters-general of 23 December 1886, Pender attempted to belittle the claims of the Pacific Telegraph Company. He argued that, as "the pioneer of telegraphic communication with Australasia", his Company was entitled to due consideration.¹²² His cable system was equal to transmitting many more times the traffic than the Australian market supplied. The line was staffed by English operators, and was under British control; and, the sea routes under which the cables passed were also most likely to be protected in the event of hostilities involving the Empire. Pender and his associates had undertaken all of these actions without aid from either the British or colonial governments.

Pender continued his opposition to the Pacific cable movement until the beginning of the first Colonial Conference in April 1887. He argued further that, if the Pacific line was to be at all reliable, it must be duplicated. The promoters had admitted that a Pacific cable would cost approximately £2,000,000; for a duplicate line Pender predicted it would cost well over £4,000,000.¹²³ The cable would also lie under seas far removed from the frequent shipping lanes, or major coaling stations. Also, the depths to be expected in the Pacific, according to Pender, would make repairs difficult - if possible at all. This, coupled with the great lengths of cable required, terminating on coral reefs, made the proposition

122. Pender to Australasian Postmasters-General, 23 December 1886, ibid, p.113.

123. Memorandum relative to proposed Pacific cable, by John Pender, 23 December 1886, in ibid, Appendix, p.114.

extremely dubious. In concluding the Memorandum, Pender argued curiously that,

Instead of a Pacific cable benefitting the Colonies, I believe that the laying of such a line would only benefit the promoters, and would be inimical to the interests of the telegraphing public, as it would inevitably lead to a war of tariffs which would eventually impoverish both the Pacific and the existing cables, and result in a starved and inefficient service.¹²⁴

By condemning the Pacific cable before the Colonial Conference met in London, Pender succeeded in putting the Pacific promoters on the defensive. It was their responsibility to convince the various governments represented at the Conference that they were, as the new Company, quite right; and that John Pender, the "Cable King" for some fifteen years, was all wrong.

IV

When the Colonial Conference opened, on 4 April, the task of convincing the delegates had been facilitated by the appointment of Sandford Fleming as one of the Canadian representatives. After discussions on the primary topic of the conference, Imperial defence, the delegates considered Imperial communications. In a paper read before the conference, Fleming pointed to the advantages of establishing a direct telegraphic link between Canada and Australia. Perhaps the most important aspect of the question, in Fleming's opinion, was the unity of Empire which the cable surely would encourage. Emotively, Fleming argued that:

124. Idem. Harold Finch-Hatton commented on Pender's proposition. "Here is a commercial theory which has, at all events, the merit of being entirely new. It is probably the first time that a man of any commercial standing has ventured seriously to assert that a 'war of tariffs', in other words, competition, is inimical to the interests of the public." See Memorandum by Harold Finch-Hatton, Secretary, Pacific Telegraph Company, January 1887, Federal Council, P.87.1018.

...is it for a moment to be thought that Canada and Australasia are never to hold direct telegraphic inter-course because a commercial company stands in the way? Are commercial relations between two of the most important divisions of the British family forever to remain dormant in order that the profits of a company may be maintained? Are the vital interests of the British Empire to be neglected? Is the permanent policy of England to be thwarted? Is the peace of the world to be endangered at the bidding of a joint stock company?¹²⁵

Fleming's oration was followed by the more practical Cecil Raikes, the postmaster-general of Britain. Raikes sympathised with Fleming and the idea of an 'all-red' cable. However, Raikes informed the delegates that,

...it would be contrary to the practice of the English Government to engage in competition; that is to say, to associate itself with any enterprise which is competing with another enterprise, in other words, to give advantage to one scheme as against another.¹²⁶

The British government was still paying for a Red Sea cable which had never transmitted a complete message, as well as a subsidy to the Eastern Company for opening communications with South Africa. Regardless of this, in 1887 the policy of the post office was to conform to the wishes of the treasury and discourage unnecessary expenditure.

One after another, the representatives of New Zealand and the Australian colonies rose in favour of the projected cable. Should the British authorities offer financial assistance, the colonies would be prepared to add their share. However, none were willing to commit themselves, or their governments, to taking the initiative. It appeared that the opportunity would be lost. But on the final

125. Parl. Paps., 1887, op. cit., p.215.

126. Ibid, p.218.

day of the conference, Sir Alexander Campbell of Canada brought the Pacific cable idea before the delegates for one last occasion.

Because of the various interests and opinions present, Campbell requested to move two very general resolutions, so that the view of the conference could be recorded.

i) That the connection recently formed through Canada from the Atlantic to the Pacific by railway telegraph opens a new and alternative line of Imperial communication over the high seas and through British possessions which promises to be of great value alike in naval, military, commercial and political aspects.

ii) That the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire, and every doubt as to its practicability should without delay be set at rest by a thorough and exhaustive survey.¹²⁷

The resolutions were accepted by Sir Henry Holland, the president of the conference, and passed by the delegates.

The conference concluded on a positive note for Fleming and the supporters of a Pacific cable. The body was purely consultative, and no substantial concessions could be expected from any of the interested delegates. However, the subject had received a full hearing, and was now open to public view. The two resolutions passed on the final day of the meeting meant that Fleming could continue to pursue the Imperial government for more material support in the years to follow. The conference also exposed the extent of the Eastern Extension Company's power.¹²⁸ Pender's 'influence'

127. Ibid, p.514.

128. In opening his remarks to the conference Pender stated that, "Our system is very much in touch with Her Majesty's Government." Indeed, George Johnson reported that Pender was "in constant attendance, button-holing the delegates, and exerting his influence both inside and outside the conference." Johnson, op. cit., pp 297-98.

on the conference delegates, particularly the Imperial representatives, gave notice of the formidable task faced by those anxious to bring Canada and Australia into direct telegraphic communication.

CHAPTER TWO

**THE INTER-CONFERENCE YEARS AND THE MOVE TO PUBLIC ENTERPRISE,
(1887-1894)**

By ensuring the adoption of the two resolutions relating to the Pacific cable, Alexander Campbell provided Sandford Fleming with the means to pressure the Imperial government for more substantial support. Opposition to the scheme had been based primarily on the uncertain nature of the ocean floor. Despite the dubious quality of the Eastern Extension Company's evidence, it was sufficient to move the delegates to adopt a 'go slow' attitude, and to suspend further action until a thorough nautical survey was undertaken.¹ Prior to the conference, Fleming had offered to meet half the cost of the survey, but the proposal was rejected by Sir Henry Holland.² As an official gesture of support Campbell had, on behalf of the Canadian government, submitted that his country would also meet half the cost of the survey provided that England bore the remainder. But, again, Sir Henry declined to commit his government.³

After the Colonial Conference rose, on 6 May 1887, Fleming went to work to ensure that the resolutions would be acted upon. As a first step, Fleming wrote to the secretary of state for the colonies, enclosing the signatures of the conference delegates, and requesting the Imperial government initiate a survey of the Pacific

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1. The 1887 Colonial Conference resolved "that the connection of Canada with Australasia by direct submarine telegraph across the Pacific is a project of high importance to the Empire; and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey."
 2. Johnson, George. (ed.) The All-Red Line: the Annals and Aims of the Pacific Cable. Ottawa, 1903, p. 73.
 3. Sydney Morning Herald, 20 June 1887.

to discover the practicability of a submarine cable from Canada to Australia.⁴ Upon receiving Fleming's correspondence, the colonial office had made enquiries at the admiralty. They were informed that no vessel would be dispatched for the specific task of surveying a Pacific cable route, but that sufficient data could be collected during the course of routine work.⁵ The dispatch continued: "Their Lordships do not propose to dispatch a survey vessel for the sole purpose of obtaining soundings over the route, but they will endeavour to arrange that soundings shall be gradually obtained during the next few years in the normal course of hydrographic surveys." The response of the admiralty was not in harmony with the conference resolution, and by no means in accord with Fleming's expectations.

Undaunted, Fleming continued to press the Imperial authorities throughout the British summer, but without satisfaction. The colonial office and the admiralty were of the opinion that accelerating the normal surveying of the Pacific was questionable without some assurance from the colonies that the funds for constructing a cable would become available.⁶ The Canadian government responded by transmitting a Privy Council Minute to the Imperial government, advising that Ottawa was prepared to ask parliament for an annual subsidy of £7500, provided that the Australian colonies and New Zealand responded in kind, and Great

4. Fleming to Holland, 16 May 1887. Parl Paps., 1894, Vol. LVI, Cd.7553, p.287.

5. Admiralty to Colonial Office, 28 May 1887, ibid, p. 288.

6. Colonial Office to Marquis of Landsdowne, 12 July 1887, ibid, p. 291.

Britain also supplied an additional £37,500.⁷ The initiative now lay with the Australians to convince the Imperial government that the colonies were indeed serious, and were willing to finance their share. Of all the interested parties, none were more interested than the Australians.

Upon returning to Canada, Fleming busied himself corresponding with the various Australian colonies, outlining the attitude of the Imperial government. He listed the steps taken to hasten Great Britain to comply with the wishes of the conference, and also expressed his personal disappointment:

These communications were subsequent to the discussions on the subject of the Colonial Conference, and the published proceedings of the Conference will show that during the discussions testimony was brought forward, by officers of the Government and the Eastern Telegraph Company, to raise doubts as to the practicability of establishing telegraphic connection across the Pacific. In consequence of these doubts it was deemed expedient by the delegates that a proper survey should be made as soon as possible. With that objective in view, Her Majesty's Government was especially appealed to, but the reply of the Lords Commissioners of the Admiralty, by whose authority it was hoped the survey would be made, was unsatisfactory. The correspondence was transmitted to me, whereupon I ventured to submit reasons why the application of the delegates should be reconsidered, but up to this date I have not learned that anything further had been decided.⁸

Fleming also raised the possibility of ignoring the admiralty position entirely, and undertaking the survey as a joint Australian/Canadian project. The Canadian government was willing to make available a vessel for the purpose of surveying a cable route,

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7. Marquis of Landsdowne to Colonial Office, 28 July 1887, ibid, p. 292.
 8. Fleming to Colonial Secretary, New Zealand, 26 September 1887, Laid before the Post and Telegraph Conference, (Sydney, 1888), p. 38. Telecom Archives, Sydney.

"provided the Australian Governments are willing to co-operate in defraying the expenses to be incurred for coaling, victualling and crew."⁹

Fleming's Memorandum was placed before the Federal Council of Australasia. The acting president of the council, Duncan Gillies, premier of Victoria, replied with the following telegram to his opposite numbers in the Australian colonies:

Pacific cable - Seems highly important that practicability be set at rest by a survey, as proposed by the Colonial Conference. I suggest the matter might be moved a step forward, if the several Colonies move Governor to wire the Secretary of State representing the desirability of giving effect to the two resolutions of the Conference adopted on 6 May. If this is concurred in, I will act accordingly as regards Victoria.¹⁰

Gillies received negative responses from South Australia, Western Australia and Tasmania, and no reply at all from New South Wales. Of the remaining two colonies, only New Zealand responded favourably.¹¹ Sir Samuel Griffith, premier of Queensland, was sympathetic, but could not commit himself to Gillies' plan. Rather, he favoured the independent approach suggested by Fleming.¹²

9. Ibid. p. 38.

10. Gillies to Premiers of Queensland, South Australia, New Zealand, Tasmania, and the Colonial Secretary N.S.W., Western Australia, 23 December 1887. Federal Council of Australasia, Correspondence, Nos. 4818-23/87. New South Wales was not a member of the Council.

11. H.A. Atkinson to Gillies, 24 December 1887. The cable read: "Suggestion approved. Have requested Governor to urge Secretary of State. We have heard from Mr. Fleming that Canadian Government are willing to undertake survey if Australian Governments contribute to cost. Have wired Premier, Sydney, who has not replied." Federal Council, Nos. 4818-23/87.

12. Griffith to Gillies, 28 December 1887, idem.

In need of allies, Gillies cabled Griffith to clarify his position:

Mr Fleming's proposals for a survey were, I understood, as an alternative in default of a survey by the Imperial Government. But as far as I know the Imperial Government has not yet refused to do the work, and it is premature to proceed with other proposals. My idea, therefore, was to press for a reply to the delegates' letter of 16 May, and if that is unfavourable, then it will be time enough to consider an alternative scheme.¹³

The Federal Council had no legislative power to act on the survey. However, Gillies was attempting to establish colonial opinion before the pending Post and Telegraph Conference, scheduled to begin on 19 January 1888 in Sydney. A favourable report on the subject, from the Imperial authorities, would greatly assist the deliberations of the local conference.

With the limited information then available, Gillies was correct in discouraging Griffith from adopting a cavalier attitude towards the survey. With only Fleming's Memorandum as guidance, Gillies argued that the Imperial government was being judged too quickly. His reasoning was jolted by a telegram, from the Victorian agent-general on 12 January 1888. In reply to his request for further information, on the question of a survey, Gillies was informed: "Fleming's letter answered. Holland says if Colonial Governments concerned provide necessary funds Admiralty will be

13. Gillies to Griffith, 30 December 1887, *ibid.* The colonial office was of the opinion that the issue was concluded and that the 16 May letter was answered in correspondence to Canada of 12 July 1887. The Australians were not aware of this and assumed at this stage that the Imperial government would comply with the conference resolution.

urged to accelerate survey."¹⁴ Assuming the fastest mails, Gillies could not have known the full story until a month later. This snippet of information altered the situation immeasurably. Rather than give the Imperial government the benefit of the doubt, Gillies was forced to alter his stance, and to accept Fleming's statements as conclusive. Requesting the various governors to urge Imperial compliance with the survey resolution was no longer satisfactory. Instead, a show of financial support was the only, but more difficult, appropriate course of action.¹⁵

When the Post and Telegraph Conference opened in Sydney much of the delegates' time was occupied with discussion of a Pacific cable. Captain F.C. Rowan travelled from Melbourne to lay a Memorandum before the conference, for the Pacific Telegraph Company. Rowan was not disposed to offer any new proposals for the Company, only to "obtain, if possible, an expression from this Conference of sympathy in the proposed line."¹⁶ However, Rowan did reaffirm what his company believed to be the advantages of the Pacific route; and he attempted to deflect the criticism levied at

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14. Berry to Gillies, 12 January 1888, Federal Council. P.88/137. A full letter of explanation, with enclosures from the colonial office was sent to the agent-general on 13 January 1888. See No.88/490.
 15. What had been apparent to the Canadian authorities in July 1887, did not become known in Australia until January 1888, and then only partially. The information forwarded by the Victorian agent-general on 13 January 1888 was a copy of the colonial office letter to Landsdowne. The last sentence read, "I request that Mr. Fleming be informed of the contents of this despatch." Judging by Fleming's Memorandum, he was not informed. Ibid, No.88/490.
 16. Statement of Captain F.C. Rowan on behalf of the Pacific Telegraph Company. Proceedings, Post and Telegraph Conference, (Sydney, 1888), p. 50.

the proposal by the Eastern Extension Company. With regard to the need for a nautical survey, Rowan stated plainly that,

Objections and statements have been made that the bottom of the sea, on the route along which it is proposed to take this cable, is of a dangerous and unsuitable nature. These statements are not borne out by any evidence so far available to us. On the contrary, so far, the soundings of the 'Challenger' and 'Tuscarora' between Sydney and Hawaii, and to some extent north of Hawaii, all go to show that the bed of the ocean is comparatively even, and eminently suitable for a cable. The methods of construction of cables have so much improved in late years that the dangers to be apprehended from mere automatic or defective breaking of the cable are almost nil.¹⁷

After being questioned, Rowan conceded that the soundings of the 'Tuscorora' and the 'Challenger' were not comprehensive. But, he argued that they were sufficient to assume that no unusual depths could be expected.

Prior to the interview with Rowan, the conference heard a statement from, and conducted an interview with, representatives in Australia of the Eastern Extension Company. Again, no new proposals were presented. The agents explained that the subject of reduced telegraph rates was dealt with at the Colonial Conference, and that the Company would stand by its original offer to lower the tariff on the condition that its profits were maintained. The Sydney meeting was concerned that the Company was willing to reduce the tariff, provided the Australian colonies would guarantee three-quarters of the existing traffic; yet, no request was made of the British government for a subsidy or guarantee. According to the 1884 International Telegraph Convention, if the tariff for messages between Australia and England was to be reduced, so too must the

17. Ibid, p. 50.

rates between England and Australia. Ultimately, the delegates were of the opinion that if Australia was to offset the reduced rate, England should also be required to assist. The Eastern Extension Company's representatives replied that no suggestions for reduced rates had ever come from England. As the call for a lower tariff originated in the Australian colonies, they should be asked to maintain Company profits.¹⁸ It was further explained that the British government had made clear its policy on subsidies at the Colonial Conference; and, as no subsidy was expected, none was requested.

After more than a week of discussion, the question of improving telegraphic communication had not been resolved. The Pacific Cable Company had nothing new to add, nor did the existing monopoly. As a result, the conference resolved, with respect to the latter, "that the proposals of the Eastern Extension Company for the reduction of the tariff between Europe and Australia are worthy of careful consideration."¹⁹ In a bid to promote a Pacific cable, the conference moved, with New South Wales dissenting, that,

This Conference is of the opinion that it is desirable a survey should be made of a suitable route for an Ocean Telegraph cable by way of the Pacific, via Vancouver Island, the cost of the survey to be defrayed by Great Britain, Canada, and the Australasian Colonies represented at this Conference. This, however, is not to bind any of the countries named to accept the proposals of the Pacific Cable Company, and that the subject of the resolution be communicated to the various Australasian Governments.²⁰

18. Statement by Messrs. W.G. Taylor, W. Warren, and J.E. Squier, Representatives of the Eastern Extension Company. ibid, p. 45.

19. Ibid, p. 45.

20. Ibid, p. 7.

Should the Pacific cable remain in limbo, the colonies were still in a position to accept the proposal offered by the Eastern Extension Company. The dissent of New South Wales was a blow to Gillies, who had hoped the colonies would be able to speak with a single voice. Of equal significance was the abstention of South Australia and Western Australia, leaving only Victoria, Queensland, New Zealand and Tasmania wholly supporting the survey.

In early March, Gillies informed the Victorian Governor that his government concurred with the resolution, and were willing to bear a share of the survey cost.²¹ The Governor then wired Lord Knutsford (formerly Sir Henry Holland),

In accordance with the resolution passed by Postal Conference held in Sydney, the whole of the Australian Colonies being represented, my Government ask that the Admiralty may be moved to make an early survey of a suitable route for ocean telegraph cable by way of the Pacific Ocean via Vancouver Island, cost to be defrayed by Her Majesty's Government, the Government of Canada, and Australian Colonies.²²

Consequently, a full year after the first sitting of the Colonial Conference, representations for a nautical survey of the Pacific had been made to the colonial office from the Colonial Conference delegates, Canada and Australia. The request for a survey had evolved to the point of becoming a joint financial venture, but it appeared that the conditions set by the colonial office and the admiralty had been met.

Knutsford transmitted the Victorian cable to the admiralty, requesting once again to investigate an accelerated survey of the

21. Gillies to Loch, 5 March 1888. Federal Council No.88/897.

22. Loch to Knutsford, 7 March 1888. Federal Council P.88/2264.

Pacific. As the colonies themselves had resolved to contribute to the cost of the venture, Knutsford also requested the admiralty to furnish him "with an approximate estimate of the probable cost of a survey."²³ In their lengthy reply the admiralty pointed out that H.M.S. Egeria was on the point of embarking from Sydney to commence the important work of fixing the position of the islands between New Zealand and Vancouver. The Egeria was to take deep soundings "which will in two or three years" provide more information than was at that time available.²⁴ The unenthusiastic correspondence then continued;

To survey a route for a cable to any purpose would, however, entail long searching for the best line, examination of contours of coral Islands, and continuous close soundings; and three years' steady work at that and nothing else would probably not complete the survey ... My Lords do not therefore consider that it is advisable to make any alterations in the orders under which the 'Egeria' is about to act; and as no vessel can be spared from her hydrographic work in any other part of the world, the question of hastening the survey by providing another vessel must, in their Lordships' opinion, remain open until Lord Knutsford is able to inform this Department that there is a reasonable prospect that the funds for the construction of the submarine cable across the Pacific will be found, and that time is of importance in Imperial interests.²⁵

The fact of the matter, here expressed by the admiralty, seemed to conflict with the estimates contained in Fleming's Memorandum to the Australian colonies, of September 1887. Fleming had predicted that the time involved in a survey of the Pacific would be six to twelve months, and not two to three years as the admiralty

23. Colonial Office to Admiralty, 16 March 1888, in Colonial Office Circular, May 1, 1888. Telecom Archives, Sydney.

24. Admiralty to Colonial Office, 4 April 1888, ibid.

25. Idem.

maintained. The contention that no other vessel could be spared for hydrographic research was obviously made without consideration of the Canadian vessel 'Alert', which had been offered as a survey ship to the Colonial Conference. If "time is of importance in Imperial interests", as the admiralty claimed, then why did the colonies not learn of the Imperial government's stand toward a survey until 1 May 1888?²⁶ Clearly, the Pacific cable scheme was not as high a priority with the Imperial government as the promoters of the Pacific Cable Company suggested. On the other hand, the proposal for a survey, embodied in the two Colonial Conference resolutions, was vague in the extreme, with no specific route ever being indicated.

I

By the Canadian summer of that year, Fleming had concluded that a fledgling Company, could not raise capital until anxieties concerning the ocean floor were put to rest, and that it was impotent in a head-to-head confrontation with the Eastern Extension Company. Fleming accordingly took a different tack - 'public

26. News of the H.M.S. Egeria first appeared in the Australian Colonies on 4 April, 1888 in the Sydney Morning Herald. The postmaster-general of Queensland, Mr. W.H. Wilson, cabled his counterpart in Tasmania, Mr. Stafford Bird, requesting that he solicit the intentions of the "Egeria", then lying in Hobart. The commander, Captain Pelham Aldrich, refused comment. The next day the Herald wrote: "It will be most gratifying to the public, both in the Colonies and in the Dominion, to know that the Lords Commissioners of the Admiralty have seen their way to have the survey made under their direction, without calling upon the Australian Governments to defray the expense of either coaling, victualling or crew." The "Egeria" departed Sydney for Auckland on 19 April, 1888, before the views of the Admiralty were known.

ownership'. Fleming is largely credited with popularising the scheme of an Imperial partnership, but the idea was first raised publicly by Sir Julius Vogel, the former New Zealand premier.²⁷

As the veteran New Zealand parliamentarian, Vogel had an early association with Audley Coote and Rowan, through his representation of the Pacific Telegraph Company in Wellington.²⁸ His behind-the-scenes interest in a private enterprise Pacific cable had led Vogel to consider a number of options available to the 'Australasian' colonies. As postmaster-general, Vogel had approached the New Zealand premier with three different schemes to bring overseas telegraphy into the public sphere. The first was the nationalisation of the Australian landline from Port Darwin to Adelaide, and the purchase of the Eastern Extension Company cables to the Straits settlements. Secondly, Vogel also advocated the construction of a government-owned cable across the Pacific to Vancouver. The third option was a scheme of public construction and ownership: the establishment of a series of cables from Ceylon to Mauritius, Natal, Cape of Good Hope and St Vincent.²⁹

Having experienced at firsthand the benefits of state ownership through his years with the Intercolonial Railway, Fleming embraced

27. Memorandum by Sir J. Vogel, Postmaster General re Telegraph Cables, 5 February 1887, Proceedings, (Sydney, 1888), op. cit., p. 35.

28. Rowan to Randolph C. Want, 18 January 1886. Rowan Letterbooks, MS 931, National Library of Australia.

29. Memorandum by Sir J. Vogel, op. cit.

Vogel's idea.³⁰ In a Memorandum to Lord Stanley, the incoming Governor General of Canada, Fleming restated Vogel's argument with vigour:

While there should be the strongest desire to respect established rights and honourably recognize existing interests, on the other hand we must bear in mind the well known principle that no private Company, whatever its profitable operations can be allowed to impede the general advantage of the Empire. The principle is clearly established that private interests must yield to public good, such private interests being fairly indemnified ... it is contemplated to carry out the undertaking under a joint Commission, on which will be represented the Imperial Government, and the Governments of Canada, the Australian Colonies and New Zealand.³¹

It is difficult to see why Fleming was so convinced that the Imperial government would be a party to such a scheme when the admiralty was not willing to undertake a nautical survey in co-ordination with the settlement colonies. After all, the British postmaster-general had publicly declared that "it would be a matter of extreme difficulty, I think without precedent, for the English Government to become interested in such a scheme in such a way as to constitute itself a competitor with an existing commercial enterprise carried on by Citizens of the British Empire."³² In

30. G.N. Savory, "The Pacific Cable: A Study in the Role of Private Enterprise.." argues that Fleming, as a director of the C.P.R., was interested in establishing further traffic for the Company's land lines. Savory's argument is sound as far as it goes, but he neglects Fleming's intimate friendship with Canadian Imperialists George Parkin and Principal George M. Grant. Undoubtably, Fleming was greatly influenced by these men and their ideas, and this would explain his call to have the Canadian government nationalise the CPR telegraph lines. See Johnson, Annals and Aims, p. 437.

31. Fleming to Stanley of Preston, 28 June 1888, Telecom Archives, Sydney.

32. Parl. Paps., 1887, Vol. LVI, Cd. 5091, p.217.

Fleming's view, this policy could be invalidated by purchasing the existing enterprise, and thus not competing.

Sir John Pender was concerned by the sudden turn of events. The obstacle of the supposed need for a survey was wearing thin, and the monopoly of the Australian traffic was being threatened on two fronts. The Pacific Telegraph Company was collecting momentum in preparing for a major offensive, and Sandford Fleming had resurrected the spectre of government ownership. Pender responded by intensifying his campaign to lure the Australian colonies into accepting his offer of reducing telegraph charges. This attempt was side-tracked by the total disruption of services between Australia and Britain for 21 out of 114 days between August and November.³³ The breakdown of communication certainly did not harm the Eastern Extension Company, as the receipts from the previous six months showed an increase of over £20,000.³⁴ Following the news of the financial success of the monopoly, the Electrical Review heralded the "dissatisfaction felt with the present service, both as regards the tariff, and the security of communication".³⁵ The journal criticised Pender's tariff proposal, arguing that it would be absurd for the Australian colonies to guarantee the profits of an ineffective service.

In early November, at the Congress of Australasian Chambers of Commerce in Melbourne, Rowan once again attempted to advance the cause of a Pacific cable. Rowan's well-received speech focused on

33. Electrical Review, Vol XXIII, no. 570. 26 October 1888, p. 449.

34. Ibid. p. 450.

35. Idem.

the commercial advantages of an alternative line of communication. According to Rowan, the Pacific Telegraph Company was willing to lessen the liability of breakdowns by providing a duplicate cable lying in deep water, miles away from the shallow seas where the Eastern Extension Company wires lay. Commerce would no longer rise and fall at the whim of the Timor Sea. By reducing the tariff to four shillings a word, the Pacific cable would lower the cost of an average telegram to just £2.³⁶ Preceding Rowan's speech, the president of the Sydney Chamber of Commerce submitted a letter containing more than 100 corporate names and personal signatures of Australians supporting his resolution:

That this Congress heartily endorses, both on commercial and strategic grounds, the laying of a submarine telegraph cable through the Pacific Ocean connecting Australia and the Dominion of Canada, and this with Great Britain and the continent of Europe, and trusts that every effort will be made to hasten the completion of a survey of the ocean floor. It also urges upon the various colonial Governments the advisability of endeavouring through their Agents General to induce the Imperial Government to co-operate promptly and liberally in the furtherance of this object.³⁷

The resolution was passed unanimously, sending a warning to Sir Henry Parkes in Sydney. The New South Wales government had remained aloof from the cable debate. But, after the strong stand of the Sydney contingent at the Congress, Parkes was forced to agree with the January resolution, and to inform Gillies that New South Wales would pay its share of a survey.³⁸

36. The Argus, (Melbourne) 2 November 1888. Proceedings of Congress of Australasian Chambers of Commerce. Rowan maintained that an average message cost £5 13s. 9d. The Pacific cable would thus save the sender £3 13s. 9d. per average message.

37. Idem.

38. Sydney Morning Herald, 19 November 1888.

The significance of the Melbourne meeting was reinforced by an assembly of supporters of the Pacific cable at the famed Cannon Street Hotel, in London. The meeting, of 22 November, convened by the promoters of the Pacific Telegraph Company, "was one of the most influential meetings of the kind ever held in the city of London".³⁹ This Cannon Street gathering was the pinnacle of the Pacific Telegraph Company campaign following the Colonial Conference. The actual meeting, chaired by the Earl of Winchilsea, was attended by individual financiers connected with leading banks, commercial firms and mercantile companies throughout the Empire. In opening the conference, the chairman stressed that despite claims by the Eastern Extension Company and its allies experts were now of the opinion that laying a Pacific cable was practicable. Deep water cables were less liable to the ill effects of boring animals, coral formations, and wear caused by currents than those in shallow water.⁴⁰

Sir Donald Smith followed the chairman, and moved a resolution supporting the Pacific Telegraph Company; and, again, requested the Imperial government "do all in its power to facilitate the laying of such a cable, especially by obtaining the necessary soundings with as little delay as possible."⁴¹ In rising to second the resolution, a representative from one of the largest firms connected with Australia, Dalgety and Company, emphasised the commercial importance of secure communication:

39. Finch-Hatton to Gillies, 24 November 1888. Appendix to Pacific Cable Papers, Federal Council.

40. Enclosure, Report of the Pacific Telegraph Conference, 22 November 1888, ibid.

41. Idem.

Few people have any idea of the part which telegraphy plays in business transactions nowadays....It is impossible to adequately realize the effect of any fracture in a cable system upon businessmen. It means not only a dangerous check to business, but more, an utter dislocation of all one's commercial arrangements; so much so, that an order taken, or given, with the full expectation of realizing a profit may become, owing to the rupture in the cable, by the time the transaction is completed, a loss instead of a gain.⁴²

Indeed, cable communication had passed from a novel luxury to an indispensable tool of commerce. Evidence to this fact is found in reading the list of influential businessmen attending the Cannon Street meeting. The commercial community was more than willing to rally behind the idea of lower rates and security from interruption. However, without government assurance, - that a subsidy or guarantee would be forthcoming, and that the Pacific would be surveyed - the 'captains of industry' were not inclined to lend more than vocal support.

The Eastern Extension Company attempted to offset the publicity expected to follow from the Cannon Street meeting by issuing a circular to the London "Times". Pender and his associates wished to offer the telegraphing public the other side of the cable story. This attempt to block the Pacific cable movement did not achieve its aim. It appeared to the directors of the Eastern Company that, as they had pioneered submarine telegraphy in the Southern Hemisphere, without a shilling of government aid, the same should stand for the pioneers of the Pacific. The circular further explained that the Eastern Extension system to Australia was at the time duplicated,

42. Idem.

and discussions were underway to have it triplicated.⁴³ All this took place when one cable was more than capable of carrying many times the existing traffic. Pender also raised the subject of reduced tariffs, by belittling the Pacific Telegraph Company, and restated his Company's offer to ease the tariff burden.

Trying to lessen the public damage of the recent interruptions in the Australian service, it was now argued that:

On the first occasion, both the Java-Australian cables were suddenly and simultaneously interrupted in deep water through volcanic disturbances, and, the two subsequent breakages were in connection with the renewals of portions of the cables where they were found to be on bad ground... The total interruptions, however, since the communication was duplicated in 1880, including those above mentioned, have aggregated only 41 days, averaging less than five days per annum - a result that will bear favourable comparison with the working of any other submarine system in the world.⁴⁴

The about face was now complete. The Eastern Extension Company could no longer sit back and wait for the Pacific cable scheme to collapse. Even given colonial office apathy, the monopoly had publicly to defend itself against a Company that had not yet raised capital.

In his closing remarks to the Cannon Street conference, Harold Finch-Hatton criticised the Eastern Extension Company's circular as entirely misleading. Indeed, on the subject of reliability, Hatton declared that,

Even if the total breakages only amount in the aggregate to 41 days, which I do not admit to be correct, it is certainly not the case that the average of five days per annum would compare favourably with any other existing system, considering the Pernambuco Cable, which is laid for

43. Daily Telegraph, 2 January 1889.

44. Idem.

a considerable distance at a depth of 2,900 fathoms, has only broken once during the last 14 years. The worst point, however, about the breakages of the Eastern Extension system, is their ever-increasing frequency; and the fact that out of 41 days in the five years, 33 days breakages have occurred during the past five months.⁴⁵

It was a difficult record to defend. Even more difficult for Pender, was the problem of conclusively proving that the guarantee sought by the Eastern system was more equitable than that which the Pacific Telegraph Company required. The Australian colonies were already harnessed, with a subsidy of £32,600 per annum, to Pender's consortium.⁴⁶ To reduce the tariff further, a burden of guaranteeing three-quarters of any loss in revenue would be required. In itself, the guarantee of £75,000 government traffic requested by the Pacific Telegraph Company seemed to be the best course, particularly if the Eastern Extension Company proposal was examined in the light of the Pacific cable becoming a reality. Assuming the lower tariff would increase the Australian traffic by 25%, the colonies would be required to pay £60,000. Should the traffic increase an extra 50%, the colonies would be called upon to pay £40,000.⁴⁷ In the event of the Pacific cable being realised, traffic over the Eastern Extension lines could be expected

45. Report of the Pacific Telegraph Conference, op. cit. Harold Finch-Hatton was the fourth son of the Earl of Winchilsea. His interest in the Pacific cable project stemmed from his involvement in the North Queensland cattle industry. In 1883, after eight years in Australia, he returned to England permanently. Ultra-conservative and Imperial Federationist, he failed to win a seat in the House of Commons three times before being returned unopposed for the Newark division of Nottinghamshire in 1895. Australian Dictionary of Biography. Vol.4, p.168.

46. Electrical Review, Vol. XXIII, No.570, 26 October 1888. p. 450.

47. Report of the Pacific Telegraph Conference, op. cit.

to decrease. If the decline in revenue were 25%, the colonies would be penalised £100,000.⁴⁸

The Electrical Review was also anxious to comment on "the other side" of the cable debate. On 7 December the journal condemned the Eastern Extension circular, remarking that, "Besides being a weak defence, this letter has lent itself to certain statements not only exaggerated and misleading, but actually contrary to fact."⁴⁹ If criticism from the admittedly partisan Finch-Hatton was not enough to bury the Company's circular, the views of this reputable engineering journal did the final damage. In reference to the Eastern group's claim, of being 'all-British', and their argument of coincidence regarding interrupted service, it further remarked that:

The statement that the existing telegraph system between England and Australia is under British control is simply not true; Egypt and Java intervene. The technical argument employed to explain one of the interruptions of the Java-Australia cable is simply ridiculous. It is said that the repairing ship interrupted one cable while employed in repairing the other, because of the "strong currents off Java drifted the cables together". From this it is evident that we are asked to believe that there were two currents, one for each cable, flowing in contrary directions, in the same place and at the same time, so that each cable was carried by its own current towards the other, which was coming to meet it. Is this a serious statement, or is it a joke at the readers' expense?⁵⁰

By going on the offensive, to engage the Pacific Telegraph Company in a show of merits, the Eastern Extension Company succeeded only in exemplifying its foibles. After this dismal attempt at public relations, the monopoly remained in the board-room, preferring to

48. Idem.

49. Electrical Review, Vol. XXXIII, No. 576, 7 December 1888, p. 621.

50. Ibid, p. 621.

watch the course of the Pacific cable scheme rather than trying to divert it.

II

Following the loud signal tapped out by the commercial community in Melbourne and London, the electoral importance of a Pacific cable came to the fore. Sensing a renewed political interest in the subject, the Canadian government issued invitations to the Australian colonies to meet in conference to discuss "the best means of establishing intimate trade relations, and the closest possible telegraphic connection".⁵¹ The Canadian invitation reached Australia in early January 1889. George Dibbs, the newly-elected protectionist premier of New South Wales, immediately communicated with the other colonies in the hope of soliciting a favourable reply. The ministries of Queensland and New Zealand, although alive to the benefits of a conference, were not inclined to send a delegation to Canada. New Zealand would, however, consider such a proposal, should the location be Australia rather than Canada.⁵² Similar replies followed from Tasmania and South Australia; and it was finally decided that it would be difficult to send delegates to Canada as the ministers responsible could not conveniently evade their parliamentary duties simultaneously.⁵³ Gillies was of a similar opinion, and he cabled to Canada that Victoria would welcome a conference in Melbourne.⁵⁴

51. Stanley to Loch, 17 November 1888, Telecom Archives, Sydney.

52. Atkinson to Dibbs, 21 January 1889, ibid.

53. "Statement of the Case" Postmaster-General's Department, 29 September 1890, ibid.

54. Australasian, 23 February 1889. Dibbs took umbrage with Gillies' actions. In responding, he informed Gillies that New South Wales had asked for Victoria's views on the subject, "We did not ask you to be the mouthpiece of all the Colonies in
(Footnote continued to page 74)

In commenting on the aims of a proposed conference, the two major Sydney newspapers took decidedly different stands. The Sydney Morning Herald welcomed the interest which the Dibbs' administration had taken in the Pacific cable. It had "long advocated" an alternative means of communication.⁵⁵ By having only one question on the agenda, such a conference could only advance the cause. The advantages of further communication in the south Pacific would enhance Australia's influence in the region. Inexpensive communication to the ever-growing markets of North America would be a boon to antipodean commerce. The Herald did not deny that Canada, too, would gain materially from closer trade and telegraphic ties; but, they chose to emphasise this motivation as secondary to her desire to bring together the strands of the Empire.⁵⁶

The Daily Telegraph was not nearly as convinced of the mercantile justification of the Pacific cable.⁵⁷ As little trade had hitherto arisen, and only a small amount of telegraphic business had been conducted, what was the point of artificially creating demand? The editorial further contended that the expectation of immediate trade resulting from a Pacific cable was a misconception. "Profitable interchange rests on dissimilarity of product. When two countries produce mainly the same things what advantage is to be secured by their interchanging them?"⁵⁸

(Footnote continued from page 73)

communication with Canada." As the Governor General had communicated with all the colonies separately, Gillies was certainly justified in responding individually.

55. Sydney Morning Herald, 9 February 1889.

56. Idem.

57. Daily Telegraph, 15 February 1889.

58. Idem. In 1889 New South Wales imported £37,959 of goods from
(Footnote continued to page 75)

What, then, was the motive of the Conference? The Daily Telegraph saw it as merely another attempt to promote Imperial Federation, which it did not support. Such a scheme in Canada may have been preferable to annexation by the United States. But, no such fears existed in Australia. The greatest service a conference could make to Australian development was to highlight the differing political aspirations of the two societies, and therefore have "a beneficial and instructive effect on the deliberations and the action of both countries."⁵⁹

It was not until August that Canada decided to accept, and to send a contingent to Australia.⁶⁰ The Canadian chief commissioner, and future premier, John Abbott, proceeded directly to London to ascertain the views of the various agents-general. Abbott was informed that, by the time he could arrive in Australia, the several colonial legislatures would be in session, making a conference difficult.⁶¹ Before returning to Canada, Abbott engaged the assistance of Sir Charles Tupper, the High Commissioner, in an attempt to have the admiralty move the "Egeria" from its work west of Hawaii to the less certain route east of Hawaii, to

(Footnote continued from page 74)

Canada, while exporting only £4. New South Wales Statistical Register.

59. Idem.

60. Minute of Council, Ottawa, 17 August 1889, Telecom Archives, Sydney.

61. Samuel to Colonial Secretary, 7 March 1890. Enclosing Privy Council Minute 3 January 1890, Telecom Archives, Sydney.

Vancouver.⁶² One month later, the admiralty replied that they were not disposed to "lose valuable time" by sending the "Egeria" many miles from its location, to conduct soundings which would "be obtained in the ordinary course."⁶³

After this unsuccessful attempt at co-ordination, the Macdonald ministry informed the Australian colonies that Canada was still willing to instigate a delegation to the south. On Abbott's suggestion, Macdonald proposed that the Australian colonies arrange a conference at a "convenient season" at which Canada could be represented.⁶⁴ Gillies informed Canada that Victoria, and the other Australian colonies, were considering a convention to review the question of federation.⁶⁵ As the various governments would be engaged on this subject for some time, it was "difficult to indicate a suitable time for the Conference with Canada."⁶⁶ With the proposed conference postponed indefinitely, and the Pacific Telegraph Company no longer functioning, the idea of challenging the Eastern Extension Company was dropped.⁶⁷

When the Australian postmasters-general met, in Adelaide, during May 1890, Sir John Pender introduced a modified scheme to

62. Abbott to Tupper, 24 September 1889, Parl Paps., 1894, op. cit., p 308.

63. Admiralty to Colonial Office, 23 October 1889 ibid, p. 310.

64. Stanley to Carrington, 27 January 1890, Telecom Archives, Sydney.

65. Gillies to Madden (acting Governor), 3 May 1890, ibid.

66. Idem.

67. The Pacific Telegraph Company ceased lobbying the various
(Footnote continued to page 77)

reduce the tariff to Europe. Pender immediately offered to reduce the cost of ordinary messages to 5s., government telegrams to 4s. 5d., and press messages to 1s. 10d. - provided the Australian colonies guaranteed one half of any loss in profit.⁶⁸ After initial discussion, the Victorian delegate moved that the proposal be undertaken for a three year trial-period, with the rates being 4s. for ordinary, 2s. 6d. for government, and 1s. 10d. for press messages.⁶⁹ He also argued that Great Britain should be included in the guarantee, as she would undoubtedly take up the lower rates.

A series of cables were dispatched to the colonial agents-general in London, with the aim of convincing Pender and his associates that a further reduction would not be injurious to the Eastern Extension Company. Upon receiving confirmation of Pender's approval, the conference resolved to enter into an agreement to reduce the tariff. But, not all the colonies favoured the new agreement. The Queensland representative refused to bind his government to a guarantee. He argued that any further assistance toward the maintenance of a profitable monopoly would only entrench colonial reliance on the one company.⁷⁰ Queensland had maintained a constant position on this issue over the years. As it

(Footnote continued from page 76)

governments for support shortly after the Cannon St. meeting. No further mention of the Company being active beyond 1888 has been found by the author.

68. Pender to Agents-General, (no date), Post and Telegraph Conference, (Adelaide, 1890), p.55.

69. Ibid, p. 23.

70. Ibid, p. 35.

had not been party to the subsidy arranged by the other colonies, it would not be part of a guarantee. However, as New Zealand had not sent a delegate to the conference, Queensland was alone in its opposition.

In correspondence with the colonial office following this acquiescence of the Australian colonies, Fleming deplored the 'guarantee plan'.⁷¹ If the Eastern Extension Company proposal was agreed to, it would "put an end to any prospect of connecting Canada and Australasia."⁷² Such a situation would seriously hamper empire development, and surely deal a blow to British supremacy in the Pacific. While welcoming a reduction in the tariff, Fleming suggested that the reduction would only transfer the burden of rates. The proposal was purely cosmetic and deceptive, as the colonial treasuries would be called upon to maintain a more than adequate profit margin for the monopoly. If a real reduction of rates was desired, the best course was competition; and if a Pacific cable was laid, that end would be achieved.

Dissatisfied with the silence from the colonial office, and anxious for a larger audience, Fleming now addressed a letter to various newspapers in London, and the colonies, entitled "Fellow Colonists".⁷³ He pointed out that although the Imperial government did not intend to join in the guarantee, he feared "force of circumstance" might compel the Australians to come to terms with

71. Fleming to Colonial Office, 26 June 1890, Parl Pap., 1894, Vol. LVI, p. 314.

72. Fleming to Colonial Office, 26 June 1890, op. cit.

73. "Fellow Colonists" 18 July 1890, 1894 Postal Conference Papers, 4/910, New South Wales Archives.

the monopoly. Assuming that the guarantee would bring the indebtedness of the colonies to £54,000 more or less, Fleming submitted that, for the same sum, the colonies could have a Pacific cable, under joint government control. Fleming asked rhetorically,

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?⁷⁴

The question, however, fell upon deaf ears in Australia. Economic depression quelled further discussion of a Pacific cable for a year and a half. Pender had been fortunate to secure a guarantee of profits before the full impact of the economic crisis could affect telegraph business.⁷⁵

III

The disappearance of the Pacific Telegraph Company from the cable debate had left Fleming's plan of government ownership the only active proposal until the early months of 1892. At that time Audley Coote arrived in Brisbane, with a scheme privately to undertake a Pacific cable, section by section, beginning with a line from Queensland to New Caledonia. After the demise of the Pacific Telegraph Company, Coote had aligned himself with a French syndicate, the "Societe Francaise des Telegraphes Sous-marins of Paris". Acting as the attorney of the French company, Coote met with the Queensland postmaster-general, and offered to lay, and to maintain, a submarine cable for a guarantee of £12,000 a year for

74. Idem.

75. The guarantee and lower rates did not come into effect until May 1891. Annual Report on Posts and Telegraph, New South Wales, 1892.

thirty years. As the French government was the primary party, it agreed to guarantee £8,000 - leaving £4,000 to be met by the interested Australian governments.⁷⁶ Coote informed the Queensland authorities that New South Wales had already declared an interest in the idea, and it was willing to guarantee £2,000 should Queensland do the same.

On the way to the Post and Telegraph Conference scheduled for Hobart, Coote visited Sydney and consulted the New South Wales postmaster-general, John Kidd.⁷⁷ Discussion continued in Hobart, where both New South Wales and Queensland agreed to Coote's terms - provided a satisfactory arrangement was arrived at so that the guarantees would not grow disproportionately as the Pacific cable stretched to North America. To assure the postmasters-general, Coote declared that,

... as soon as the main Pacific cable is laid; the guarantee that I now ask shall be rearranged, and come in to, and form part of any, joint purse guarantee given by any of the other Colonies joining the guarantee for the main Pacific cable, so that the Governments of New South Wales, and Queensland shall then stand on the same ground floor as the other Colonies when the main Pacific cable is laid.⁷⁸

During the previous decade, Coote had been actively involved in promoting a Pacific cable. Aside from his association with Rowan

76. Coote to Unmack, 19 February 1892. Post and Telegraph Conference, (Hobart, 1892), p.72.

77. Coote to Unmack, 15 March 1892, ibid, p.75. An ardent protectionist and orangeman, Kidd was first elected to the New South Wales legislative assembly in 1880. Appointed postmaster-general by Dibbs in 1891 to counter orange criticism, he "proved to be a conscientious, unadventurous minister." Australian Dictionary of Biography. Vol.5, p.24.

78. Coote to Kidd, 7 March 1892, New South Wales Parl Paps., 1892, 211- p.2.

and the Pacific Telegraph Company, he had lobbied the various Pacific island governments along the route of the cable. In 1884 Coote secured exclusive landing rights in Samoa, as well as similar concessions from the Hawaiian government.⁷⁹ Coote's diligence now proved sufficient to convince New South Wales and Queensland that the New Caledonia line was indeed a first step across the Pacific. From New Caledonia the cable was to be extended to Fiji, then to Samoa, before going north to Honolulu, and then finally to San Francisco or Vancouver.⁸⁰ Coote and his French associates undoubtedly preferred to have the North Pacific terminus in the United States, in the hope of securing a much larger telegraphic market. However, conscious of the growth of Imperial sentiment, Coote offered Vancouver as a possible destination.

At the Hobart conference, the Queensland delegate outlined the colony's stand on the telegraph question. He argued that the policy since 1876 had been the establishment of an alternative means of overseas communication to abolish the existing monopoly.⁸¹ The conference proceedings record that,

After many years of waiting, that object now seemed to be within reach, inasmuch as certain proposals had been made to the Governments of Queensland and New South Wales for the laying of the first section of the Pacific cable from the Queensland coast, probably Bundaberg, to New Caledonia. The Governments of Queensland and New South Wales had undertaken, in connection with the Government of France to pay the guarantee required for the working of

79. Coote to Kidd, 15 March 1892, Enclosing declaration by King Malietoa, May 1884, and statement by Hawaiian Finance Minister W.L. Green, July 1887, ibid. p.3.

80. Coote to Kidd, 7 March 1892, op. cit.

81. Proceedings, Post and Telegraph Conference, (Hobart, 1892), p. 97.

that portion of the cable. Queensland and New South Wales had no intention of asking the other Colonies to contribute towards these guarantees at present, but as the line was extended and the proper time came the Colonies would be asked to make up the full guarantee, which would be a fair and reasonable one, as the line was extended section by section.⁸²

He went on to rebut objections from other delegates about the line passing through foreign territory, by declaring that any Pacific cable would have to traverse foreign soil, either at Samoa or Hawaii. John Gavan Duffy, representing Victoria, was sympathetic to a Pacific cable, but he condemned the proposition that the other colonies should eventually assist in a guarantee - while Queensland steadfastly refused to join the colonies in their present guarantee and subsidy arrangement with the Eastern Extension Company.⁸³

For its part, South Australia maintained that, if a monopoly was not injurious - which the Eastern Extension Company was not - there was no reason to abolish it.

The subject of a Pacific cable was not raised at a subsequent Post and Telegraph Conference in Melbourne during August 1892. Instead, the postmasters-general of New South Wales, Victoria and South Australia, met to address the heavy loss incurred by the principal colonies, resulting from the Eastern Extension Company guarantee. Kidd argued that the delegates to the Adelaide

82. Idem.

83. Idem. The son of Sir Charles Gavan Duffy, John succeeded his father as representative for the Catholic seat of Dalhousie where he served from 1874 to 1904 with only one brief interruption in 1886. First appointed postmaster-general in 1890, he resigned to contest unsuccessfully the speakership in April 1892. Reappointed postmaster-general in 1894, he remained in the post until November 1899, making him the longest serving postmaster-general during the years of the Pacific cable debate.

conference had erred when they assumed business would be so greatly increased by the lower tariff that the guarantee would be minimal. So convinced had been the New South Wales government, that no monies were allocated for the guarantee in the treasury estimates for 1891.⁸⁴ Consequently, New South Wales found itself with a guarantee bill of £15,000, and no allocated funds with which to pay. In an attempt to ease the financial situation, it was proposed that the tariff be raised from 4s. to 4s. 9d., with 7d. going to the Eastern Extension Company, and 2d. going to South Australia, to meet requirements along the landline to Port Darwin.⁸⁵ The meeting was also called to hear a request from New Zealand to enter into the guarantee, and partake in the reduced tariff enjoyed by the other colonies, save Queensland. The New Zealand request was timely. After hearing evidence from the Eastern Extension manager in Australia, the assembled colonies agreed to admit New Zealand, and thus reduce further the guarantee burden.

Despite the successful resolution of the guarantee problem, the Pacific cable question resurfaced in the Australian colonies in March 1893. The renewed interest was created by the culmination of the New Caledonia cable contract. The prospect of the cable falling into foreign hands moved numerous commercial organisations to unleash a further series of resolutions in support of an 'all-British' line of communications. Fleming took the opportunity, of the second Congress of Chambers of Commerce of the Empire, to

84. Proceedings, Post and Telegraph Conference, (Melbourne, 1892),
p. 17.

85. Ibid, p. 19.

revive the sputtering Pacific cable movement. He lamented that five years had been lost since colonial representatives first endorsed the scheme, while nothing of substance had been accomplished. British interest in submarine cables in 1892 amounted to 90,000 of the existing 125,000 miles.⁸⁶ Despite this domination of the world's submarine cables by British subjects, the Pacific Ocean remained free of a cable. The two largest possessions in the British Empire were without direct telegraphic communications. In Fleming's view, nothing seriously was being undertaken.

This condition of things presents a serious hindrance to commercial development; that from a strategic point of view it indicates a serious flaw in our National system for the defence of commerce, are positions [which] appear capable of conclusive proof.⁸⁷

By connecting Imperial security and commercial security, Fleming astutely argued that not only was a Pacific cable imperative, but an 'all-British' route was essential

Following these appeals from Fleming, the Association of Chambers of Commerce of the United Kingdom unanimously passed a resolution at its annual meeting which declared,

That, in the opinion of this Association, the extension of direct telegraphic communication between the component parts of the British Empire will facilitate defence, the development of trade and investments, emphasize community of interests, and generally stimulate the development and consolidation of the Empire.⁸⁸

In the view of the Association, the five existing lines of communication to Australia and the East all suffered "the fatal

86. Fleming Memorandum to the Second Congress of Chambers of Commerce of the Empire. 1894 Post and Telegraph Conference, 4/910, New South Wales Archives.

87. Idem.

88. Association of Chambers of Commerce to Colonial Office, 25 October 1892, Parl Paps., 1894, op. cit., p.319.

defect of passing through possibly hostile countries."⁸⁹ The establishment, by Canada, of uninterrupted communication from the Atlantic to the Pacific, created the opportunity of an alternative route to the East without, that "fatal defect". The Ottawa Board of Trade also praised the merits of an 'all-British' line. At a general meeting it moved that the project would take a giant step forward should a royal commission of inquiry be formed to make a full investigation of the matter.⁹⁰ Hopes for a favourable response from the colonial office, - following Knutsford's replacement by Liberal the Marquis of Ripon - were quickly dashed. Responding to the call for a commission, Ripon stated flatly that,

Her Majesty's Government takes a great interest in this matter, and would welcome any proposal which would afford a practical solution of the question which is of considerable importance to the Empire from a strategic point of view ... The financial depression unfortunately existing in the Australian Colonies, moreover, renders the present a very unfavourable moment for bringing before them a proposal which would involve them in heavy pecuniary liabilities for an objective which it would be impossible to expect would be remunerative within a reasonable period.⁹¹

Although it would appear that Ripon was merely repeating a familiar official view - in fact he was stating the realities of the moment based on all available information. The enormous distances between potential British landing sites, combined with the high cost of such a work, as well as the uncertainty surrounding the ocean bottom, all worked against a swift conclusion to the Pacific cable problem.

That same day, Ripon attempted to remove at least one of the obstacles. Citing the admiralty's 'position-paper', of April 1888,

89. Idem.

90. Stanley to Colonial Office, 9 January 1893, ibid, p.321.

91. Ripon to Stanley, 22 March 1893, ibid, p.323.

and the instructions issued to H.M.S. Egeria in connection with deep water soundings, Ripon requested that the admiralty supply him with all available information.⁹² The response was unexpected and deserving of quotation in full,

I am commanded by my Lords Commissioners of the Admiralty to request that you inform the Secretary of State that press of circumstances compelled them to remove the "Egeria" in the year 1890 from the work of surveying the Central Pacific, and that, in consequence, as much progress in gaining knowledge of the depths that might be followed by a cable as was at one time hoped for has not been accomplished.⁹³

The importance of timing in Imperial interests had been overlooked by the admiralty. No notice of the "Egeria's" withdrawal had been given to the colonies interested in the survey. What "press of circumstances" moved the admiralty to terminate the orders of the "Egeria" was never divulged. Indeed, before being removed from the Pacific, after two full years of work, the survey had advanced from New Zealand to the Phoenix Islands, with the "Egeria" finding no abnormalities. However, the admiralty warned that although no soundings had been taken between the Phoenix group and Vancouver, "it may be assumed with a fair degree of certainty that depths of over three miles exist along that route."⁹⁴

Advocates of a Pacific cable were convinced that the Eastern Extension Company was directly responsible for the admiralty position, but they were helpless to change the situation. The extent of Pender's influence was ominous. John Hennicker-Heaton capsulised this when he stated,

92. Ripon to Admiralty, 22 March 1893, ibid, p.324.

93. Admiralty to Ripon, 30 March 1893, ibid, p.324.

94. Idem.

I know of no monopoly in the world that is doing more injury to trade than the concentrated companies represented by the Eastern Telegraph Company and its six or seven satellites... I once described John Pender and co. as an octopus which, with its tentacles in every direction, is sucking the life blood out of the Empire...⁹⁵

The absence of co-operation from the British authorities prevented the promoters of a Pacific cable from making concrete progress in the battle to remove the Eastern Extension Company from its commanding position.

Meanwhile, the Pacific cable was being discussed at the Post and Telegraph Conference in Brisbane. The mood of the delegates was, however, one of hostility, as the reservations about the New Caledonia line became clearer. The feeling around the conference-table was that Queensland and New South Wales had acted in a cavalier manner towards a subject that was best suited to joint consideration. Australian press reports erroneously claimed that Queensland had relinquished exclusive cable landing rights for thirty years in favour of a foreign company; and, along with New South Wales, was bound to support a Pacific cable laid, controlled and operated by France.⁹⁶ In reply to the press notice, Coote stated unequivocally:

Again, the newspapers I have referred to have forgotten, or do not take the trouble to learn, that it is impossible to lay a cable through the Pacific Ocean from Australia to any part of North America without landing at some place outside the British sphere of influence - for instance, "Samoa", this archipelago is under the protection of Germany, America and England; then, again, "Hawaii", this kingdom is under the protection of France, America and England; so the

95. Speech to the House of Commons, 12 August 1901. Cited in, Barty King, op. cit., pp. 137-38.

96. Sydney Morning Herald, 3 March 1893.

cable going via New Caledonia can do no possible harm to Australia.⁹⁷

Coote argued that the International Telegraph Convention of 1884 prohibited the cutting of submarine cables.⁹⁸ What was here neglected was the fact that, if England and France went to war against each other, the cable would be of little value while France controlled any part of the line.

Queensland accepted Coote's contentions. But, the other delegates in Brisbane were not convinced. When the postmaster-general of New Zealand, Joseph Ward, called for a second Pacific cable which touched only British soil, the Queensland representative denounced it as impractical.⁹⁹ Ward moved "that in the opinion of this Conference, the time has arrived when a second cable route should be established, via the Pacific to Vancouver, touching at such places en route as may be hereafter agreed upon."¹⁰⁰ With the exception of South and Western Australia, the delegates were all in favour of this broad motion. Kidd attempted to distance New South Wales from the criticism of the other delegates, by declaring that all his government had done was open communication with New Caledonia, and had not committed itself further. The Queensland delegate defended the colony's stand toward the New Caledonia line. Queensland had always stood aloof from the policy of subsidising cable companies. But in the case of the New

97. Coote to Unmack, 4 March 1893. Appendix E. Post and Telegraph Conference, (Brisbane, 1893), p. 68.

98. Ibid, p. 68.

99. Idem.

100. Idem.

Caledonia line, the Griffith administration was assisting a cable venture in the hope of thwarting an undesirable monopoly. The extension of that line, through the Pacific, could only benefit the colonies. Consequently, it was now argued, New South Wales and Queensland should be commended for their actions, rather than condemned.

Few of the delegates shared this conclusion. The Victorian postmaster-general would not interfere in the affairs of the other colonies. But, if a cable was to have the support of Victoria, "it should be through British territory, and under the control of the British Government, or a British company."¹⁰¹ The Victorian representative would not meddle, but he made it clear he would not commend the contractors or the project. Kidd pointed out that, by supporting the Ward resolution, the colonies would not commit themselves to a cable line through New Caledonia. Rather, he argued,

It is merely an expression of opinion which may hold out some inducement to a company to lay down a line of cable. All we have to do now is to recognise the advantage of having a second cable by way of the Pacific and Vancouver. I should be no party to making San Francisco a terminus. If we are to have a second cable at all, it should be by way of Vancouver, and through Canadian territory. On that point I do not think there are two views on the question.¹⁰²

Should Coote be proved incorrect, New South Wales would support an 'all-British' cable. The principle of an 'all-red route' had at last been won. But, in light of the statements by Kidd, the idea of state ownership had not been established.

101. Idem, Victoria saw New Caledonia as a "plague spot in the Pacific".

102. Idem.

Realising the reluctance of the colonies to incur any further debts in communications, Charles Todd mounted South Australia's objection to competition by detailing the unwarranted cost of a Pacific cable. Using estimates provided by the Eastern Extension Company, Todd reckoned on an actual total revenue of £97,500. A Pacific cable would require £60,000 for working expenses, £40,000 for interest on debentures, and at least £75,000 for amortisation - leaving any company interested £78,000 in the red.¹⁰³ As the manufacture and laying of a cable would, by the promoters' estimates, cost £2,000,000, Todd could not see how any company could conceivably operate without a far greater subsidy than the Australian colonies were willing to pay. Ward responded by accusing Todd of grossly exaggerating the total expenditure by estimating £500,000 more than necessary for the construction of the cable.¹⁰⁴

Dissatisfied with the proceedings at the Brisbane conference, the Victorian premier, J.B. Patterson, dispatched a letter to Dibbs in New South Wales, and the newly-returned Sir Thomas MacIlwraith of Queensland, confirming press reports of Victoria's opposition to the New Caledonia cable. He informed his counterparts that Victoria viewed the scheme as more than 'just a line of wire' to New Caledonia. Rather, he depicted it as the primary step in the foreign dominance of Australian telegraph traffic over the

103. Idem.

104. Idem.

Pacific.¹⁰⁵ Patterson also reminded the premiers of the spirit of co-operation shown at the 1887 Colonial Conference, and he deplored the sudden departure from the principle by New South Wales and Queensland. As a result of the independent course of the two colonies, Patterson cabled a disclaimer to Canada, and to the colonial office, disavowing any responsibility in the matter.¹⁰⁶ By neglecting to make Victoria privy to negotiations, Coote and the contracting colonies had created an unneeded nemesis.

IV

Following the Brisbane meeting, the 'all-red' movement received a boost, with the culmination of a proposal to link Canada and Australia with a line of fast mail steamers. From 18 May the Canadian Australian Steamship line, under the management of James Huddard, - of Huddard, Packer and Company, Sydney - had begun a monthly mail and passenger service from Sydney to Vancouver.¹⁰⁷ An alternate mail service across the Pacific had been under discussion for some years in both Canada and the Australian colonies. In March 1893 Huddard found himself with two new steamships unsuccessfully competing on the New Zealand-Australia trade route with the Union Steamship Company. Keen profitably to

105. Patterson to Dibbs, 8 May 1893, Parl Paps., 1894, op. cit. p.325. Patterson was seen as an ally to the promoters of the Pacific cable. However, his short lived ministry (January 1893 to September 1894) was crippled by the financial crisis in Victoria and, consequently, he could do little to advance the project. Australian Dictionary of Biography. Vol.5, p.415.

106. Patterson to Madden (acting Governor) 8 May 1893, idem.

107. Hamilton, J.H. "The All-Red Route: 1893-1953" British Columbia Historical Quarterly. Vol XX, January 1956, p.16.

utilise the "Miowera" and the "Warrimoo", Huddard negotiated a contract with Canada and New South Wales, providing subsidies of £25,000 and £10,000 respectively.¹⁰⁸ It was generally expected that the new line would lead to expanded trade between the two British settlement societies. The Canadian Pacific Railway had pursued this end unsuccessfully in negotiations with New Zealand.¹⁰⁹ Huddard's plan was warmly received by the Canadian Pacific syndicate which would receive the benefits of increased traffic, without incurring the expense of establishing the line.

Imperialists were bouyed by the sudden emergence of an 'all-British' mail service on the Pacific. But, if commerce was to follow, direct telegraphic communication was vital. Fleming approached the Canadian premier, John Thompson, with the idea of renewing efforts to send a delegation to Australia. Thompson complied; and an Order-in-Council was issued, directing the minister of trade and commerce, Mackenzie Bowell, to proceed to Australia.¹¹⁰ Bowell's mission was to promote inter-colonial trade, and to confer with the several colonial governments on the subject of establishing direct telegraphic communications. Upon receiving news of Bowell's pending journey, Fleming resolved to

108. Ibid, p. 17.

109. The Argus, (Melbourne) 15 October 1888.

110. Thompson to Bowell, 7 Sept. 1893, Report on the Mission to Australia. Canada Sessional Paper. no. 5a-1894. First elected to the Canadian House of Commons in 1867, Bowell served as minister of customs and later as minister of militia before taking over trade and commerce in 1892. He succeeded Thompson as premier on 20 December 1894, but was replaced as conservative leader in April 1896 because of growing dissatisfaction with him among prominent tory members. MacMillan Dictionary of Canadian Biography. p.77.

accompany the delegation at his own expense.¹¹¹ The proceedings of the Brisbane conference had reached Ottawa; and, if the dual threat of Coote and Pender was to be overcome, Fleming knew he had to meet them head on.

Upon arrival in Sydney, (9 October) Bowell arranged a private interview with Sir George Dibbs and other members of the New South Wales administration. From Sydney, the Canadian contingent then travelled to Brisbane, where they were received by the premier, Sir Thomas McIlwraith. McIlwraith expressed his warm support for an 'all-British' cable, and maintained that Queensland's commitment to the New Caledonia line would, in no way, impair the Imperial project.¹¹² While in Queensland, the Canadian delegation received word of Lord Ripon's reply to Victoria's disapproval of the New Caledonia line. Patterson released the contents of the message to the press, adding the admonitions of the colonial office to his own.¹¹³ Ripon stated that Her Majesty's Government shared Victoria's views that "danger, to both Colonial and Imperial interests" would arise, should the Pacific cable pass through foreign territory.¹¹⁴ Although Ripon welcomed the telegraphic connection of the Australian colonies and New Caledonia, the action

111. Johnson, op. cit., p. 92.

112. Report on the Mission to Australia. Canada Sessional Papers. no. 5a-1894. McIlwraith, the on-again, off-again premier, would have been a valuable convert to the Pacific cable cause. However, he abdicated the premiership for the last time on 27 October 1893, just days after assuring Bowell and Fleming that he would vigorously promote the scheme in Queensland. Australian Dictionary of Biography. Vol.5, p.161.

113. Daily Telegraph, 16 October 1893.

114. Idem.

of New South Wales and Queensland significantly appeared "to diminish the chance of their assistance in laying any future Pacific cable passing through British Possessions."¹¹⁵

From Sydney Dibbs was quick to justify the New Caledonia project, and to offer his support to an alternative route touching only British territory. He argued that the New Caledonia line would assist commerce in New South Wales, as French capital was spent in Australia. Coupled to that was the increased traffic along the New South Wales land lines, which should result from French 'messages'. The primary objective of the cable, however, was to "wake up the English Government" to the desirability of an "all-British" line, and to prompt the Imperial government to assist in the undertaking.¹¹⁶

By agreeing to guarantee the new line, New South Wales and Queensland had taken a material step towards breaking the Eastern Extension Company's monopoly. But, the colonies faced a powerful organisation. Dibbs admitted publicly that,

Many of their directors are members of Parliament, and they bring a great amount of pressure to bear upon the English Government to prevent anything like a rival line being laid. They have feelers throughout the world to stop competition. I don't blame them, but we are fools to submit to it.¹¹⁷

Despite this sound reasoning, Dibbs continued to receive an unfavourable local press. The New Caledonia cable guarantee which was approved without parliamentary sanction, went against the

115. Idem.

116. Daily Telegraph, 17 October 1893.

117. Idem.

fragile convention of colonial cohesion, and would create little commerce in light of French protective tariffs.

Within the same week, a second circular arrived from the British colonial office, transmitting the opinion of the British post office on the prospects for a Pacific cable. The untimely correspondence was antagonistic to the proposal of an 'all-British' line, estimating the cost of construction at nearly £3,000,000 to achieve a working speed of only twelve words per minute.¹¹⁸ The engineer-in-chief of the post office suggested that an 'all-Red' cable through the Pacific, allowing for 20% slack, would require 7623 knots of cable. The estimate projected distances of 3298 knots from Victoria, British Columbia to Fanning Island; 845 knots to Canton Island; 1130 knots to Fiji; and 1180 knots to New Zealand. The shorter, southern distances, could be bridged by standard cable, with a core of 130 pounds of copper, and an equal weight of gutta percha to the knot. However, the Victoria-Fanning Island section would require a core of 940 pounds of copper and the same amount of gutta percha per knot. Consequently, the expert engineer doubted whether this section could "be either laid or maintained", as it would surpass the total weight of any existing cable by more than 1000 pounds per knot.¹¹⁹

Not to be dismayed by the contradictory comments emanating from Britain, Fleming set about his task of convincing the colonials that an 'all-British' cable was attainable at a minimum cost. In a

118. Idem.

119. Colonial Office Circular, 15 September 1893. Telecom Archives, Sydney.

Memorandum prepared for Bowell, and for distribution to the various governments, Fleming formulated the most comprehensive statement yet on the subject. At the outset, Fleming remarked upon the New Caledonia cable debate. He concurred with the project's adversaries that the plan was ill-conceived and stated that not only was an 'all-British' route possible, but that four alternatives were available.

The first route was obviously that which was suggested by the British post office; Vancouver Island to Fanning Island, then to Fiji, on to Norfolk Island, where the cable would bifurcate to New Zealand and Queensland. A second possibility was from Vancouver Island to Necker Island in the Hawaiian group; from there to Fiji; and then, as with the first route. Thirdly, the route from Vancouver Island to Necker, then to any British possession in the Gilbert Group, with two branches - one to Bowen, Queensland, via the Solomon Islands, and the other to Fiji, and then New Zealand. And finally, using the same pattern as the previous route, without the additional lines to New Zealand. This route would have the added appeal of being taken from Bowen to Port Darwin, then to be connected to the South Australian land-line.¹²⁰

In each case, Fleming estimated the cost of a cable to be at least £1,000,000 less than the previous projections. Allowing for the best possible type of cable, he projected 'route one' at 7,145 knots, costing £1,978,000; 'route two', 7,175 knots, at £1,585,000; 'route three', 8,264 knots connecting New Zealand and Queensland, at £1,825,000; and, 'route four', the shortest line at 6,244 knots, was

120. Idem.

estimated to cost £1,380,000.¹²¹ There were two means of realising any of these four options. One would be by the generous subsidisation of a private company; and, secondly, as a public work. "If economy, low rates for telegraphy, and the highest efficiency be desired", he argued, "the latter means of establishing the cable is undoubtably the best."¹²²

Fleming also addressed the difficulty faced by certain colonies who were considering state ownership, while yet obliged to subsidise the Eastern Extension Company the sum of £32,400 per annum. Here he suggested that this sum could be incorporated into the charge for a Pacific cable by providing an annuity to meet the subsidy.¹²³ By way of example, Fleming pointed out that route two could be completed at a cost of approximately £1,600,000. Added to this would be the sum of £145,000 to purchase an annuity to meet the remaining five years of the subsidy arrangement, - making the total expenditure £1,745,000. If this course was followed, and the capital was raised by a joint guarantee between Canada, New Zealand and the Australian colonies, at a rate of 3%, Fleming calculated the total annual charge to be £52,350.¹²⁴

In projecting the potential revenue of a Pacific cable, Fleming argued that a new line could expect a 50 per cent share of the

121. Fleming Memorandum, Sydney, 11 October 1893, Post and Telegraph Conference, (Wellington, 1894), p. xxxii. Also see Johnson, p. 95. As in the Memorandum, the routes will be hereafter numbered 1 to 4.

122. Fleming Memorandum, Johnson, ibid, p. 97.

123. Idem.

124. Ibid, p. 99.

existing traffic. Between 1882 and 1890 the Australian traffic had increased by about fourteen per cent annually, to the point of being 1,275,191 words in 1892.¹²⁵ At a tariff of 2s. a word, Fleming projected, the revenue of a Pacific cable to be £63,759 in 1894. Accounting for a 7% increase in business over a government line, he expected the revenue to reach £108,391 by 1899. Of that sum, the cost of working a cable "from the best authorities" would be £60,000. Revenue was also required to meet a renewal fund equal to 2% of the original expenditure, or £32,000 per annum.¹²⁶

In concluding this significant Memorandum, Fleming attempted to prove the superior financial advantages of a Pacific cable, operated under State control, over the existing situation. He pointed out that for the year 1891-1892, the contracting colonies had expended £59,920 in subsidy and guarantee to the monopoly.¹²⁷ In comparison, a Pacific cable, at half the tariff, would involve only £52,300 in interest. This liability could be met by the contracting colonies already saddled with telegraph payments, plus Canada, Queensland, New Zealand and Fiji. At no time did Fleming suggest that the Imperial government would be involved. Presumably, he had come to realise that Britain was not interested in prosecuting a telegraphic connection "which every British subject will recognize to be of the greatest national and commercial value."¹²⁸

125. Ibid, p. 100.

126. Ibid, p. 105.

127. Ibid, p. 106. The breakdown of payments was: Vic. £25,730; N.S.W. £23,787; S.A. £7,966; Tas. £1,447; W.A. £990.

128. Ibid, p. 106.

After the distribution of Fleming's statement on the Pacific cable, Bowell and his entourage continued on to Melbourne and Adelaide. Now aware of the difficulties in separate consultations, Bowell attempted to move the colonies to hold yet another conference to discuss trade and communications. But, this was negated by the separate sitting of the various colonial legislatures. Bowell was warmly received in Melbourne by both the Chamber of Commerce, and by Patterson. Regretting the inability of convening a conference to accomodate Bowell's mission, Patterson intimated that Victoria would be disposed to attend a conference in Canada, should one be arranged.¹²⁹ Upon his return to Sydney, Bowell heard similar views expressed by Edmond Barton, then attorney-general of New South Wales.¹³⁰

The delegation left Sydney on 18 November, having accomplished little. The mission had laid the foundations for the colonial conference in Ottawa the following year, and had enabled Fleming to circulate his views on the subject of a cable directly to the interested parties in Australia. Fleming had received sympathetic hearings in every colony, with the exception of South Australia. But, the New Caledonia issue was still alive, making the suggestion of any alternative welcome. What the Canadian expedition did reveal was the decided lack of unity on the project in Australia. It was clear that no policies had been formulated in the colonies prior to the Canadian visit. By not exploiting the visit of a statesman of

129. Report on the Mission to Australia. Canada Sessional Papers. no. 5a-1894.

130. Johnson, op. cit., p.111.

Bowell's stature, the Australians demonstrated their comparative indifference to the Pacific cable scheme at that time.

V

The death of E.C. Cracknell, in January of 1893 led to the reformation of the Postmaster-General's Department in New South Wales. The former secretary of the general post office, Stephen H. Lambton, was appointed deputy postmaster-general in February, and the mails and telegraph services were amalgamated.¹³¹ Cracknell's death removed the main antagonist to the Pacific cable from within the New South Wales postal service. But, his replacement, P.B. Walker, was no more sympathetic. Walker had joined the telegraph service with Cracknell in 1858; and, as deputy superintendent of telegraphs, was greatly influenced by his superior.¹³²

Once settled in office, Walker submitted a Memorandum (November 1893) to the postmaster-general which discussed Fleming's proposals

131. Lambton file, Australia Post, Sydney. See also, The Transmitter. March 15 1901, p.4.

132. The permanent officials of the New South Wales telegraph service were accused of being in league with the Eastern Extension Company since the completion of the overland telegraph. The Queensland press noted that, "New South Wales, as everybody familiar with the subject knows, has been helplessly chained to the Eastern Extension Company for years past. The origin of the baneful influence is obscure. But it is understood that the superintendents of telegraphs both in New South Wales and South Australia were for many years permitted by their respective Governments to draw a retaining fee from the Eastern Company. It need not be questioned that those officers rendered the Company useful service for this emolument, but obviously they were placed in a false position when the project of a competing cable was brought forward." Brisbane Daily Mail, 1 December 1903.

for an 'all-British' Pacific cable.¹³³ It was Walker's contention that, by committing themselves to an 'all-British' route, the Australian colonies would exclude the many non-British islands of the Pacific, and also any local trade. Walker found all four of Fleming's proposed routes subject to major objections. The first route provided for a length of cable extending uninterrupted for over 3,200 nautical miles. As such a cable had never been manufactured, Walker presumed it was impracticable. The primary complaint of the remaining routes appeared to focus on the use of Necker Island as a landing station, rather than one of the more commercially-attractive Sandwich Islands. As to public ownership, it seemed to Walker that bureaucrats were not as experienced as businessmen, and thus accordingly could not possibly operate a cable as effectively as a private company.¹³⁴ Nor was a subsidy desirable to achieve the creation of a Pacific cable: Walker considered the project attractive only if undertaken by a private company, for a moderate guarantee.

Audley Coote also took exception to Fleming's memorandum. With the New Caledonia line becoming an accomplished fact by October 1893, Coote was concerned that Fleming's contentions would add to the growing reluctance to continue the New Caledonia cable across the Pacific. Coote argued that Fleming had not been "impelled by a sense of duty", as he had claimed; but, rather, he was acting as "the mouthpiece of financial operators, who know very little about

133. Memorandum by P.B. Walker, Appended to Queensland Report, Post and Telegraph Conference, (Wellington, 1894), p.xxxvi.

134. Ibid, p.xxxviii.

the wants of the Colonies in regard to a Pacific cable."¹³⁵ He could not imagine that the colonies would ever consent to Fleming's plan for joint government ownership. In Coote's view, this would involve "a large annual expenditure", and never gain a profit. As the call for an 'all-British' cable was only the "bogey cry of nationality", he could not see how this would usurp commercial prosperity as the final goal of creating a new line of communication.¹³⁶

Coote found an unlikely ally in London. In a letter to the colonial office, Sir John Pender had also criticised Fleming's estimates, and he had deplored the conception of the various governments apparently combining to challenge his Company:

It is difficult to conceive that either the Home Government or Colonial Governments would act so unfairly towards the pioneer company, to whom they are so much indebted, as to enter into unnecessary and ruinous competition with it. Not only would it be a complete reversal of the policy they have hitherto pursued toward submarine telegraphy, but it might result in so weakening the Company that in times of political trouble it would be unable to efficiently maintain the service.¹³⁷

If the colonies were determined to have a Pacific cable, and "the necessary subsidies" were granted, Pender and his consortium would be willing to co-operate. Pender concluded by remarking that the agitation for an 'all-British' cable was "almost entirely based on

135. Coote to Unmack, 27 October 1893, ibid, p.xxxix.

136. Idem.

137. Pender to Colonial Office, 3 January 1894, Parl Paps., 1894, op. cit., p.347.

sentiment".¹³⁸ Therefore, "when the time was ripe", Pender argued that he would prefer to see a Pacific cable from Australia to San Francisco, via Samoa and Hawaii.

When the Post and Telegraph Conference convened in Wellington in the March of 1894, invitations had been received from Canada, proposing a meeting in Ottawa to discuss trade and telegraph matters.¹³⁹ The Wellington gathering gave the colonies a final opportunity to come to a united position on the Pacific cable question before the Ottawa conference. In an attempt to clear the road and allow the the Canadian conference every opportunity of success, Joseph Ward moved that,

This Conference recommend their Governments to consider the desirability of entering into a guarantee with the other countries interested for a period not exceeding fourteen years, and to guarantee interest at 4 per cent, on a capital of not more than £1,800,00 to any company undertaking the laying of a Pacific cable.¹⁴⁰

In seconding the motion, Kidd expressed satisfaction with Ward's resolution, saying it was in accord with the New South Wales position.

I arrived at this conclusion with the aid of Mr. Walker, of the Telegraph Department of New South Wales, after going very fully into the scheme submitted by Mr. Sandford

138. Idem.

139. The Earl of Aberdeen to Colonial Office, 8 February 1894, ibid, p.352.

140. Proceedings, Post and Telegraph Conference, (Wellington, 1894), p.11. Ward was a key figure in the Seddon ministries from 1893 to 1906. First appointed postmaster-general in 1891, he continued in that department until 1897 when financial difficulties forced him to resign. A stong advocate of cheapening postal and telegraphic communication, Ward continued to promote closer ties within the Empire when he returned to cabinet in 1898 as colonial secretary. Dictionary of New Zealand Biography, Vol. 2. p.460.

Fleming, and, his and other schemes seemed to be of such an impracticable character that the only scheme we thought at all practicable was that submitted by yourself.¹⁴¹

With the usual exception of South and Western Australia - who abstained - the Pacific colonies unanimously supported the plan for a privately-run Pacific cable. The common position in the Australian colonies, and New Zealand, was at odds with the Canadian proposal espoused by Fleming. However, the conference had also distanced the colonies from the New Caledonia plan. All the delegations, including Queensland and New South Wales, significantly now supported the idea of an 'all-Red' route.¹⁴²

Hopes for a successful conclusion to the Pacific cable affair were heightened when in March of 1894 Lord Rosebery succeeded Gladstone as the British Prime Minister. As a former president and founding member of the Imperial Federation League, Rosebery was expected to become a champion of the Pacific cable idea. And in what was construed as a positive gesture of support, Rosebery appointed the Earl of Jersey to represent the Imperial government at the Colonial Conference in Ottawa, from 28 June to 9 July. As a former Governor of New South Wales, Jersey was familiar with the particulars of the Pacific cable debate and failure. However, he was assigned to "hear and report what passes, and to give information to the Conference on matters of fact; but it will not be in his power to bind Her Majesty's Government."¹⁴³ Coupled with

141. Ibid, p. 14.

142. Idem.

143. Ripon to Aberdeen, 6 June 1894, Parl Paps., 1894, op cit., p.364.

the fact that information regarding the depths and topography of the Pacific had not advanced since 1887, this proved to be a constant problem to the Ottawa conference with respect to a Pacific cable.

Upon receiving word of the pending conference, the Eastern Extension Company renewed its drive to thwart the Pacific cable project. Pender reminded the colonial office of his Company's service in the field of submarine telegraphy, and requested that it be represented in Ottawa.¹⁴⁴ Ripon replied that the Ottawa meeting was not being held under the auspices of the Imperial government; and, should Pender feel his presence was required, he would be better served by contacting the Canadian authorities.¹⁴⁵ In one sense, this was a pre-conference victory for Fleming and his allies. It pointed to the fall from grace of the Eastern Extension Company. It also pointed out, however, that the Imperial government was reluctant to give official sanction to a conference, called by Canada, for the expressed purpose of discussing the cable and preferential trade.

Almost from the beginning of the proceedings, the unfinished survey loomed as a major stumbling block. Fleming tried, in vain - with the assistance of the New Zealand delegate - to convince the conference that technology was at such a level that a complete survey was no longer necessary; and, the information available, was sufficient to justify the work. However, even with the admission of the main adversary that a Pacific cable was feasible, the delegates defeated a motion to immediately lay a cable. Again they resolved

144. Pender to Colonial Office, 4 April 1894, ibid, p. 359.

145. Ripon to Pender, 12 April 1894, ibid, p. 360.

to ask the Imperial government to complete the survey.¹⁴⁶

The next question to be addressed was the process by which the cable should be undertaken. A.J. Thynne, of Queensland, went against the conclusions reached at Wellington, and moved that the project be a joint, "national and public work". Of the three proposals suggested by Walker in his memorandum - by guarantee, by subsidy, or as a state work - Queensland favoured the latter.¹⁴⁷ The interests of a private company were not always in accord with the interests of the public. In opposing the motion, the New South Wales delegate, F.B. Suttor, raised the resolution unanimously passed in Wellington, and stated that his government would stand by their committment to a guarantee. Suttor's instructions were clear on this matter, and he was not willing to override his Cabinet.¹⁴⁸ Victoria and South Australia also

146. Report on the Colonial Conference at Ottawa, New South Wales Parl. Paps., 1894, 175-a, p. 22.

147. Ibid, p. 23. Thynne was appointed to the legislative council in 1882 and became minister of justice in the second McIlwraith ministry in 1888. After holding various other portfolios he was appointed postmaster-general in October 1894 until March 1897. He became close to Fleming at Ottawa and championed public ownership of a Pacific cable from that point until its completion. Australian Dictionary of Biography. Vol.2, p.424.

148. A successful pastoralist, Suttor was first elected to the legislative assembly as a free trader in 1875. A falling out with Sir Henry Parkes and the conviction that protection would reverse falling rural prices led him to Dibbs' camp after 1885. Although he served as postmaster-general briefly under Parkes in the 1870's, he travelled to Ottawa as minister for public instruction under Dibbs. Consequently, he was briefed on the Pacific cable by the antagonistic permanent officials of the post office and went to Ottawa with reservations about the viability of a Pacific service. See Australian Dictionary of Biography. Vol.6, p. 227, and "Notes on the Pacific cable for F.B.Suttor" Telecom Archives, Sydney.

rejected the motion, primarily because of the uncertainty of the survey.

In an attempt to answer both the question of practicability and means, New Zealand moved that the "most speedy and effective manner" to establish the work was to call for tenders.¹⁴⁹ The problem of the survey could be quickly overcome, and costs accurately estimated, if the various international cable companies were invited to complete the work. Should the tenders prove the work to be too costly to be undertaken by a private concern, the interested colonies could consider initiating a joint arrangement. This motion was also defeated, but a modified proposal by Thynne was accepted. This declared,

That the Canadian Government be requested, after the rising of this Conference to make all necessary enquiries, and generally to take such steps as may be expedient, in order to ascertain the cost of the proposed Pacific cable, and promote the establishment of the undertaking in accordance with the views expressed in this Conference.¹⁵⁰

A total of five resolutions concerning a trans-Pacific cable were adopted, and embodied "the views expressed in this Conference". Although the resolutions were of a general nature, confirming only the desirability of the scheme, this last resolution granted the Canadian authorities and, by extension, Fleming, carte blanche to further the Pacific cable.

Seven years had passed since the project was first broached by Imperial and colonial delegates in conference. The Ottawa meeting had come no closer to laying a cable. The idea of a Pacific line

149. Idem.

150. Ibid, p. 24.

had been discussed, and resolutions passed in its favour, at numerous commercial and governmental meetings throughout the period with little effect. The Eastern Extension Company remained unchallenged in the south seas, with the exception of 900 miles of cable from Queensland to New Caledonia. Sandford Fleming had become convinced that the best course of action was state ownership. But, despite all of his memoranda and correspondence, he had as yet not persuaded all the Australian colonies to his way of thinking. The majority of the representatives who favoured a Pacific line were not willing to depart from convention and take responsibility for overseas communications. The Imperial government, primarily the admiralty, continued to profess support for the scheme, while intermittently issuing documents to the contrary. The colonies expected Great Britain to take the lead, but neither Knutsford nor Ripon were willing to stand resolutely beside this apparently Imperial objective.

Joseph Chamberlain's appointment to the colonial office would transform Imperial opinion regarding the cable. By resolving to have Canada take the necessary steps to have a Pacific cable constructed, the Ottawa Conference enabled Fleming to dispell the uncertainty of the scheme's practicability by following New Zealand's advice and calling for tenders. The information gained from the tenders would accelerate the discussion. But, the Australian colonies had to demonstrate their willingness to accept at least partial responsibility for the project before it could be achieved.

CHAPTER THREE

AFTER OTTAWA: CO-ORDINATION AND THE PACIFIC CABLE COMMITTEE,
(1894-1897)

The decided lack of progress made at the Ottawa conference of 1894, highlighted the primary difficulty that faced the Pacific cable. Officials from the various colonies had frequently met in conference and confirmed the desirability of a Pacific cable. The Ottawa gathering provided a venue further to promote the Pacific cable, and to give substance to the favourable sentiments expressed in the Australian colonies and New Zealand. However, the inability of the colonies to come to a united position on the route and means of constructing a Pacific cable stifled any momentum created prior to the Ottawa meeting. The absence of cohesion within the Australian delegation was not lost on Lord Jersey. In his report to the Imperial government, he had commented that

On more than one occasion an indication of united Australasian opinion was lacking, and this, to a certain extent, made it impossible for the Conference to be as definite in its conclusions as was desirable upon those points which involved united Australasian support. In the event of its being considered advisable to carry out the resolutions agreed upon, this want of cohesion for the development of Australian interests will stand in the way and may cause indefinite delays.¹

The hesitation of South Australia and Western Australia was to be expected in light of their vested interest in the existing system of overseas communication; while the minute international traffic generated by Tasmania was well served by the Eastern Extension Company. That left the three more populous colonies and New Zealand to resolve the finer points in the cable discussions.

Queensland and New Zealand had long expressed dissatisfaction with the monopoly, and both colonies were eager to promote a cable which projected landing stations within their territories.

1. Parl. Paps., 1894, Vol. LV1, Cd. 7553, p.2.

Queensland's postmaster-general, A.J. Thynne, left no doubt as to his preference for having the cable operate as a public work. His resolution to that effect was defeated as premature, and was replaced by a less ambitious motion to persuade the Imperial government to resume the aborted survey.² New Zealand's delegate also moved a progressive resolution which raised the possibility of inviting cable syndicates to submit proposals for the construction of a Pacific cable.³ Once again, however, the conference found the suggestion inappropriate in view of the limited information available and, to achieve consensus, a broader resolution was adopted.⁴

It was left to Victoria and New South Wales to urge caution. The Victorian delegate plainly expressed the stand of his colony when he stated that "we Australian colonies ask for the cable; we earnestly desire it."⁵ But, his New South Wales counterpart, F.B. Suttor, was not willing to assume more authority than was granted by his government. In a report to parliament, Suttor defined his own moderation. Referring to his resolution "that immediate steps be taken" to telegraphically connect Canada and 'Australasia', Suttor stated rather -

2. Report on the Colonial Conference at Ottawa, New South Wales Parl. Paps., 1894, 175-a, p.22.

3. Ibid, p.23.

4. "That the Canadian Government be requested, after the rising of this Conference, to make all necessary inquiries, and generally to take such steps as may be expedient in order to ascertain the cost of the proposed Pacific Cable, and promote the establishment of the undertaking in accordance with the views expressed in the Conference." New South Wales Parl. Paps., 1894, 175-a, p.30.

5. Parl. Paps., op. cit., p.13.

I pointed out that the position had been advanced but very little, and that we were as ignorant now as then (1887) of particulars essential to a right understanding of the question. Though all the governments concerned in the project appear to be agreed as to the advantages to be derived from a cable such as that proposed, the want of a thorough ocean survey between Canada and Australasia makes it impossible to say whether the cable can be laid in a manner and at a cost that shall be satisfactory. At present, therefore, the project can be considered only in a general way, and so far as regards my motion, that course was adopted at the Conference.⁶

The conference was not as "definite in its conclusions" as many would have had it. However, the failure of the Australian colonists to act harmoniously on the questions of the route, means of ownership, and the extent to which each colony was committed to the venture, proved to be more disconcerting to Fleming and the Canadian delegates than the vagueness of the resolutions.

Regardless of the hesitant attitude toward the Pacific cable, the conference was seen as a "triumph". The Times of London remarked on the overall success of the conference - not in national terms, but in bringing together the self-governing colonies of their own accord, without direction from the Imperial government.⁷

When the conference opened, the Times wrote that,

The Ottawa conference constitutes a new departure in the organization of the Empire ... it has reaffirmed, in the most striking way, the faith in the principle of Imperial unity which has developed, both at home and in the colonies, in recent years.⁸

The Times praised the delegates' "commonsense" in recommending the Pacific cable project be left until "the facts of the case are fully

6. New South Wales Parl. Paps., op. cit., p.19.

7. The Times, (London), 2 August 1894, p.8.

8. Ibid, 9 July 1894, p.9. Indeed, the meeting was a "new
(Footnote continued to page 113)

before them."⁹ If the Pacific cable was to proceed, the facts of the matter would have to be presented in such a fashion that any lingering doubts as to its practicability were arrested.

This cause was significantly assisted by the arrival in Ottawa of Alexander Siemens on the very day the conference rose. President of the Institute of Electrical Engineers, and chairman of Siemens Brothers, Siemens was engaged in laying his Company's seventh cable across the Atlantic, and he was unable to reach Ottawa before the conference adjourned.¹⁰ Even if not in time to give evidence, Siemens had prepared a paper which argued that no further survey work was necessary, and that sufficient soundings existed to justify the immediate laying of the Pacific cable.¹¹ The primary reason for requiring definitive information of the ocean floor along the route of a submarine cable was to establish the brake power required to hold the cable, and to ensure an even distribution of slack, according to the depth of the water.

If the adjustment on the brake power depended entirely on the knowledge acquired by soundings taken previously on the selected route of the cable, grave doubts might still exist whether the laying of the Pacific cable could proceed without further information being obtained by carefully taking soundings over the exact route. Fortunately, means have been devised to indicate to the brakeman continuously the percentage of slack with which the cable is payed out, and thus it is possible to lay a cable over a route of which only the general features are know.¹²

(Footnote continued from page 112)

departure". However, without the full participation of the Imperial authorities, the colonial delegates could do little more than reconfirm their differences.

9. Idem.

10. Ibid, 11 July 1894, p.5.

11. Remarks on the Pacific Cable by Alexander Siemens. New Zealand Parl. Paps., 1894, 1-F.5A, p.7.

12. Idem.

This contention was corroborated by Siemens' experience in laying Atlantic cables. Siemens Brothers had successfully laid six submarine cables in the Atlantic without a comprehensive survey of any particular route.

Having concluded that no technical obstacles remained, Siemens set about addressing the financial question. For a capital outlay of £2,000,000, Siemens reckoned that an adequate cable could be manufactured and laid, two repairing-steamers supplied, and stations constructed and managed.¹³ Annual working expenses would reach £119,000 consisting of £5,000 for general management, £24,000 for staff and office expenses, and £90,000 allocated for repair and maintenance of the cable. The greatest difficulty in discussing the financial aspects of a Pacific cable was estimating income. Siemens assumed that the new cable would transmit 50% of the existing traffic. He stated that Sir John Pender had declared 'Australasian' traffic at 1,306,716 words, for a net worth of £209,628.¹⁴ Should a Pacific cable generate half of the Eastern Extension Company profit, only £15,000 would be required to meet working expenses.

Siemens then departed from previous methods of calculating revenue. By 1887 there were 100,000 nautical miles of submarine cable laid, at an expenditure of £35,000,000. The revenue from these cables was £3,173,692 per annum. From these figures, Siemens

13. Idem.

14. Ibid, p.8.

computed that the average outlay per nautical mile of cable was £350, and the average revenue £31. 15s..¹⁵ Considering the Pacific cable to be 7,340 nautical miles, at a cost of £2,000,000, Siemens concluded the cost per mile would be £273, while the line could expect to earn £30 per mile, leaving the annual income at just over £220,000.¹⁶

Siemens' proposal was too late to have any effect on the conference proceedings, but his opinions were given due weight. Jersey included Siemens' statement in his final report; and, although Suttor surely conveyed the information to his government, no mention of it appears in his report to parliament. Anxious to highlight the significance of Siemens' contentions, and put his tardy evidence to good use, Fleming wrote to Bowell that,

This opinion, coming from such an authority, strongly impressed the delegates, and in conversations I had with them I found the general feeling to be that the Canadian Government should not wait for a survey such as proposed, but should at once invite cable manufacturers to state the terms upon which they would carry out the work and leave it in a complete and perfect condition.¹⁷

Fleming felt that the best way to institute the final conference resolution - that Canada take steps to promote the establishment of the proposed Pacific cable - was to follow the New Zealand plan, and call for tenders. Although the motion was withdrawn, Fleming was confident that such action would be in keeping with the wishes of the delegates.

15. Idem.

16. Idem.

17. Fleming to Bowell, 20 July 1894, New Zealand Parl. Paps., 1894, 1-F.5A, p.5.

Accordingly, on 6 August, the Canadian minister of trade and commerce, Mackenzie Bowell, issued an advertisement to be placed in the Times of London, the Canadian Gazette, and the Australasian, all inviting cable manufacturers to state the terms of which they were prepared to lay and maintain a cable across the Pacific.¹⁸ To obtain complete information, and to allow the governments concerned to adopt the most expedient medium of completing the cable, the tenders were to be divided into three forms:

Form A - The cable to be owned and controlled by Government, to be worked under Government authority, and to be kept in repair by the contractor for three years.

Form B - The cable to be owned, maintained, and worked by a subsidized company.

Form C - The cable to be owned, maintained, and worked by a company, under a Government guarantee.¹⁹

Under Form A, contractors were required to state the lowest amount required to supply a cable and operate it satisfactorily for three years. Forms B and C demanded that the competing contractors stipulate how much subsidy or guarantee would be necessary to construct, lay and operate a cable with the maximum tariff for messages between Great Britain and the Australian colonies being 3s. a word for ordinary messages.²⁰ The tenders were to cover any, or all, of the eight routes specified by the Canadian government.²¹

18. Bowell to Seddon, 6 August 1894, ibid, p.1.

19. Enclosure, General Conditions, ibid, p.2.

20. Idem.

21. See Appendix B, below.

One of the first respondents to the call for tenders was Sir John Pender, representing his Eastern Extension Company. Rather than comply with the appeal for specific information, Pender reiterated his doubts about the practicability of the scheme. It was his view that a Pacific cable was "not needed at present on commercial grounds." But, if the interested governments deemed the project necessary, in the interest of the Empire, and were willing to contribute toward the cost of the venture, he would "be found quite ready to co-operate in the matter."²² Pender also regretted the condition of a maximum tariff. He argued that Fleming's estimate, that Australian traffic could be expected to increase at an annual rate of 15% was a fallacy, and that a 3s. tariff would not possibly meet working expenses and interest on capital.²³ Pender noted that the 1894 financial year showed a 12% decrease in traffic on the previous year. His company had increased the tariff from 4s. to 4s.9d., at the request of the Australian colonies, and still expected to lose "nearly £30,000."²⁴

22. Pender to Bowell, 19 October 1894, Telecom Archives, Sydney.

23. Ibid. Fleming estimated on 20 July 1894, that the business for 1898 would be 1,105,000 words. At a 2s. tariff per word, he predicted a revenue of £110,000 in the first year of operation. To support his contentions, Fleming quoted "a friend" in London as stating "I have been overlooking the proceedings of the Colonial Conference of 1887, where a memorandum of yours is given, dated April, 1886 (page 101). In it you show a probable traffic for the year 1893 of 133,000 messages, equal to 1,330,000 words. The actual business for the past year according to Sir John Pender, was 1,306,716 words, and, according to Australian returns, 1,401,293 words. In either case, the prediction made eight years ago is approximately correct." See New Zealand Parl. Paps., 1894, 1-F.5A., p.5.

24. Idem.

Upon receiving the tenders, Bowell transmitted them to Fleming for report. By 20 November he had submitted his findings, which showed four cable manufacturers had answered the invitation under the heading of regular tenders.²⁵ Of those, none were willing to take up the work under Form B, and only one, the "India Rubber, Gutta Percha and Telegraph Works Company" (Silvertown), was inclined to operate a cable under Form C. The remaining tenders fell within Form A of the general conditions, confirming Pender's contention that as a private enterprise a Pacific cable would be unprofitable. But the tenders also put to rest, once and for all, any doubts about the feasibility of a Pacific cable. Reputable cable companies were willing to lay, operate and maintain a cable for three years. The lowest offer for all eight routes came from the India Rubber Company.

Route No.1	£1,517,000
Route No.2	£1,416,000
Route No.3	£1,303,000
Route No.4	£1,068,000
Route No.5	£1,291,000
Route No.6	£1,391,000
Route No.7	£1,081,000
Route No.8	£1,243,000 26

As well as being the lowest, the Silvertown Company's tender included the construction of operating rooms, equipment and dwellings at each landing place, and the use of two cable repairing steamships.²⁷

25. Report on Tenders, 20 November, 1894, Telecom Archives, Sydney. The four companies submitting tenders were: Siemens Bros. and Company, London; Fowler-Waring Cable Company, London; W.T. Hemley Telegraph Works Company, London; and the India Rubber, Gutta Percha and Telegraph Works, London.

26. Idem.

27. Idem.

By calling for tenders, the Canadian government had established "indisputably" that the British Empire could be brought together by telegraph cable, without having to traverse foreign soil.²⁸ The offers effectively negated the need for the colonies concerned to make further preliminary soundings, and they supplied detailed information as to costs and the best means of operating the cable. The tenders as received also confirmed, after years of opposition and criticism, that Fleming's initial estimates of the cost of constructing a cable were in fact substantially correct.

I

Events now began to move more swiftly. A sense of momentum enters the story. Provided with this concrete evidence, Fleming for example set about outlining his proposals for further action. In a Memorandum of 1 December 1894, he worked from the assumption that the principle of state ownership was to be followed, and the capital required could be raised by one of three methods. Firstly, the finances needed could be attracted by the Canadian, Australian and New Zealand governments, with the interest being guaranteed by the Imperial government. Secondly, the whole of the capital might be raised by Great Britain, the interest to be guaranteed by the colonial governments and Canada. And, finally, there might be the establishment of an "Imperial Colonial Cable Commission" comprised of representatives acting on behalf of the various governments, all

28. Sandford Fleming, "Memorandum Respecting the Establishment of the Pacific Cable," 1 December 1894, Attached to the Report on Tenders, Telecom Archives, Sydney.

of which would jointly guarantee payment of interest.²⁹ Fleming proposed that this "Commission" be given responsibility by the several parliaments "to obtain capital and to assume responsibility for establishing the work and carrying it on when completed."³⁰

Fleming then addressed the question of working expenses and potential revenue. Guided by Siemens' estimates, and reckoning on the Silvertown Company's offer to lay a cable over Route No.1, he calculated the amount required to meet interest at 2 1/2% on a capital of £1,600,000 would be £45,000.³¹ Added to this would be £30,000 for working expenses, leaving £75,000 as the total fixed charge on revenue for the first three years of operation. After that, an additional £50,000 would be necessary for maintenance and amortisation. In assessing prospective revenue, Fleming adopted his previous formula - condemned of course by Pender - and assumed an annual increase of 15% in Australian traffic. Based on the total number of words transmitted in 1893 (1,401,293), and a tariff of only 2s. per word, he estimated the revenue in the first year of operation (1898) at £110,000; in 1899, £126,500; and in 1900, £143,000.³²

An opinion was here raised by the new Canadian minister of trade and commerce, who argued that revenue from the proposed cable could be hampered if the existing company, after several decades of operation, had established exclusive control of telegrams collected

29. Ibid, p.4.

30. Idem.

31. Idem.

32. Ibid, p.5.

in the 'Australasian' colonies.³³ Fleming dismissed this, arguing instead that the land lines in the Australian colonies and New Zealand were owned and operated by the individual colonies. Should the cable be undertaken as a state project, "the colonies would have a direct interest in the success of the new line, and every telegraph and post office throughout Australia and New Zealand would practically become offices or agencies of the Pacific cable."³⁴ Under the existing conditions, the Pacific cable could expect to transmit all messages not expressly marked for the Eastern Extension line. Although such a situation would affect the profits of the prevailing company, Fleming concluded positively that the proposed reduction in tariff would "stimulate telegraphy above its normal growth" and over time the Eastern Extension Company's traffic would be restored.³⁵

Despite the confirmation that several companies were willing to initiate the laying of a Pacific cable, and the favourable estimates as to its future as a public work, there remained the considerable task, of course, in convincing the colonial and Imperial governments to join with Canada and actually finance the plan. The information collected after the adjournment of the Ottawa conference "placed the project of a Pacific cable in a perfectly unassailable position."³⁶ Now, in order to give the proposal a "definite

33. Fleming to Ives, 28 December 1894, New Zealand Parl. Paps., 1895, F-8, p.37.

34. Idem.

35. Idem.

36. Fleming to Ives, 5 January 1895, ibid, p.36.

form and character", Fleming once again urged that an appropriate working joint commission be appointed.³⁷ Having representatives from all interested parties, such a commission could examine the extent to which the governments concerned were willing to commit themselves to the principle of state-ownership, and to other details of the cable's operation.

Reaction to Fleming's proposal was positive. But, the various delegates had returned to their respective colonies, and the problem of distance resurfaced. Co-ordination would continue to elude the interested parties, unless some action was taken by the governments concerned. Again, it fell on Canada to take the lead. For example, to facilitate closer contact, the new Canadian premier, Mackenzie Bowell, appointed John Short Larke as commercial agent to Australia "for the purpose of investigating and reporting upon the requirements of the various markets."³⁸ In commenting on the appointment, Bowell noted that "in order to make our venture in establishing the Australian line a success, it is absolutely necessary to have a resident agent in Sydney."³⁹ Although Bowell was speaking of the recent steamship line, his reference also incorporated the Pacific cable. If a commercial agent was to be of

37. Idem.

38. Bowell to Larke, 26 August 1894, Larke Papers, MS 598, National Library of Australia.

39. "Canada in Western Australia", Canadian High Commission. Canberra, 1982. A school teacher before moving on to journalism, Larke was both an imperialist and a federalist. His presence in Australia during the federation debate was welcomed by the first Australian premier Edmond Barton. Barton to Larke, 9 June 1905, and 26 April 1910. Larke Papers, op. cit.

any value at all, and the steamship line a success, direct telegraphic communications were essential.

Larke reached Sydney in January, 1895. The presence of a Canadian, officially appointed as a liaison for the government, augured well for the Pacific cable. However, before he could begin building on the success of the Ottawa conference he was set back by the news of the unsuccessful mission to Hawaii. The aim of that mission was to comply with the Ottawa resolution, which called on the Imperial government to secure one of the Hawaiian islands as a mid-ocean landing station.⁴⁰ The Canadian government suggested that the best means of achieving that end was to despatch a delegation to Honolulu. Canada was willing to instigate the mission, but deemed it proper that the Imperial government be represented. Ripon responded to the request in September.

Your agent should go therefore as proposed. H.M. Government cannot send anyone as their representative but as it is understood that Canadian Government wish some one to be sent from England who is conversant with proceedings of and wishes of conference I am willing to place at their disposal for this purpose W.H. Mercer who as Lord Jersey's Secretary appears to fulfill conditions.⁴¹

A week later, 10 September, the Canadian Committee of the Privy Council passed a Minute authorising Fleming to visit Hawaii and institute "discussions without compromising Her Majesty's Government or the Government of Canada."⁴²

40. "That in view of the desirability of having a choice of routes for a cable connection between Canada and Australasia, the Home Government be requested to take immediate steps to secure neutral landing ground on some one of the Hawaiian Islands, in order that the cable may remain permanently under British control." New South Wales Parl. Paps., 1894, 175-a. p.29.

41. Ripon to Aberdeen, 4 September 1894. Telecom Archives, Sydney.

42. Privy Council, Canada. 481 J., 10 September 1894, ibid.

Upon arrival in Honolulu, on 6 October, Fleming and Mercer immediately reported to the British Consul. The following day, the three then met with the foreign minister and the acting president, Francis Hatch. The delegation made it clear that their mission was not intended to intrude on Hawaiian sovereignty or jurisdiction over any island which may be selected. Rather, "what was wanted was the private, as distinguished from the political ownership of the island."⁴³ Hatch sympathised with the proposal, and strongly supported the overall plan of creating cable links between Canada and Australia. However, the Treaty of Reciprocity between the United States and Hawaii precluded any agreement. In particular, Article IV of the Treaty stated that the King of Hawaii was bound "so long as this Treaty shall remain in force, he will not lease or otherwise dispose of, or create any lien upon any port, harbour, or other territory in his Dominion, or grant any special privileges or rights of use therein, to any other power, State, or government."⁴⁴ Before any lease could be arranged, consent was needed from the United States government. Hatch then placed the matter before the United States authorities; to no effect.

The inability of the delegation to secure a landing station in the Hawaiian islands seriously affected the significance of the report on tenders. With no neutral ground available in the Hawaiian group, only the first of the original eight prospective routes remained open for an 'all-British' cable. In a Memorandum dealing with the tenders, P.B. Walker, the secretary of the New South Wales

43. Fleming to Aberdeen, 25 October 1894, ibid.

44. Idem.

telegraph service, criticised Fleming's financial estimates, and once again brought into question the feasibility of the Fanning Island route.

According to Walker, the Eastern Extension Company had only transmitted 1,223,241 words in 1893 - and not 1,401,293 words, as claimed by Siemens and Fleming.⁴⁵ The type of cable proposed was "not of sufficiently large a core" to obtain a satisfactory working speed over the distance between Vancouver and Fanning Islands.⁴⁶ He also argued that the existing company had such a huge reserve fund that

... they could without even feeling it transmit all their Australasian traffic over their cables from Singapore to Port Darwin via Java for nothing, and by this means their charges would be brought down to a level with those proposed to be adopted for the Pacific cable which would cause such a keen competition that I do not think a Pacific cable under the conditions proposed touching at Fanning Island leaving out Honolulu and Samoa [could] be conducted without very serious loss to the Governments, or a Company undertaking it.(sic)⁴⁷

Besides ignoring two important sources of revenue, Honolulu and Samoa, the Fanning Island route also unnecessarily bifurcated at Norfolk Island to New Zealand. In Walker's opinion, this extension was unjustified, considering that New Zealand was already connected to Australia with two cables. The whole scheme appeared to have foundered again.

II

It was against this negative backdrop that the next important Post and Telegraph Conference convened in Hobart on 2 February

45. Walker, P.B., "Memorandum for the N.S.W. Postmaster-General", 24 January 1895. Telecom Archives, Sydney.

46. Idem.

47. Idem.

1895. Unlike previous conferences, this Hobart meeting had the opportunity to address definite proposals regarding a Pacific cable. In bringing the matter before the conference, A.J. Thynne quoted extensively from the favourable report on tenders. He argued that the Pacific cable problem was "within measurable distance of solution" and all that need be addressed was "the question of getting combined action in Australasia."⁴⁸ Thynne observed that Canada had admirably advanced the position of the project by so rapidly and successfully acting upon the wishes of the Ottawa conference, as set out in the final resolution.

Referring to Fleming's efforts to promote the cable over the years despite severe opposition, Thynne indeed remarked that

Sir John Pender has made several reports and estimates ridiculing the proposals which have been made by Mr. Fleming; but one after the other the objections have been raised and fallen down, and we have come now to the question of the cost of the cable, after all the bogies which have been raised to deter the different governments from carrying out this scheme have melted and disappeared.⁴⁹

With solid evidence of the viability of a Pacific cable at hand, and the past resolutions of support moved at previous conferences, Thynne saw Hobart as the time for affirmative action. He assertively now moved that,

In the opinion of this Conference it is desirable that (a) the construction, working and maintenance of a submarine cable through British territory or under British control from Vancouver Island to Australasia be undertaken by the Governments of Great Britain, the Dominion of Canada, and the Australasian Colonies as a joint national and public work; (b) the cost of its construction, working and

48. Proceedings, Post and Telegraph Conference, (Hobart, 1895), p.41.

49. Ibid, p.42.

maintenance be borne in the following proportions, viz: Great Britain one-third, the Dominion of Canada one-third, and the Australasian Colonies one-third.⁵⁰

Although the motion was seconded by the postmaster-general of New Zealand, Joseph Ward, he curiously could not support it! New Zealand was anxious to have a second means of overseas communications. But, Ward maintained, if the conference was to arrive at such a "far-reaching" conclusion, some practical demonstration of support was required, from Canada and Great Britain.⁵¹ Citing the Wellington meeting as an example, Ward pointed out that New Zealand and the Australian colonies had done much to promote the idea in material terms. Yet neither the Imperial nor the Canadian governments had responded officially, with a firm commitment to a Pacific cable. The Canadian authorities had passed on valuable data dispelling any doubts about the practicability of the scheme. But nowhere was there a confirmation of real support.⁵²

Before moving an amendment to the motion, Joseph Cook, the New South Wales postmaster-general, also expressed his colony's desire for an alternative cable. Yet he, too, suspected Canada's resolve in the matter. Cook argued bluntly:

50. Idem. See also Sydney Morning Herald, 4 February 1895.

51. Proceedings, (Hobart, 1895), op. cit. p.43.

52. Thompson to Ward, 16 May 1894, ibid, p.28. Ward had written to Canada following the Wellington conference asking the ministry's position on the Pacific cable. Thompson replied: "I beg to say that the Government of Canada has not formulated any policy guaranteeing aid to the proposed trans-Pacific cable. The matter will no doubt be fully discussed at the coming Conference to be held here next month, but in the meantime no assurance can be given that the Canadian Government will be in a position to make any appropriation in aid of the project."

I desire to emphasize what Mr. Ward has said in regard to the want of practical sympathy on the part of Great Britain, as I do not think we have been treated as well as we had a right to expect; the same may be said of Canada - she sends us out these bald tenders for our information, and hopes we will continue from our side of the water to agitate to bring matters to a practical conclusion.⁵³

Not yet convinced of the merits of state ownership, Cook asked aloud, why if the proposal was so sound, were none of the contractors willing to carry out the work on commercial grounds? As the conference was not in receipt of the views of the other prospective partners, Cook concluded that it would be unwise to support the "drastic resolutions" raised by Thynne. The better course was, once again, to declare the desirability of the cable, and to urge the interested parties to take the steps necessary to advance the proposition.⁵⁴

Speaking on the motion for Victoria, John Gavan Duffy, their postmaster-general, stressed that although the conference was only a recommendatory body, each delegate was responsible to his ministry. Consequently, he felt the motion should be judged on its commercial value, in a practical and business-like fashion. Duffy noted that the tenders received did not conclusively prove anything more than the fact that a cable could physically be constructed. In light of the enormous financial questions involved, haste was the last thing the colonies needed. Duffy exemplified this point by arguing that,

53. Ibid, p.43. Cook was originally elected to the legislative assembly as a member of the labour party and became the parliamentary leader in 1893. However, he refused to sign a 'solidarity pledge' in 1894 and accepted an invitation from the free trade premier George Reid to become postmaster-general. He held the post until August 1898 when he moved to agriculture. Australian Dictionary of Biography. Vol.8, p.96.

54. Idem.

The various tendering companies have all treated the matter in a very chary manner, and I was greatly struck by the action of Mr. Siemens in the matter. He came forward and gave some very straightforward and no doubt valuable evidence as to the practicability of laying this cable; but when it came to a question of cold business tendering, that gentleman puts in a higher tender than any other, which shows that he knew that the theory was one thing, and taking a business risk was another thing. From the conduct of these tendering companies, and the evidence produced, I am inclined to think that as a commercial transaction this Pacific cable would not pay.⁵⁵

The financial aspect of the question was paramount to the Victorian government. The colony was forced to practise rigid economy as a result of the severe depression in Australia, and a further liability for cable communications was undesirable.

The Victorian ministry had indeed given notice before the conference met that they were about to withdraw from the guarantee agreement with the Eastern Extension Company. This realisation had a fatally destabilising effect upon the proceedings. As the largest contributor to the guarantee, Victoria's withdrawal would place a further burden on the treasuries of the other contributing colonies. Anticipating an increase in the existing cable agreement, the remaining colonies were reticent about promising financial assistance to the Pacific cable. Thynne was able to act independently, and promise resources that his counterparts could not, because Queensland was not bound to support the Eastern Extension Company.

These unsatisfactory developments highlighted the primary aim of the Australian colonists in regard to submarine telegraphs. The colonies could simply not afford to support sentimental ideals which

55. Ibid, p.45.

"dealt with the Imperial character of the cable project."⁵⁶ The Sydney Morning Herald rightly noted that the "halo of ideality" surrounding the plan, since 1887, had been tarnished by the economic conditions in Australia:

In the first inception of this project it is undoubted that the Imperial aspect of it was made to play an important part. To Canada the sentiment was a dominating influence, and, though it never assumed the same dimensions to the Australian view, it exercised a considerable influence ... What the colonies really want is an alternative cable service on commercial principles; and if these require that Hawaii is to be included in the route, it will require substantial considerations in the form of material assistance to induce the colonies to make sacrifice to sentiment.⁵⁷

Whether the line was proposed or completed, owned publicly or privately, through British or foreign territory - as long as the subject was alive the Australian colonies were in a favourable position to ask the Eastern Extension Company for concessions. If the prospect of competition could induce the monopoly to weaken its grip, as it had in 1891, then there was no need to incur the further expense of actually constructing a Pacific cable.⁵⁸

Even the mammoth efforts of Fleming to this point could not convince the Australian colonies of Canada's commitment to what he deemed as a necessity to the development of the Empire. Clearly, he had misread the motives of the colonies in the matter. To Fleming, the cable had become a full-time occupation. However, the

56. Sydney Morning Herald, 5 February 1895.

57. Idem.

58. Sydney Morning Herald, 4 February 1895. The Eastern Extension Company agreed to lower the base level of earnings before a guarantee was required from £237,000 to £227,000 for Australian traffic and provided that the maximum total guarantee payable would never exceed £10,000.

scheme was not as high a priority with the colonies, or with the Canadian government. Still, Fleming had allies. Following the stalemate at the Hobart conference, Bowell flatly wired to Sydney: "Inform Colonial Government, circumstances have arisen, absolutely necessary, immediate action, submarine cable. Joint commission, suggested last mail, strongly recommended."⁵⁹

In an effort to comply with Bowell's cryptic request, the New South Wales premier, G.H. Reid, cabled his opposite numbers in the other colonies. All the replies were luke-warm, Queensland excepted. The premiers of Tasmania, Western and South Australia could not see their way to join in the proposal. The premier of South Australia was the most adamant. He argued as follows -

... it strikes me, however, that to comply would be a mistake, resulting, probably, in ill-considered action. Vague suggestion of emergency in matter of this description is rather thin, and delegation of powers by any Government to members of a commission altogether undesirable and unnecessary, particularly as matter lately fully considered, and any new features can be disposed of by Colonial Governments themselves on telegraphic advice.⁶⁰

New Zealand agreed to the idea of a commission, but chose to be represented separately, while Victoria preferred to leave the question open. Only Queensland fully embraced the proposal of a joint commission. In a telegram of 27 February 1895, the Queensland premier, Hugh Nelson, concluded that the Pacific cable should be constructed on the "principle of State ownership, and that Australasian Colonies, or such of them as sympathise with the project, should join in appointment of the Commission proposed by

59. Bowell to Reid, 12 February 1895, Telecom Archives, Sydney.

60. Kingston to Reid, 14 February 1895, ibid.

Growing decidedly apprehensive that the Pacific cable plan was continuing to drift, Fleming now wrote from Ottawa to Larke, strongly urging him to push the Australian authorities for an expression of support. Fleming was convinced that the Imperial government "would take a leading part in the project", if only the colonies demonstrated their commitment to the plan.⁶²

Moreover, I cannot conceal a feeling existing here that the Australasians have apparently assumed an attitude of indifference to the project of a Pacific cable or they would be the foremost in its advocacy. I cannot but think that the feeling is without real foundation as no one knows better than Australians that if there be no Pacific cable when the subsidy to the Eastern Extension Company expires that Company will be in a position to make fresh demands on the colonies.⁶³

Fleming's intention was to spur the Australian colonies and New Zealand to continue 'agitating' for the construction of the Pacific cable. However, when Larke submitted the correspondence to Joseph Cook, for the perusal of the New South Wales government, it sparked a backlash of resentment and criticism. Enclosed with the correspondence, Larke attached his own estimates of the anticipated

61. Nelson to Reid, 27 February 1895, ibid. First elected to the legislative assembly in 1883 Nelson became secretary of railways under McIlwraith in 1888. When Griffith resigned as premier in March 1893, Nelson formed a coalition with McIlwraith, taking on the posts of treasurer and vice-president of the executive council. After McIlwraith departed in October, following Bowell's visit, Nelson formed a ministry which lasted 4 1/2 years. Throughout that period he supported any moves to institute an alternative means of communications. Australian Dictionary of Biography. Vol.2, p.185.

62. Fleming to Larke, 7 March 1895, Larke Papers, MS 598, National Library of Australia.

63. Idem.

revenue and expenditure of the Pacific cable. His figures were in conflict with those of Fleming from 1 December, 1894. Consequently, and most unfortunately, he had added to the uncertainty of the scheme, rather than the reverse.

The response to this latest effort by Fleming was swift. Firstly, from the Sydney post office, P.B. Walker attacked the estimates of both Fleming and Larke. Once again he considered that Fleming's proposal of operating the cable as a public work was ill-conceived and unadvisable. Reviewing the financial question, Walker maintained that both the Canadians were too sanguine in predicting revenue. He conceded that 1893 was "an exceptionally good year" for telegraphic traffic, but cautioned against basing future revenue on a good year.⁶⁴ He also felt that the proposed cost of construction and the rate of interest on capital were too low. Therefore, he argued, the annual expenditure would reach £141,000, instead of the £75,000 as stated by Fleming.⁶⁵ Walker calculated that the cable would have a net deficit of £18,000 - after ten years of operation - while Fleming had predicted a surplus of £742,000 and Larke £354,000.⁶⁶

This divergence of opinion was not, of course, lost on Cook when he placed the matter before Reid. The postmaster-general took umbrage at Fleming's claim of a want of earnestness on the part of the 'Australasian' colonies. In a letter to the premier, Cook countered forcefully that

64. Walker, P.B. "Report to the Postmaster-General", 27 March 1895. Telecom Archives, Sydney.

65. Idem.

66. Walker, P.B. "Estimates of Traffic on Proposed Pacific Cable", 29 March 1895, ibid.

Our delegates to the Ottawa Conference, whom we despatched at great expense to open the deliberation on the project have only recently returned and submitted their respective reports. Since then, every new development of the matter has been carefully noted, and no delay has occurred beyond the caution necessary in dealing with a proposal affecting the whole Empire.⁶⁷

Of the many points that remained to be resolved, two struck Cook as paramount. Firstly, the commercial aspect; and, secondly, the Imperial dimension. In view of the contradictory nature of the two Canadian estimates, and that of the New South Wales expert, the first point could "hardly be said to be reasonably established."⁶⁸ As to the Imperial connection, it seemed to Cook that nothing definite could be done until the position of the Imperial government was known. Cook advised that the next course of action should be to request the agent-general to ascertain the opinion of Great Britain on the subject.

Before Cook's recommendation could be acted upon New South Wales duly responded (16 April) to Bowell's urgent plea for immediate pursuit of a joint commission. Reid did not wish to appear unfriendly to the proposals. However, as he pointed out,

... the Government of New South Wales, on a full review of the whole of the circumstances, see no prospect of united action on the lines suggested ... and further we are of opinion that it is not advisable.⁶⁹

Shortly after the transmission of the New South Wales position on the Pacific cable to Canada, the deputy postmaster-general, S.H. Lambton, also added his voice to the dissent. Lambton amplified the

67. Cook to Reid, 11 April 1895. Larke Papers, MS 598, National Library of Australia.

68. Idem.

69. Reid to Bowell, 16 April 1895, Telecom Archives, Sydney.

difficulty inherent in calculating receipts and expenditures, by predicting an even lower income than Walker.⁷⁰ He argued that the Pacific cable would not transmit any messages from South or Western Australia, and considerably less than half of the messages which would originate in the other colonies. Like Walker, Lambton was strongly of the opinion that the cable should be undertaken by a private company operating on a government guarantee or subsidy. However, in light of his unfavourable calculations on the future receipts of the project, he concluded that the subsidy or guarantee required by any contractor "could hardly be less than 125,000 a year."⁷¹

This evolving and contentious Pacific cable discussion of 1895 was not muted by the opinions of the Sydney general post office. The Sydney Chamber of Commerce held a "largely attended meeting" in May of that year to reaffirm its support of an 'all-British' alternative to the Eastern Extension Company.⁷² The Chamber emphasised the commercial importance of the scheme. It observed that the existing Company, in co-ordination with South Australia, had supplied the business community with the luxury of telegraphy. However, what was once a luxury, was now a necessity to commercial life. As such, the interests of commerce dictated that overseas communication be placed on the most secure footing possible. The proposed Pacific cable, being many miles from the present cables and traversing only British territory, would go far toward securing

70. Lambton, S.H. "Memorandum for the General Post Office", ibid.

71. Idem.

72. Daily Telegraph, Sydney, 10 May 1895.

communications from interruption.⁷³

Larke was then in Sydney, of course, and he could therefore support the motion. He outlined the plans evolved, in Canada by Fleming, to construct and operate the cable under state control, and he ardently stressed the significance of the cable to the British Empire. The Daily Telegraph well captured Larke's timely comments:

In Canada they believe that their security, as well as their interests, lay in their connection with the Empire. They, therefore, believed in promoting the Empire; and one of their methods of doing so was in promoting its trade. They believed that a cable was the herald of trade between the two countries, and that no greater bond could possibly exist than closer relations in matters of trade.⁷⁴

The principle of public ownership, and the appeal to Imperial sentiment, struck a responsive chord with the Sydney businessmen. The Chamber resolved that the Canadian proposal was "one worthy of close consideration", and urged the New South Wales government to communicate with other interested governments "with the object of having an early and searching investigation into its practicability".⁷⁵ The meeting further resolved that a deputation from the Chamber should meet with the government, at the earliest opportunity, to promote the institution of the project.

While Larke was lobbying the New South Wales ministry, Fleming was at work in Canada. Upon learning of Joseph Ward's visit to London, Fleming urged Bowell to wire Sir Charles Tupper, the Canadian High Commissioner, in the following terms: "Suggest

73. Sydney Chamber of Commerce to Reid, 15 May 1895, Telecom Archives, Sydney.

74. Daily Telegraph, op cit.

75. Sydney Chamber, op cit.

propriety of Ward and yourself seeing Colonial Minister, and representing importance of Government initiating joint Commission respecting cable."⁷⁶ Fleming felt that as Ward had so recently departed from the Hobart conference, he could speak for the whole of the southern colonies, and that Tupper could speak for Canada. This now took place, and on 22 April Tupper and Ward called at the colonial office to discuss the proposals. From these discussions, Tupper concluded that the Imperial authorities were not inclined to move on the appointment of a commission until they were informed of a formal colonial opinion.⁷⁷

Thus: the paradox of the Pacific cable at 1895. On the one side, the Australians were anxious for a more tangible commitment from Ottawa and London. On the other hand, the Imperial government was unwilling to commit itself until the matter was placed before them in a positive and unified fashion. But, as Fleming pointed out, "until the terms be settled on equitable principles by some joint authority there will always be more or less hesitation on the part of the several Governments in deciding what financial or other assistance they should offer."⁷⁸

The impetus for bringing the matter of a commission to a head, in Australia, came from the Victorian premier, George Turner. Having reviewed the crucial correspondence of Fleming and sent from Larke in Sydney, Turner cabled to the premiers of New South Wales,

76. Fleming to Seddon, 9 May 1895, New Zealand Parl. Paps., 1895, F-8, P.40.

77. Idem.

78. Idem.

New Zealand and Queensland in plain terms, trying to move along events.

Have received letter from Mr. Larke, Canadian Commercial Agent, asking that Agent-General be instructed to co-operate with representatives of Canada and other colonies in impressing upon Imperial Government the importance of the cable, and in securing information relating to its construction ... I am disposed to instruct our Agent-General to co-operate as proposed, and to join in Commission, and hope to receive a reply that you will similarly instruct your Agent-General, as united action is desirable.⁷⁹

With Victoria pledged to assist in pressing the Imperial government to appoint a commission, the number of colonies which supported the proposal was now raised to three, New Zealand and Queensland having agreed to join earlier. It was 'progress', even if slow, agonising progress.

New South Wales was at last edged closer to co-operating with the other colonies (13 June) after the deputation from the Sydney Chamber of Commerce, including Larke, waited on the premier.⁸⁰ The deputation urged Reid to carry into effect the resolution of the Hobart conference, and submitted Larke's figures to support their claims. Reid, as premier, pointed out that the estimates submitted were at variance with those produced by the Sydney post office. Regardless of this fact, he agreed that the cable was desirable, and he promised to place the matter before his government.⁸¹ It is important to note that the pressure of the commercial community, coupled with the position of Victoria, tended to negate the

79. Turner to Seddon, 22 May 1895, ibid, p.39.

80. "Precis ... Proposed Pacific Cable," G.P.O., Sydney, 1 December 1895. Telecom Archives, Sydney.

81. Idem.

influence of Walker and Lambton upon the views of the New South Wales ministry. Consequently, (on 1 July) Reid cabled the agent-general, Sir Saul Samuel, requesting that he join the other agents-general and the High Commissioner of Canada in recommending the scheme to the Imperial authorities.⁸² It seemed that the Pacific cable might arise out of all the complex and confusing intra-colonial negotiations after all.

The initiative had in fact passed to the colonial leaders. For example, on 24 August, a meeting in Sydney of the postmasters-general from New South Wales, Victoria, and Queensland was now held to mold a unified Australian stand on the Pacific cable. At that meeting the postmasters-general resolved that:

... the Agent-General of the Colonies of New South Wales, Victoria, New Zealand, and Queensland be instructed to co-operate with Canada in pressing upon the Imperial Government the necessity of the construction of the Pacific cable, and the appointment of a joint Commission to consider and report upon the scheme and the best mode of carrying it into effect.⁸³

New Zealand's postmaster-general did not attend the impromptu conference, but he did wire the concurrence of his government on 17 September.⁸⁴ By so doing the "four important Australasian colonies" were able to make representations to the Imperial government from a position of solidarity, something new in the long story.⁸⁵

82. Samuel to Reid, 6 September 1895, ibid.

83. Under Secretary of Telegraphs, Qld., to Lambton, 19 September 1895, ibid.

84. Ward to Thynne, 17 September 1895, ibid.

85. Thynne to Ward, 12 September 1895, ibid.

However, this political resolution did little to convince the permanent heads of the New South Wales postmaster-general's department that a Pacific cable was either required or possible. Inseparably allied to the cause of the existing monopoly, the 'experts' wished to protect the interests of the Eastern Extension Company, regardless of the growing political will to do otherwise. Lambton continued to urge caution. Again, he submitted financial estimates which predicted a net deficit of £364,400 after four years of operation.⁸⁶ He conceded that any estimate must be speculative, "if not imaginary", and argued that it was highly improbable that Fleming's projected increases would be realised. In 1890, when the tariff was lowered, - from 9s. 4d. to 4s. - the number of words carried over the Eastern Extension cable increased 49.87 %; the next year, the traffic increase was only 2 %.⁸⁷ Consequently, to predict an annual increase of 14 per cent, in the manner of Fleming - when the number of Australians that used the technology was comparatively small - was, in Lambton's view, an exaggerated calculation.

To corroborate his contentions, Lambton solicited the opinions of Sir Charles Todd, the postmaster-general of South Australia and father of the overland telegraph. Not surprisingly, Todd, the long-time enemy of the Pacific cable, was eager to assist Lambton in persuading the New South Wales government to withhold support for a rival cable. He argued that as the project involved a considerable

86. Lambton, S.H. Memorandum, 27 August 1895, ibid.

87. Idem.

capital outlay, it "should be treated in a business manner without regard to sentiment."⁸⁸ Todd's argument centered on the unreliable nature of Fleming's estimates. However, he introduced his opinions by stating that the existing lines of communication were, by all accounts, satisfactory, and capable of carrying many times more traffic. Moreover, should the Pacific cable be realised and,

if it comes, as it undoubtably must, to a war of tariffs, the Eastern Extension Company, with cables connecting so many countries of commercial importance and supported by such rich and powerful allies as the Eastern and other Companies, will be able to compete with their rival with the greatest of ease and success.⁸⁹

Todd attested that it was this consideration that undoubtably convinced those companies which submitted tenders to decline from operating the cable after construction. Under such circumstances, the interested colonies would be ill-advised to undertake the operation of a cable with no chance of meeting expenses.

Cook passed Lambton's report on to Larke for comment. The latter argued that, although the estimates varied on the surface, the figures could be reconciled. Firstly, Lambton calculated interest on capital at 3% per annum, while Fleming had assumed 2 1/2% per annum. Considering the security of the capital would be guaranteed by the several governments, Larke did not expect any trouble in finding capital at the lower rate.⁹⁰ Lambton had also unnecessarily allowed for £16,000 expenses on floatation and a

88. Todd to Lambton, 13 September 1895, ibid.

89. Idem.

90. Larke to Cook, 11 September 1895, ibid.

further £80,000 for amortisation. The expenses on floatation were included in the expenditure on capital in Fleming's estimate, while a renewal fund had not been considered advisable when the cable was still finding its feet. Moreover, the estimates of what sum should be put aside for amortisation differed so widely that the Canadians deemed it best to leave it aside.⁹¹ All other expenses - working expenses £30,000, unforeseen expenses £5,000 - were common in all the estimates.

Referring to the projected traffic of the Pacific cable, Larke agreed with Lambton that the venture would not receive business from South or Western Australia. By the same token, he maintained that the new line would get at least fifty per cent of the traffic from Victoria and New South Wales, and probably all of the business from New Zealand and Queensland. Moreover, the calculations of the project's opponents did not allow for a decided increase in the amount of traffic between North America and Australia resulting from the new connection. Todd stated that the traffic between the two continents in 1894 amounted to only five per cent of the total.⁹² But, a significant motive in promoting the cable at all, was to accommodate the large increase in commerce expected to result from the steamship line, and any preferential trade agreements which would follow the initial talks on that subject in Ottawa.⁹³

91. Idem. Sir John Pender considered £100,000 per annum was advisable for a renewal fund; Sir Charles Todd, £60,000 per annum; Alexander Siemens, 2% of the capital of £32,000; P.B. Walker calculated that the sum should be equivalent to laying a new cable in 20 years.

92. Todd to Lambton, op. cit.

93. Larke argued that even without a significant increase in traffic from America the cable would pay with only a 5% annual increase.

With the New South Wales government having given its tacit support to the Pacific cable, Lambton from within tried another approach to curb the ministry's growing enthusiasm. He argued that the government could secure lower rates, without incurring the risk of financing an alternative route, by increasing the annual subsidy to the Eastern Extension Company. Lambton suggested that the colonies raise the subsidy from £32,400 to £50,000 per annum provided the Company lower the tariff to 4s. per word to London and waive the guarantee.⁹⁴ The subsidy would be apportioned on the basis of population and in this way, from a business standpoint, meet with the approval of all the colonies. He stated further that,

... seeing that it is contemplated to spend over £1,500,000 in putting down a single line: whilst we have already got two by another route: and to put another one down between Australia and New Zealand where there are already two: it occurred to me as only a matter of duty to put a proposition to the Postmaster-General which, while affording a reasonable reduction in the tariff, would, if agreed to, obviate a large expenditure of money, and a great risk in the event of the service being a non-paying one.⁹⁵

Lambton admitted to leaving out the strategic element in the debate. But, the force of the financial question seemed, to him, to over-ride the sentiment of an 'all-British' line. Here he might have been able to convince the Reid administration of its folly had it not been for the activities of Audley Coote at that time.

By July 1895, Coote was in Honolulu, negotiating the preliminaries of a contract to lay a cable from San Francisco to the

94. Lambton, S.H. "Submarine Cable Service" 19 September 1895, Telecom Archives, Sydney.

95. Idem.

Hawaiian islands.⁹⁶ By September, it was learned, an American company had been formed to lay the cable, and was to be granted a subsidy from the Hawaiian Republic of \$40,000 for twenty years, as well as exclusive landing privileges in the Hawaiian chain.⁹⁷ Coote was the main promoter of the scheme; it was accordingly concluded that a cable would also be laid between Honolulu and New Caledonia. This series of events would lead to the main southern Pacific cable being controlled by France; and by the United States in the north.⁹⁸ The financial prospects of an 'all-British' cable, nebulous from the start, would surely be seriously impaired should it face competition in the Pacific as well as from the Eastern Extension Company.

IV

With the election of the Salisbury unionist ministry in the northern summer of 1895, and the subsequent appointment of Joseph Chamberlain as secretary of state for the colonies, hopes ran high that some action would finally be forthcoming from the Imperial government. But, little progress was made on the proposed joint commission. Returning to the government benches after three years across the floor, Salisbury was not eager to embark on an imperialist campaign until his new ministers were well entrenched in their posts. The inertia in London would not be transformed until some definitive proposals were forthcoming from the interested

96. Fleming to Bowell, 11 October 1895, New Zealand, Parl. Paps., 1896, F-8. p.3.

97. Idem.

98. Samuel to Reid, 22 November 1895, Telecom Archives, Sydney.

colonies. This latest government had more than enough to do without taking the lead in a project that had yet to receive unanimous support in the colonies.

The impact of a foreign cable on the strategic significance of the Pacific cable was dramatic in the extreme. Indeed it led to sudden colonial co-operation and subsequent Imperial support. In September 1895, the various agents-general and the High Commissioner for Canada had requested an interview with Chamberlain. But due to the opening of parliament and the "consequent pressure of business", the colonial office requested that the meeting be put off until a more "convenient season."⁹⁹ However, local events intervened when the report of Coote's manouevers in Hawaii reached London. This prompted the Imperial government to move quickly indeed. In a letter to the colonial representatives in London, the colonial office reported that,

It seems therefore to Mr. Chamberlain to be highly desirable that no further time be lost in considering the subject, and that some open step should be taken which will disabuse foreign promoters of the idea that no competition is to be feared from a British line as recommended last year by the Ottawa Conference.¹⁰⁰

Concern over the implications of being bested in the Pacific led to the Imperial government agreeing to take steps to advance the common interests of the Empire. The "new Imperialism" was in action!

Chamberlain termed the meeting of representatives from all the 'Australasian' colonies - except South and Western Australia - and

99. Colonial Office to Agent-General, 11 November 1895, ibid.

100. Idem.

Canada, as a "meeting of the council of Empire."¹⁰¹ By consenting to appoint a commission, Chamberlain removed much of the frustration experienced during the inter-conference years. This fresh start for the Pacific cable debate was one of Chamberlain's first initiatives toward the implementation of a "new Imperialism."¹⁰² He did not only commit his energy to the project; Chamberlain contended that the proposal had a fair chance of being profitable, and the prospect that the cable would weigh heavily on the contributing governments, was remote.¹⁰³ The "terms of reference" as now outlined by the colonial office, called upon the Australian colonies and New Zealand to nominate two delegates, Canada to nominate two, and the Imperial government two. The royal commission would then be appointed in the name of the Queen, to look into all aspects of the question, and to submit its findings to the Imperial authorities.¹⁰⁴

With the transmission of these terms of reference the idea of a joint commission was at last achieved. It was now a full eleven months since Fleming had first broached the subject. Yet it would

101. The Times, (London), 20 November 1895.

102. Koerper, Philip. "The Pacific Cable; a Link in the Telegraphic Communications of the British Empire". Ph.D. thesis, University of Georgia, 1971. Koerper gives great emphasis to Chamberlain's policies and their effect on the Pacific cable. As with most great men, the circumstances which existed dictated the policy rather than the reverse. For an account of Chamberlain's tenure in the colonial office, see Robert V. Kubicek, The Administration of Imperialism: Joseph Chamberlain at the Colonial Office. Duke University Press, Durham, N.C., 1969.

103. Samuel to Reid, op. cit.

104. Colonial Office to Agent-General, 30 November 1895, New Zealand Parl. Paps., 1896, F-8, p.9.

be another twelve months before the commission would sit to hear evidence. Why was this? Ultimately, the answer lay in the difficulty of bringing together so many different groups scattered in all corners of the world. The lack of local co-operation in the antipodes was certainly part of the delay. However, although the electric telegraph had annihilated time and distance, the cost to the interested governments of communicating fully must carry some of the blame. Fleming had recognised this problem, and even speculated on the consequences.

Owing to the great distance between Australasia and Canada, together with the infrequency of the mail service, there has been much delay in communicating information. Meanwhile, the opponents of the contemplated telegraph between Canada and Australasia have been ceaseless in their vigilance and untiring in their efforts to defeat the project. Having the Eastern Extension telegraph at their command, they possess the means of communicating hourly, free of cost, between opposite sides of the globe - an incalculable advantage, which it may be inferred they have not failed to use in order to obstruct in every possible way the intercolonial project, and advance their own ends.¹⁰⁵

This situation grew even more significant as the cable debate progressed. The business of bringing the strands of the Empire together was an arduous task, as this narrative has repeatedly shown. With their financial interests at stake, the Eastern Extension Company was hardly likely to assist the colonies in bringing about Imperial unity.

V

The story now moved forward at its own inimitable pace. With the appointment of the commission confirmed, the colonies began the work of nominating delegates. Also to be considered were the

105. Fleming to Bowell, 11 October 1895, ibid, p.3.

'instructions' the delegates would be given, and how far they would be able to commit the colonies they represented. After unsuccessful attempts to conclude the matter by telegraph, it was decided to convene a local conference in Sydney, on 17 January 1896.¹⁰⁶

From the beginning, the Sydney conference took on an informal air. Thynne, Duffy and Cook had already rehearsed their 'lines' the previous August, and they were anxious to deal with the business at hand swiftly. The South Australian delegate, J.A. Cockburn - also representing Western Australia and Tasmania - and W.P. Reeves of New Zealand, were not so eager. Reeves had been appointed to replace Ward and, although he had been briefed on the subject, he was not willing to take any initiatives in matters which had not been confirmed before his arrival in Sydney by his government.¹⁰⁷ For his part, Cockburn did not attend to frustrate the proceedings. But he did wish to protect the interests of his colony, which sometimes seemed to amount to the same thing.¹⁰⁸

Cook opened this significant local gathering, and stated that the representatives should consider five primary questions. Firstly, the matter of government or private ownership; secondly,

106. Cook to Ward, 9 January 1895, ibid, p.9.

107. Reeves was noted more as an intellectual and writer than a politician. He was appointed agent-general after the Sydney conference and actively promoted the Pacific cable in that capacity until its completion. Dictionary of New Zealand Biography, Vol.2. p.214.

108. A former premier of South Australia, Cockburn was an ardent federalist. As South Australian representative to the 1890 conference and the conventions of 1891 and 1897-98, he advocated decentralism and states' rights. Appointed agent-general in 1898, Cockburn was considered a radical visionary and a "political mystic" by his peers. Australian Dictionary of Biography. Vol.8, p.43.

the division of cost among the interested governments; thirdly, the route to be followed; fourthly, the special position of South and Western Australia; and finally, the nomination of commissioners.¹⁰⁹ Hopes of an early united front were stalled when Cockburn was quick to point out that the conference might be binding the delegates too closely if they sent them off to London saddled with preconceived ideas. Thynne dismissed this notion, and argued somewhat impatiently that,

... we should endeavour to do away with all points of local conflicting interest, so that our representatives on the Commission will be able to state that such and such is what Australasia desires. Let Australasia speak with one voice in the matter ... I think considerable weight would be attached by the Commission to our opinion on those points on which we are in unity.¹¹⁰

The federal spirit, he argued with some feeling, must be evidenced at the conference, or the 'Australasian' commissioners would be dismissed, as not representing the whole of colonial opinion. The three representatives from Victoria, New South Wales and Queensland were as one on this point, and were determined to push ahead.

The first two resolutions were passed without discussion. The conference was unanimous that "the Pacific cable should be constructed and owned by the various Governments", and that "the landing places of such a cable should be only upon territory belonging to or under the control of the British Empire."¹¹¹ The scheme of apportioning the cost of the cable however met with

109. Proceedings, Post and Telegraph Conference, (Sydney, 1896), p.6.

110. Idem.

111. Ibid, p. 1.

opposition from South Australia and New Zealand. The proposal that the cost be divided into thirds, between Great Britain, Canada and the interested southern colonies, was simply accepted. Problems arose however when Duffy and Cook moved that the 'Australasian' portion be shared equally, rather than on the basis of population.¹¹² Reeves personally agreed with the plan; but he was without instructions from his government, and he would not independently commit New Zealand. Cockburn argued that South Australia could not reasonably be expected to contribute equally to a project that was designed to compete with the overland telegraph.

This last objection led to discussion of the difficult issue of how best to compensate South Australia for any loss of revenue resulting from the Pacific cable. Cockburn pointed out that, at the Wellington conference, it had been assumed South Australia would not be expected to contribute to the cost of the Pacific cable; and, instead, should rather be given special consideration.¹¹³ Thynne then contributed by suggesting that any compensation be made conditional on South Australia joining equally with the other colonies. This proposition was particularly interesting, as South Australia had always maintained an attitude of disapproval toward the Pacific cable. At every gathering since 1887, where the subject was put to a vote, South Australia had abstained. In Sydney, where the delegates were eager to prove that the federal

112. Ibid, p. 7.

113. Cook doubted that such a thing had been said, "... if in committee, it was not reported. But you will find that the statement that South Australia could not be expected to contribute was reported." ibid, p. 9.

spirit prevailed, South Australia was suddenly asked to contribute equally with the larger and more interested sister colonies.

The local conflict was now magnified when Reeves informed fellow delegates that he had received a cable from Ward indicating that it would be "very disadvantageous" for New Zealand to accept equal responsibility with the other colonies.¹¹⁴ The New Zealand stand strengthened Cockburn's position, and he urged the other delegates not to depart from the principle of responsibility on the basis of population. An exasperated Cook informed the conference paternalistically that,

Both Victoria and New South Wales came into this project, not because there was any intense feeling throughout the community that we ought to, or to gain any pressing commercial advantages. In that respect we are different from both Queensland and New Zealand. We came in without stipulation or reservation of any kind, and I do not see that the Colonies more directly interested should raise all these objections, trying to saddle the two older Colonies who are coming in purely on federal lines, for international purposes, with equal responsibilities.¹¹⁵

Duffy suddenly added the unwelcome information that Victoria did not "care two-straws whether the cable is constructed or not."¹¹⁶ Victoria had "a very fair cable service", and had only agreed to assist the project because of "patriotic sentiment and a federal idea."¹¹⁷ In an effort to break the impasse, Thynne supported the position of New South Wales and Victoria, and suggested that the other two delegates refrain from voting. Would the move to compromise succeed? At last, it did.

114. Ibid, p.14.

115. Idem.

116. Idem.

117. Idem.

The final outstanding matter of business was to nominate the commissioners. The opinions of New South Wales and Victoria also dominated this phase of the conference. Thynne moved that Lord Jersey and Edwyn Dawes be nominated to represent the colonies - on the grounds Lord Jersey was familiar with the colonies and the Pacific cable, while Dawes had experience in "large undertakings", through his position as chairman of the Suez Canal.¹¹⁸ Cook and Duffy however preferred the appointment of their agents-general, Sir Saul Samuel and Duncan Gillies. They argued that by designating outsiders, such as Jersey and Dawes, the colonies would be impaired in their dealings with the commissioners. Cook even suggested that

Imperial considerations may conflict with Colonial, and as the policies in England differ very materially on some points, it would be an advantage to have people directly under our own control to whom we can talk freely.¹¹⁹

As the interests of 'East' and 'West' clearly differed in Australia, Cockburn requested that one of the nominees be from South or Western Australia. To reconcile this proposition, a proviso was added, by New South Wales and Victoria, that simply suggested the commissioners should consult the other agents-general on all matters of importance.

VI

By mid-February, following the authorisation of the various colonial governments, Reid had cabled Samuel in London to inform him of his appointment, along with Gillies, as the colonial

118. Ibid, p.17.

119. Idem.

representatives to the royal Pacific cable commission.¹²⁰ A copy of the tortured Sydney proceedings was dispatched, outlining the views of the various colonies. The Sydney conference had eventually aided the work of the commission, by settling many of the important local questions beforehand. Armed with draft instructions, Gillies and Samuel would not constantly need to cable Australia to clarify every detail of the commission's work. The result was that the Australian delegates were potentially placed on an equal footing with those from Canada and Great Britain. The Imperial government could no longer point to a want of unity and cohesion in the antipodes. Instead, the colonies had taken the initiative boldly to express their singular stand on the key issues of route and financial responsibility.

The Canadian nominees to the commission were to be Mackenzie Bowell and Lord Strathcona, with Fleming also attending as expert adviser. Bowell had been replaced by Tupper, as premier, in an attempt by the conservative government to boost its failing popular support.¹²¹ With Tupper in Ottawa, the renowned Canadian capitalist, Lord Strathcona, was appointed High Commissioner. Both representatives were actually knowledgeable in matters of the Pacific cable - Bowell by virtue of his mission to Australia in 1893 and his subsequent years as premier; while Strathcona had been among the financiers involved with the defunct Pacific Telegraph Company,

120. Reid to Samuel, 17 February 1896, Telecom Archives, Sydney.

121. For an account of the upheaval in the Canadian conservative party see, Clark, Lovell, C. "Macdonald's Conservative Successors, 1891-1896", in Character and Circumstances: Essays in Honour of Donald G. Creighton. John S. Moir (ed) Toronto, 1970.

and, as president of the Canadian Pacific Railway, he was materially interested in the promotion of the project.¹²²

As the Imperial and Australian delegates were resident in London, it was assumed that they would be available for meetings at short notice. Accordingly, on 14 May, the Canadian contingent departed Ottawa and they reached London on 23 May, at "more or less inconvenience".¹²³ By 5 June the committee had met; and Lord Selborne, the under secretary of state for the colonies, was chosen to be chairman and W.H. Mercer as secretary.¹²⁴ Immediately after the preliminaries were concluded, the committee was suddenly informed by Gillies and Samuel that they were scheduled to attend an International Telegraph Conference in Budapest. Consequently, the Australians asked that the committee be deferred until their return - in five weeks.¹²⁵

This extraordinary action placed the committee in a most awkward position. The firm tone adopted by the Australian spokesmen even placed an air of hostility about the proceedings. Fleming wrote to Thynne in Queensland,

122. For Strathcona's motives to propagate the Pacific cable, see G.N. Savory "Colonial Business Initiatives and the Pacific Cable: A Study in the Role of Private Enterprise in the Development of Imperial Communication". MA Thesis, University of Washington, 1972.

123. Fleming to Thynne, 16 July 1896, Larke Papers, op. cit.

124. Joining Selborne on the committee was the principle clerk of the treasury, George Herbert Murray. The conference was referred to as a commission in all previous correspondence. Upon sitting, it was constituted as a committee, and not a Royal Commission. See Parl. Paps., 1899, Vol. LIX, Cd. 9247, p.4.

125. Samuel to Reid, 29 May 1896, Telecom Archives, Sydney.

The Canadian representatives remonstrated in the strongest possible manner, to no purpose. They had come from Canada for the sole purpose of attending the Conference and at the opening of the first meeting, they were told by two resident members that no business could be entered upon for a period of 4, 5 or possibly 6 weeks. The latter further insisted that no evidence should be taken and nothing done whatever during their absence, and that if anything was attempted to be done during their absence, they would claim the right to have it gone over again on their return.¹²⁶

As Budapest was calculated to be only forty hours from London, and the telegraph conference would not meet until 16 June, it was argued by the Canadian delegation that the committee could make substantial progress, and even possibly complete their major tasks, in the interim. This proposition was however defeated; and the committee duly adjourned, without any business having been conducted.

The committee at last reconvened on 8 July, but it was again amazingly "found necessary to adjourn."¹²⁷ The date fixed for the next sitting was now to be 26 October. Did anyone really want the cable? The delays in the proceedings caused the Canadians "considerable regret and vexation."¹²⁸ Indeed, Fleming fiercely intimated that the Canadians would not return to London unless there were some prospect of "reaching some useful result."¹²⁹ Much of

126. Fleming to Thynne, op. cit.

127. Idem.

128. Reeves to Seddon, 10 June 1896. New Zealand Parl. Paps., 1896, op. cit., p.11.

129. Fleming to Thynne, op. cit., Bowell also expressed some dissatisfaction with the series of events stating: "I am not at all pleased with the action of the Australian gentlemen. You know that this enterprise is of more importance to Australia than to Canada, hence the representatives of their colonies should take the most interest in its success." Bowell to Larke, 16 July 1896, Larke Papers, op. cit.

the blame for delay can be attached directly to the Australians. However, the agents-general had wired Ottawa and informed Canada of their prior commitment.¹³⁰ Fleming claimed that the information did not come into hand until the Canadians were in New York, preparing to depart; and it was felt that some resolution of the conflict could be arranged in London.¹³¹ Either way, the controversy did create most unnecessary animosity between the Canadians and Australians at what was surely a crucial point in the negotiations for a Pacific cable.

When the committee did, again, reconvene in November 1896, two events had occurred to affect the outcome of the proceedings. The first was the Canadian election, of July 1896, of Wilfrid Laurier's liberal administration. The conservative party had ruled Canada uninterrupted since 1879, and they had charted the course of the Pacific cable for over a decade. One overt implication of Laurier's accession to power was the replacement of Bowell on the Pacific cable committee by liberal Alfred Jones.¹³² Underlying this change was the fact that the views of the new Canadian administration towards the Pacific cable were unknown. The agenda of the committee did not alter: nor did it change the significance of the evidence taken. However, it did cast a shadow of uncertainty over the future prospects of the project. The Pacific cable constantly appeared to attract every difficulty possible.

The second equally significant event was the sudden death of Sir John Pender. His passing removed the single most powerful

130. Fleming to Thynne, 16 July 1896, ibid.

131. Idem.

132. Parl. Paps., 1899, op. cit., p.4.

opponent to the Pacific cable. Admittedly, the Eastern Extension Company remained intact, and it continued to resent any competition. But, the loss of an individual of Pender's force and influence was an incalculable blow to the power of the monopoly, and it weakened the impact of its evidence on the proceedings of the committee. Pender had almost single handedly established the world telegraph system. This is evidenced by the fact that, at his death, he was the chairman of ten different cable companies, representing a capital of £15,000,000 and a total of 75,000 miles of submarine cable.¹³³ His close association with members of parliament and permanent officials had swayed the cable debate for over a decade. Without him whispering in well placed ears the Pacific cable had an even chance of receiving a fair hearing.

Examination of witnesses began, at last, on 12 November. The committee was instructed to ascertain if the Pacific cable was practical from a technical point of view and, if so, suggest what route the cable should take. If the cable was practicable, then the committee was invited to estimate the cost of laying, maintenance, and annual expenses set against the potential revenue. Finally, the committee was to report on the best means of establishing such a cable; and if as a public work, what method of management should be devised.¹³⁴ A total of twenty-six witnesses appeared before the committee, and answered 3,242 questions. The witnesses included men of commerce, engineers, inventors and government officials. With the exception of representatives from the Eastern Extension Company,

133. The Electrical Review, Vol.39, No.973, 17 July, 1896, p.66.

134. Parl. Paps., 1899, op. cit., p.4.

and some officials from the British post office, all were in favour of the project.¹³⁵

Once it was established that the cable could indeed be laid, the opponents of the scheme argued that the length of cable between Vancouver and Fanning Islands was so great that a payable working speed could not be attained. Opinions on this subject differed, depending on the variables considered. For example, in theory, a paying word consisted of five letters. But, because of the extensive use of code words, the practical length of a paying word was eight letters.¹³⁶ The Canadian government's call for tenders required the contractor to supply a cable with a working speed of twelve words per minute, based on "a theoretical word", or sixty letters per minute. The witnesses from the Eastern Extension Company argued that, to achieve the requested working speed, the core of the cable would be 750 pounds of copper and 600 pounds of gutta percha.¹³⁷ A cable of that weight, laid at the expected depth between Vancouver Island and Fanning Island would be difficult, if not impossible, to raise for repairs. This evidence was refuted by other witnesses, the most notable being Lord Kelvin. He argued that a working speed of twelve words per minute could be achieved on a cable with a core of 552.7 pounds of copper and 368.5 pounds of gutta percha.¹³⁸ The committee chose to base their

135. For dissent, see the evidence of the Marquess of Tweeddale, Eastern Extension Company, ibid, p.205.

136. Ibid, p.175

137. Ibid, p.72

138. Kelvin to Selborne, 18 December 1896, ibid, p.88.

recommendations on Kelvin's evidence, and the Eastern Extension Company finally lost their only chance to sway the ultimate conclusions of the committee.

The troubled Pacific cable committee eventually submitted its findings to the Imperial government in January of 1897. After reviewing all the voluminous evidence gathered over the course of eight weeks, the committee recommended that the Pacific cable be owned, operated and maintained by the interested governments.¹³⁹ To facilitate this, the committee recommended that the various governments establish a board of management to raise the necessary capital, and to manage the commercial aspects of the cable once it had been laid. The route indicated was the same as that recommended by the Sydney conference. The committee pointed out the divergent opinion concerning the type of cable required to accommodate a sufficient speed of transmission, and so specified that the cable should have a core of 650 pounds of copper and 400 pounds of gutta percha. Such a cable would transmit forty-eight paying letters per minute, which would translate into a potential of 1,944,000 words of eight letters per year.¹⁴⁰

The recommendations were dispatched to Canada, New Zealand and the Australian colonies (7 January). The colonial office ordered that the report not be published, and that for the time it should be considered 'confidential'.¹⁴¹ Two years passed before the

139. Ibid, p.13

140. Ibid, p.9

141. Colonial Office to Reid, 7 January 1896. Telecom Archives, Sydney.

findings of the committee were in fact printed. This delay further prolonged the plight of the Pacific cable, and allowed the Eastern Extension Comapny time to thwart the Imperial project. It had been established beyond any doubt that the Pacific cable was possible, and that it was desired by the colonies. After more than ten years of discussion in the public sphere, the Australian governments concerned were united in their commitment to the cable. It remained to be seen whether Wilfrid Laurier was willing to join in and see the project to a conclusion.

CHAPTER FOUR

**THE STRETCH RUN: COLONIAL CO-OPERATION AND IMPERIAL PARTNERSHIP,
(1897-1899)**

The findings of the royal Imperial committee of inquiry of 1896 placed the Pacific cable project in a favourable light. Although the report was considered 'confidential', it was known the committee had concluded that a cable was perfectly feasible; and that, as a public work, the cable's revenue would be ample to meet all expenditures, without being a burden to the tax payer. In June 1897, the premiers of the self-governing colonies assembled by invitation in London to celebrate the diamond jubilee of Queen Victoria. Joseph Chamberlain took the opportunity to invite the premiers to meet in conference to discuss matters of mutual concern. The advocates of an 'all-British' Pacific cable hoped that the jubilee conference would be the last to deal with the proposed Pacific line, and that the premiers would actively work toward realising the project. Chamberlain's initial enthusiasm for the idea led many to believe that completion of the line was in sight.

In opening the conference in June, Chamberlain fueled this optimism by declaring that "in any matter in which our colonies are themselves deeply interested they may count on the support and assistance of the Mother Country."¹ Those encouraged by the beginning of the meeting were sadly disappointed by the conclusion. The discussions at the conference were not made public. However, the minutes laid before the British parliament refer to the Pacific cable in the following terms:

the majority of the provinces desire that the subject should be deferred until they had had time to consider the report of the Committee appointed to consider the question last year. It was, however, pointed out to the members of the Conference that the matter was not one in which the

1. George Johnson (ed), The All-Red Line: The Annals and Aims of the Pacific Cable. Ottawa, 1903, p. 236.

United Kingdom was taking the initiative, although Her Majesty's Government were ready to consider any proposal for working with and assisting the colonies, if they attached great importance to the project ...²

In responding to the conference inaction, the London Standard charged that the delegates had "left the Pacific cable scheme in mid air and it is very unlikely that anything more will be heard of it for a considerable time."³ Chamberlain desired a definitive proposal. With the interested legislative leaders all assembled, no conclusion was forthcoming.

At the time of the jubilee, the premiers of New South Wales, Victoria, Queensland and New Zealand had all been in power for at least three years; Canada's premier Wilfrid Laurier had, however, been in office for less than a year. This produced a peculiar result. In the early discussions of the Pacific cable, cabinet instability in the Australian colonies had been the bane of those Canadians, particularly Fleming, who supported the cable so strongly. With success so close, it was Laurier's reticence to appear overly imperialistic that dashed any hope of the early establishment of the Pacific cable. Like his mentor Gladstone, Laurier saw the Empire as 'a galaxy of independent nations', and he opposed the consolidation theory of Empire.⁴ In the case of a Pacific cable, he "mistrusted" the estimates of cost, maintenance and revenue; and he was therefore not prepared to pledge Canada to

2. Idem.

3. London Standard, 26 July 1897.

4. W.D. McIntyre, Colonies to Commonwealth. London, 1966, p.120.

the undertaking.⁵ Conscious of his French-Canadian constituency, he began charting his twenty-year course through imperial affairs by preaching Empire in London and practicing colonial nationalism at home.⁶

Returning to Australia via Canada, George Reid, the New South Wales premier, stated to the press that Canada was to blame for the delay in negotiations. "Unless Canada shows herself to be in earnest in the matter and that at an early date, the project will either be dropped entirely or put back for a number of years."⁷ The task of advancing that cause fell, once again, on Sandford Fleming. Convincing Laurier and the liberals of the national utility of a Pacific cable was not as difficult for Fleming, however, as it would appear. Although inseparably interlinked with Tupper, and to some extent Bowell, Fleming was more chameleon than conservative. During his service to the Canadian Pacific Railway, he was employed by both of the major political parties. In fact, it was his association with Sir Alexander Mackenzie's liberals that led to his being replaced as engineer-in-chief by the conservatives.⁸ Fleming's over-riding philosophy was

5. Idem.

6. Robert Craig Borwn and Ramsay Cook, Canada 1896-1921, A Nation Transformed. Toronto, 1974, p. 32.

7. Vancouver News Advertiser, 8 August 1897.

8. For a review of the events leading up to Fleming's discharge from government service, see, Alan Wilson, "Fleming and Tupper: The Fall of the Siamese Twins, 1880" In John S. Moir (ed) Character and Circumstance: Essays in Honour of Donald Grant Creighton. Toronto, 1970.

imperialism.⁹ He saw Empire communications in general, and the Pacific cable in particular, as a first step toward imperial unity.

I

A large measure of the loss of political will at the jubilee conference can be attributed to Canada. But, the even more significant event in the months following the Imperial committee was a new proposal from the Eastern Extension Company. On 22 March 1897 the Company dispatched a circular to the chancellor of the exchequer intimating its desire to provide an alternative 'all-red' line of cables between England, the Cape and Australia, via Gibraltar, Sierra Leone, Ascension, St. Helena, Durban, Mauritius, Rodrigues and Cocos.¹⁰ The timing of the proposal anticipated the diamond jubilee, and effectively lessened the resolve of the Australian delegates. Whether the plan was fostered by Sir John Pender prior to his death, or by his successors, is difficult to say. The new initiative did, however, alert the telegraphing public that the Eastern Extension Company was not about to relinquish its monopoly without a fight.

The Company professed to be motivated by the "view of meeting the demand, which is believed to exist, for additional telegraphic communication."¹¹ However, as the Company proposed to expend at least £2,000,000 to construct 14,000 nautical miles of cable in the interest of the Empire, it considered that various "privileges"

9. Carl Berger, The Sense of Power: Studies in the Ideas of Canadian Imperialism, 1867-1914. Toronto, 1970, p. 210.

10. Eastern Extension Company to the Chancellor of the Exchequer, 22 March 1897, New South Wales Parl. Paps., 1900, 90-a, p.1.

11. Idem.

from the interested governments were necessary. Firstly, the Company required a subsidy of £25,000 per annum, over twenty years, from the British government, for connecting St. Helena, Ascension, Rodrigues, and Cocos to the world telegraph system. Secondly, the Australian and New Zealand governments were to extend their existing subsidy of £32,400 for at least ten years. Finally, the Company requested that the interested governments "not subsidise any opposition line connecting any of the places served at present by the associate companies."¹²

The scheme to lay a cable from the Cape to Australia was not new. The idea first achieved prominence in London at the 1887 Colonial Conference, when the Cape delegate suggested the connection as complementary to the Pacific cable.¹³ The Company's objective was to deflect interest away from the Pacific cable, by offering the Cape route as an alternative 'all-red' line. In concluding the overture, the circular stated that,

As the companies' proposal is obviously more beneficial to British interests as a whole than the Pacific cable project, I venture to hope that it will meet with favourable consideration, and lead to the conclusion of a satisfactory arrangement between the companies and Her Majesty's Government.¹⁴

The Company argued that a line from the Cape offered more security in time of war because the new cable would land at the main coaling stations of the Imperial Navy, as well as follow the major shipping lanes. On the other hand, with the exception of Fiji, the proposed

12. Idem.

13. See also Memorandum by Julius Vogel, 5 February 1887. Proceedings, Post and Telegraph Conference, (Sydney, 1888), p.35.

14. New South Wales Parl. Paps., 1900, op, cit., p. 2.

Pacific route would not land at any significant point, either commercial or strategic.

In addressing this contention of superiority, the Electrical Review pointed out that the Cape cable would not relieve the problem of the Australian land lines. The two existing cables landed at Port Darwin and Roebuck Bay, Western Australia. Both depended on a single land line to forward messages to the urban centres. Before a message could be received in Melbourne from the Port Darwin cable, it had first to travel 2,400 miles overland; while a telegram received in Roebuck Bay had to journey a further 3,300 miles.¹⁵ The bulk of the Australian population was situated in the south-east of the continent, carrying out a total trade of over £120,000,000 annually utilising 17,000,000 tons of shipping.¹⁶ The proposed Pacific cable, landing on the populous eastern seaboard, would connect with numerous land lines and release the commercial community from the tenuous reliance on a single wire thousands of miles from the heartland.

The "privileges" requested by the Eastern Extension Company also drew criticism. The Eastern Telegraph Company was the parent company of the Eastern and South African Company, which owned and operated the two submarine cables connecting England with South Africa. By 1898, that company had collected over £1,000,000 in subsidies from the interested governments.¹⁷ At the same time the Eastern Extension Company had received subsidies from Australia

15. Extract from The Electrical Review, 4 and 18 March, 1898. New Zealand Parl. Paps., 1898, F.-8A., p. 3.

16. Idem.

17. Idem.

and New Zealand exceeding £750,000. In the Australian case, breakdowns had been reduced dramatically. However, the cables running along the east and west coasts of Africa were still subject to frequent disruptions. The record of breaks along the west coast averaged eleven per year.¹⁸ The new cable would be subject to the same seismic conditions. To supply this service, the Eastern Extension Company felt obliged to ask for further subsidies, and a guarantee against subsidised competition.¹⁹

Despite these objections, the Australian colonies were willing to consider the plan. In November 1897 a committee was appointed to review the offer. New South Wales initiated correspondence with the other colonies to determine the extent of colonial interest in the proposal. As the interests of eastern and western Australia were not identical it was decided, unlike the Pacific committee, to nominate one representative from both regions. All the colonial administrations concurred, except Queensland and New Zealand. Both were concerned that the Cape proposal was inimical to the Pacific cable. Queensland was so convinced of this that it demanded separate representation, to protect the interests of the Pacific line. But the request was challenged by the other Australian administrations, and the agents-general of New South Wales and South Australia were appointed. New Zealand disassociated itself completely from the Cape proposal, preferring to await Canada's decision on the Pacific cable.²⁰

18. Daily Telegraph, 21 January 1898, letter to the Editor.

19. The Company later denied that they were asking for a guaranteed monopoly. Agent, Eastern Extension Company to Reid, 2 March 1898. Telecom Archives, Sydney.

20. Seddon to Reid, 22 November 1897. New South Wales Parl. Paps., 1900 op. cit., p.3. The two representatives were Sir Daniel Cooper for N.S.W. and Thomas Playford for South Australia.

With officials meeting in London and a Post and Telegraph Conference due to convene in Hobart, the Eastern Extension Company attempted to raise its offer. The colonial governments were informed in March 1898, that the Company was willing to supplement its current proposal by laying, at their own expense, a cable from Albany, Western Australia, to Adelaide.²¹ Thus the Company would eliminate the colonial reliance on a single land line and make Adelaide the centre of international communications. Anxious to be given authority to accept the new terms, Sir Daniel Cooper wired the Company's offer to Reid in the following terms:

First, to lay a cable to Perth. Second, to continue to Adelaide. Will colonies agree to one or other; or what modifications of terms will they agree to, if any? Admiralty and War Office consider Cape route most valuable for strategic purposes - preferable to Pacific.²²

Reid replied that New South Wales preferred the Pacific cable, and would not subsidise any other scheme. Cooper then cabled his personal opinion that the Pacific route was "a hopeless scheme" and that the treasury was "not prepared to advise Her Majesty's Government to take any part in the scheme for laying a cable across the Pacific."²³

Several factors moved Reid to conclude that colonial opinion favoured the Pacific cable over the Cape route. Foremost was the desire to create competition. In responding to Cooper's appeal, George Turner, the Victorian premier, telegraphed that,

21. W. Warren to Reid, 1 March 1898, Telecom Archives, Sydney.

22. Cooper to Reid, 9 March 1898, ibid.

23. Cooper to Reid, 14 March 1898 and 22 March 1898, Precis, Cable Subsidies and Guarantees and the Eastern Extension Telegraph Company's proposal for an alternative cable via the Cape, pp. 8-9. Ibid.

While I do not object to Company laying another cable I consider it necessary to have competition to prevent monopoly, and, therefore, am inclined to support Canadian cable. If Company lays cable no necessity [to] go to Adelaide, but at present cannot agree to any subsidy.²⁴

With Queensland and New Zealand already on record as objecting to the new scheme, Reid was faced with the possibility of being the lone supporter of the Company's proposal. The previous March, prior to the inception of the new plan, Reid had joined with the other interested premiers in expressing satisfaction at the findings of the Pacific cable committee. With federal sentiment running high in New South Wales, he was bound to stand by the other colonies.²⁵

Added to this, there was the continued lobbying for a Pacific cable from the business community. The Congress of Australasian Chambers of Commerce met in conference at Sydney in May, 1897, and resolved that a Pacific cable,

... under Imperial control and passing through British possessions only, is a necessity not only in commercial interests but for Imperial strategic reasons, and will materially assist, not only the great cause of Australian Federation, but will also form a strong bond of union between Great and Greater Britain.²⁶

The following March a deputation from the Sydney Chamber of Commerce met the New South Wales postmaster-general, Joseph Cook, and urged that the Pacific cable be no longer delayed. Beside providing an alternative means of communication with Britain, the Pacific line

24. Turner to Agent-General, 14 March 1898, Victorian Parl. Paps., 1900, 40, p.4.

25. The premiers of N.S.W., Victoria and Qld. met in Melbourne before the Postal Conference and agreed to each contribute one-ninth of the cost of the cable. See Canada, Sessional Papers, (No. 51), 1899, p.13.

26. W.E. Smith, Conference of Australasian Chambers of Commerce, Report on Proceedings. (Sydney, May 1897).

would open up the growing markets of North America to Australian and New Zealand commerce.

When the post and telegraph conference opened at Hobart in late March 1898, the fate of the Cape proposal was all but sealed. The subsidy and "guarantee contract" with the Eastern Extension Company were due to expire on October 1899. The conference interviewed the Company's Australian representative to ascertain on what basis new arrangements could be initiated to continue cable business over its lines. The delegates asked what rates the Company would charge should the contract not be renewed, and what concessions they would offer if the colonies continued the existing agreement. All the Company proposed was to lay an alternative cable from the Cape. No reduction in rates for the public were included in that plan.²⁷

The Company's stance forced the conference to decide that

... in the absence of any satisfactory proposal from the Eastern Extension Telegraph Company, and of any proposal at all except on the basis of an alternative cable via Africa, this Conference is unable to make any fresh arrangements with that Company.²⁸

The Victorian postmaster-general, John Gavan Duffy, claimed that the colonies had "spoon-fed the Company" long enough, and that he favoured the Pacific line.²⁹ J.R. Dickson, the Queensland delegate, also considered the Pacific cable to be "of primary

27. Proceedings, Post and Telegraph Conference, (Hobart, 1898), p.100.

28. Ibid, p.101.

29. Idem.

importance".³⁰ It would have the advantage of connecting the different portions of Empire, as well as "destroying a monopoly".³¹

The representatives of New South Wales, Victoria and Queensland were in unison on the Imperial benefits of the Pacific line. However, all three placed greater significance on securing lower telegraph rates. Joseph Cook declared "the feeling that the present rates were too high for the purposes of business"; Duffy argued that all Victoria wanted was "cheaper communication with the old country"; and Dickson stated that a Pacific cable would "introduce a cheaper system of telegraphic communication".³² Admittedly, the primary function of the conference was to have the various postmasters-general assemble to discuss matters of joint concern, in a business-like manner - which meant rates would be of major importance. However, this emphasis on tariff reduction highlights the stand of New South Wales and Victoria from the beginning of the Pacific cable story, and would lead to its subsequent demise. For the moment, the conference passed a further resolution, re-affirming that a Pacific cable was desirable, and that "if Great Britain and Canada would each contribute one-third of the cost, the Colonies would be

30. Idem. Dickson first entered public life in 1873. After serving in several cabinet posts, he was appointed postmaster-general to replace Thynne in March 1897 and acted as stop-gap premier from October, 1898, to December, 1899, when Robert Philp was reluctant to replace Nelson. A strong imperialist, Dickson was instrumental in ensuring that Queensland was the first colony to offer troops for the Imperial cause in the Transvaal. Australian Dictionary of Biography. Vol. 8, p.304.

31. Ibid, p.103.

32. Idem.

prepared to contribute the remaining one-third."³³ Once again, the position of the Pacific cable had been advanced by the Australian colonies.

However, response to the moves by the postmasters-general was, predictably, slow. Finally, after months of silence, Cook suggested that the Pacific cable be considered by the three eastern colonies at a conference of premiers. In August 1898 the premiers of New South Wales, Victoria and Queensland assembled in Sydney to forge a common decision on the Pacific cable question. It was decided that if the Canadian and British governments would guarantee five-ninths of the cost of the cable, the premiers would recommend their respective colonies each to contribute one-ninth.³⁴ At the same time, in New Zealand a public accounts committee was considering the question of establishing a Pacific telegraph service. The committee recommended that the New Zealand portion of the cost should not exceed one-eighth of the total; and the premier, Richard Seddon, assured his peers across the Tasman that his government would happily supply one-ninth.³⁵

II

The commitment of the four premiers was now transmitted to the colonial office. The colonial initiative had at last been taken - not by Canada, but by the Australian colonies and New Zealand. The Pacific cable proposition now only required the co-operation of the Dominion and the Imperial government to become a reality. The Canadian position had been uncertain since the election of Laurier.

33. Idem.

34. New South Wales Parl. Paps., 1900, op. cit., p.45.

35. New Zealand Parl. Paps., 1899, F.-8, p.5.

Although the commitment of the Canadian government was in question, the determination of Fleming and other British-Empire loyalists had remained firm. What separated the advocates of a Pacific cable was their motives in pursuing the project. While the Australians paid lip service to the imperial importance of the scheme, the Canadians were unceasing in championing the cable as imperative to imperial unity.

Due to his intimate association with the plan, Fleming was foremost in promoting the cable. However, he carefully solicited the assistance of noted Canadian imperialists, especially G.M. Grant and G.R. Parkin. Both were first class propagandists for the cause of imperial federation, and had promoted closer ties with Britain since 1884.³⁶ As the principle of Queen's University, Grant constantly preached the "religious duty" of all British subjects to work towards the consolidation of the Empire. Of all the British people, because of their geographical position, Canadians were obliged to seek the unification of the Empire. In an article written in July 1898, entitled "Canada, the halfway house of the Empire", Grant stated that,

... the British Empire is not a myth but a reality, a reality which it is the duty of all its members to make more effective; that Canada occupies a unique and most important position in that Empire, as its great half-way house, between Australasia on the one side and the United Kingdom on the other, and that it is our duty to rise to the demands of the position and of the time in which we live.³⁷

36. For an excellent account of Grant's significance to the cause of British imperialism in Canada, see Berger op. cit.

37. G.M. Grant, reprint from the Westminster in New Zealand Parl. Paps., 1898, I-7, p.44.

The best means of exploiting that favoured position was to link the two ends telegraphically, via Canada. The existing telegraphic situation robbed Canadians of this status. "In other words", as Grant continued, "instead of being the half-way house of the Empire, as God has made us, Canada is shunted and sidetracked away up a distant back street."³⁸

Parkin lamented the dependence of the Empire upon the cables of the Eastern Extension Company. For the most part, the existing telegraphic communications network was either laid in shallow waters, or landed on or near potentially hostile territories. The possibility of the cables being severed in time of war was intolerable for a great oceanic Empire. Parkin declared that,

The comparative paralysis which would fall upon this gigantic machinery if the power of concerned action were removed, as it is likely to be without a Pacific cable, cannot be contemplated with equanimity by a nation which has such vast industrial and commercial interests at stake as have our British people.³⁹

He called on the government of Canada to move boldly in dealing with the question. As the Dominion did not contribute to Imperial defence, she could at the very least show "national pluck and patriotism in a peaceful enterprise like this."⁴⁰

Fleming also saw Canada as the "elder brother in the British family of kindred nationalities".⁴¹ In a letter to Laurier,

38. Ibid, p.45.

39. G.R. Parkin, "Now for a Pacific Cable" (No date). Reprinted in ibid, p.42. Parkin unsuccessfully toured Australia in 1889 championing Imperial federation.

40. Idem.

41. Fleming to Laurier, 28 December 1897, in Electrical Review. Vol.42, No. 1,055. 11 February 1898, p.199.

dated 28 December 1897, he urged the Canadian premier to push forward the cause of the Pacific cable, and take the lead by issuing a proposal to the colonial office. Unconscious of the progress being made in Australia, Fleming argued that the disunited colonies could not be expected to advance the issue. Canada should seize the opportunity to prove "to the world that the Canadian Government and people are determined in all ways to promote Imperial unity."⁴²

Fleming took care not to blame Laurier while discussing the delay in negotiations. Instead, he criticised the Eastern Extension Company. Considering the unsatisfactory state of communications with South Africa, he welcomed the plan to supply an additional cable to the Cape and on to Australia. But, he did not see it as an alternative to the Pacific route. The Eastern Extension Company had been the determined opponent of the Pacific line from the beginning. Fleming argued that the Company had only moved to increase its service to protect its profits, and to draw attention away from the Pacific cable.⁴³ The Pacific line, according to Fleming, was never intended to be "hostile to any company or to any country".⁴⁴ The same could not be said of the Eastern Extension Company. By promoting the Cape route as a superior option, the Company was merely "exercising its manifold and widely ramified

42. Ibid, p.200.

43. Ibid, p.164. The combined share capital of the three companies making up the Eastern Extension Company was £1,525,000 before their amalgamation. Through the process of "watering" the share capital was increased to £1,997,500. By 1896, while paying dividends of 7%, the Company also expended £1,571,540 on extensions and other Capital works and established an undivided reserve fund of £804,193.

44. Idem.

influence to keep Canada and Australasia disunited".⁴⁵

These appeals to the ministry's sense of imperial duty went unheeded. However, the subject was brought to the fore again in March 1898, at the annual meeting of the British Empire League. In passing resolutions on the Pacific cable, the League noted that such a telegraph connection would be "of the utmost importance to Imperial unity" as well as a catalyst to expanding trade across the Pacific.⁴⁶ They further urged the Canadian government to take whatever action was necessary to secure the completion of the cable. But the administration was still unmoved.

Finally, on 26 May 1898, the subject was raised in the Canadian House of Commons. In an attempt to "shame" the government into action, the opposition tabled a letter to Fleming from Sir Hugh Nelson, the former premier of Queensland. Referring to the proceedings of the jubilee conference, Nelson was quoted as saying that,

It was with some surprise that I heard Sir Wilfrid Laurier announce during the course of the proceedings that his Government was not yet prepared to give practical effect, so far as the Dominion of Canada was concerned, to the proposal that the colonies interested should guarantee their shares of the cost of the construction of the cable.⁴⁷

The question had been considered by numerous experts and had been shown to be a practical one. The conservatives, led by Sir Charles Tupper, pointed out that the financial aspects of the question had been examined and no one had refuted Fleming's argument that the

45. Idem.

46. Fleming to R.R. Dobell, 14 April 1898, New Zealand Parl. Paps., 1898, I-7., p.35.

47. Canada Sessional Paper, in ibid, p.42.

cable would be a paying concern from the start. Yet it was reported that Laurier "mistrusted" these conclusions.⁴⁸

The House was told that the telegraphic traffic to and from the Australian colonies and New Zealand in 1896 was 2,326,984 words - up from 1,110,869 in 1891.⁴⁹ Consequently, the total words transmitted in 1901 could be expected to surpass four million. Should the Pacific cable only command one quarter of the total traffic it would, at a tariff of 3s. per word, produce £150,000 and thereby meet anticipated expenditures. The majority of the telegraphic business was conducted by the four colonies interested in the Pacific cable. As the premiers had announced their willingness to contribute one-third of the cost, it was concluded "that if these colonies have a proprietary interest in the undertaking its complete financial success will be assured."⁵⁰

The minister for trade and commerce, Sir Richard Cartwright, defended government policy. The Imperial government had not released the report of the Pacific cable committee. Nor had they offered any evidence of being prepared to contribute to the undertaking. Canada had done much to advance the idea of a Pacific cable: foremost being the construction of the transcontinental railway, at great cost.⁵¹ Of the three interested parties, Canada had done the most to realise the cable, and ultimately would

48. Ibid, p.40. It is doubtful that Laurier would have known of the antagonistic estimates produced by Walker and Lambton.

49. Fleming to G.E. Casey, 26 May 1898, ibid, p.37.

50. Idem.

51. Ibid, p.41.

derive the least benefit from its completion. Cartwright continued significantly,

... while it may be of interest to Canada, it is of very much more interest to the Australian group, whose inhabitants are wealthy people, quite as wealthy, and perhaps more so, than are Canadians as yet; and to the people of Great Britain, whose interest would be very largely served by having a second line of cable through British territory which would be practically inaccessible to any attempts that may be made by any foe at any time to interrupt communication.⁵²

The resources of Canada were "very fully engaged" and the administration was not about to incur a further liability, without very careful consideration. Canada would not lose sight of the Pacific cable. But, Cartwright concluded, the Dominion was not going to be called upon to bear "more than her portion of the cost".⁵³

In July 1898, the character of that "portion" became clearer. While in London to attend a postal conference, the Canadian postmaster-general, W.M. Mulock, met with the High Commissioner, Lord Strathcona, and the Australian and New Zealand agents-general, to discuss the Pacific cable. At these informal meetings, Mulock stressed he had not been authorised to finalise the matter.⁵⁴ However, he did indicate that Canada was friendly toward the scheme, and might be expected to contribute no more than two-ninths of the cost. This information was cabled to the colonial premiers, and it

52. Idem.

53. Idem. In a letter to Seddon, of 5 July 1898, Fleming stated that Cartwright felt that 'Australasia' should pay one half of the cost, leaving the remainder to be met by Canada and Great Britain. Ibid, p.43.

54. Mulock to Cartwright, 29 July 1898. Canada, (No. 51), op. cit., p.14.

led to the August resolution pledging support for four-ninths of the enterprise.⁵⁵ Strathcona relayed the colonial position to Cartwright in Ottawa, and suggested that "it would be the best of good effects if it were possible for the Canadian government to follow this up"⁵⁶ - to which he replied that the ministry would consider the subject "at the earliest practical moment."⁵⁷

But by late October the Canadian administration had still not indicated their willingness to join with the Australian colonies and New Zealand. Now growing anxious to keep the debate moving, Fleming presented a proposal to Joseph Chamberlain in London, outlining a scheme to establish a state-run British Empire cable service. The idea was not a new one. It had been raised at the Colonial Conference in 1887, and again at Ottawa in 1894.⁵⁸ Fleming's plan was to cross the world's oceans with submarine cables which landed only on British territory. The first step was to lay a Pacific cable from Vancouver Island to Australia. From Australia, a cable would be laid to the Cape, and then across the Atlantic to Bermuda - where it would connect with the existing cable to Canada.⁵⁹

Such a scheme would interfere with the profits of the existing cable companies. But, Fleming argued that the interest of the

55. Agent-General to Reid, 29 July 1898, New South Wales Parl. Paps., 1899, op. cit., p.44.

56. Strathcona to Cartwright, 17 September 1898, Canada, (No. 51), op. cit., p.21.

57. Cartwright to Strathcona, 4 October 1898, ibid.

58. See Parl. Paps., 1887, Vol. LVI Cd 5091, pp. 225-228; and Parl. Paps., 1894, Vol. LVI, Cd 7553, pp. 88-90.

59. Fleming to Chamberlain, 28 October 1898, Canada, (No. 51), op. cit., p.26.

Empire far outweighed the furtherance of a private monopoly.

I venture to hold that no private company, however rich and influential, should be allowed to stand in the way when great Imperial interests are at stake. It must be borne in mind too, that telegraphy is one of the most astonishing results of science, and that the facilities which it offers, if not shackled by hinderances, may be rendered of greater and greater value to the human race.⁶⁰

Fleming cited the advantages to the commercial community, and to the general public, which resulted from the "nationalisation" of the inland telegraph lines of Britain in 1870.⁶¹ Those benefits would be greatly magnified should a similar move be made to bring British submarine cables under state control.

The key to Fleming's proposal was the Pacific cable. He was convinced that the line would be the first of many state-run communications systems. In concluding his Memorandum to Chamberlain he stated emphatically that,

the final outcome of the laying of this Pacific cable would be an Imperial telegraph service - there can be little doubt. I am satisfied that the Pacific cable would prove to be the entering wedge to remove forever all monopoly in ocean telegraphy, and free the public from excessive charges; that it would be the initial link in a chain of state cables encircling the globe, with branches ramifying wherever the British Empire exists.⁶²

The admirable aims of Fleming's proposal would, however, come to nothing, unless the Canadian government agreed to join the interested Australian colonies and New Zealand in persuading the British colonial office to assist in the undertaking.

Progress was made when, in December 1898, the office of the Canadian High Commissioner unofficially informed the British

60. Ibid, p.22.

61. Ibid, p.23.

62. Ibid, p.28.

authorities that his government was willing to join with the Imperial government and contribute one half of five-ninths of the cost of the Pacific cable.⁶³ After three months without official confirmation of the Canadian offer, the Australian and New Zealand agents-general were directed to appeal to Chamberlain for action from the Imperial government. The agents-general confirmed the willingness of their colonies to guarantee four-ninths of the cost of the cable on 30 March 1899, as well as that portion of any deficiency. Further,

... having regard for the number of years during which this project has been under the consideration of both the Imperial Government and of the colonies, we request that you will be pleased to take such steps as may be necessary in order to obtain as soon as possible a definite assurance that the Imperial Government will unite with the colonies in giving the requisite guarantee.⁶⁴

The colonial office replied by informing the colonies that the report of the Imperial committee on the Pacific cable was about to be published in London, and that the decision of the government would be forthcoming. It was added that publication of the report was not to be interpreted as acceptance of the proposals by the British government.⁶⁵

The colonial office was at last informed in late April officially of Canada's desire to join in the working of the Pacific cable. The Canadian legislation put forward by Laurier called for

63. High Commissioner for Canada to Colonial Office, 22 December 1898, Canada (No. 51), op. cit., p.61.

64. Agents-General to Colonial Office, 30 March 1899, New Zealand Parl. Paps., 1899, op. cit., p.23. The agent-general for New South Wales was not a signatory.

65. Strathcona to Cartwright, 12 April 1899, Canada, (No. 51), op. cit., p.52.

the establishment of a board of commissioners, under the authority of the British parliament. The board was to be charged with securing funds for the construction and working of a cable for the "benefit of the respective Governments sharing in the undertaking."⁶⁶ For its part, Canada was willing to supply five-eighteenths of the principal, and accept similar portion of any loss. By agreeing to co-operate with the southern colonies, the Canadian administration complied with the colonial office request for a definite proposal. The fact that the requests for an Imperial decision were separate did not detract from their significance. The Imperial authorities could no longer claim a lack of concerted colonial opinion on the cable, and were forced to address the question in a decisive manner.

III

The unified call for a Pacific cable advanced the proposition significantly. However, the scheme still faced great difficulties in London. Despite Chamberlain's forceful personality, the colonial office was not the only department overseeing British interests abroad. Ronald Hyam has pointed out that in the Victorian era at least six departments were concerned with overseas policy:

... the foreign office, the India office, the war office, the admiralty, the board of trade and the colonial office - and for much of the nineteenth century the last was almost the least important.⁶⁷

Although Chamberlain supported the concept of closer ties between England and her colonies, the idea did not necessarily have favour

66. Ibid, p.53.

67. Ronald Hyam, Britain's Imperial Century, 1815-1914: A Study of Empire and Expansion. London, 1976, p.19.

with his cabinet colleagues. It has been shown that opposition to the Pacific cable by the admiralty played a large part in the early attitudes of the Imperial government. When the discussion had neared a conclusion, and the time had come to pay for the cable, it was the treasury that intervened in a negative manner.

Writing about the relationship between Chamberlain and the treasury, Robert Kubicek has suggested that,

If the Colonial Office under Chamberlain dropped its long-held inclination to avoid new overseas responsibilities and reduce expenses in the existing empire, the tradition of non-involvement and economy was carried on by the Treasury.⁶⁸

Treasury control over spending gave that department a unique power over government policy. Lord Salisbury noted that "much delay and many doubtful resolutions have been the result of the peculiar position which, through many generations, the treasury has occupied."⁶⁹ In the case of the Pacific cable, the reluctance of the treasury to commit the government came close to delaying the plans indefinitely.

Chamberlain had already, on 28 April 1899, outlined to the High Commissioner and the agents-general the extent to which the Imperial government was willing to assist in the creation of a Pacific cable. He pointed out that it had always been the opinion of the Imperial government that the scheme was of greater importance to Canada, New Zealand and the Australian colonies. Although keen to support the interested governments, Great Britain could not agree to

68. Robert Kubicek, The Administration of Imperialism: Joseph Chamberlain at the Colonial Office. Durham N.C., 1969, p.91.

69. Ibid, p.90.

actively take part in laying and working the Pacific cable.⁷⁰ Instead, it was proposed that Canada and the various southern colonies be responsible for the construction and working of the cable, with aid from the Imperial government taking the form of an annual subsidy. This method had "hitherto been adopted by Parliament in promoting the establishment of important lines of telegraphic communication."⁷¹ The subsidy was to exist for twenty years, and meet five-eighteenths of any deficiency, but it was not to exceed £20,000 per annum.

Attached to this "liberal arrangement" were certain conditions. Firstly, the cable was to be constructed with materials approved by the treasury, and laid in proper working order to the satisfaction of an officer appointed by the treasury, with adequate stations and offices at such places as the treasury might approve. Secondly, the treasury was to have the power to approve cable rates, with official messages from the Imperial government having priority over all others, and being transmitted at not more than one-half the tariff for ordinary messages. Finally, the treasury was to be supplied with an annual account, showing the cable's receipts and expenditures.⁷² By following past principles, and treating the interested governments as a private company, the Imperial authorities hoped to eliminate the possibility of aggravating the existing cable companies. At the same time, the proposal offered "a

70. Chamberlain to Lord Minto, 26 April 1899, Canada, (No. 51), op. cit., p.53.

71. Colonial Office to Agents-General and High Commissioner for Canada, 28 April 1899. Parl. Paps., 1899, Vol. LIX, Cd 9283, p.4.

72. Idem.

proof of their cordial desire to co-operate with the colonial governments in any undertaking of general concern, even though the colonial interest in the matter may be more direct and apparent."⁷³

Colonial condemnation of this Imperial offer was swift and comprehensive. In Australia, the colonial premiers cabled their distress. Dissatisfaction was unanimous. But just what alternate course the colonies should take was unclear. Duffy suggested that a conference of the postmasters-general be called immediately, to emphasise colonial protest to the proposal.⁷⁴ When a conference could not be arranged, it was decided to authorise the various colonial agents-general in London to express the "great disappointment" felt in the colonies, and to urge the Imperial government to reconsider its position.⁷⁵

In responding to the Imperial government's offer of a subsidy the agents-general and Strathcona argued that it had always been held that the construction and operation of the cable would be a joint undertaking. The main objective of the scheme was to unite component parts of the Empire telegraphically, with all the interested parties involved equally. The colonial representatives remonstrated:

If, as we believe, the cable cannot fail to promote Imperial unity, and Her Majesty's Government share that

73. Idem.

74. Duffy to Parkes, 11 May 1899, New South Wales Parl. Paps., 1900, op. cit., p.45. Varney Parkes, the son of Sir Henry, replaced Cook as the New South Wales postmaster-general on 26 August 1898.

75. Reid to the Premiers of Victoria, Queensland and New Zealand, 20 May 1899, idem.

opinion, the proposal certainly seems to justify the principle of joint ownership and control, which has formed the key-note of the discussions and negotiations for so many years.⁷⁶

Citing the report of the Pacific cable committee, it was further noted that its recommendation was for the cable to be "constructed and owned by the interested governments."⁷⁷ The terms offered by the Imperial government clearly contradicted this recommendation.

By not agreeing to join in with the colonies, and only offering an annual subsidy, the Imperial government was adding to the possibility of a deficit. Without the involvement of Great Britain, the colonies would be forced to raise capital at a higher rate of interest, and thus increase annual expenses. Also, Fleming argued that the proposed subsidy would be of no value in view of the 1897 committee estimates. The committee had anticipated that if rates remained unchanged, the Pacific cable would make a profit of between £13,000 and £40,000 in its first year of operation.⁷⁸ Taking into account the predicted reduction of rates, the line would have a deficit of £12,000 in its first year and thereafter become self-sufficient. Consequently, in Fleming's words,

The offer then is that under a certain contingency the treasury may be called upon to pay five-eighteenths of £12,000 for one year only, and for this possible payment the Imperial government could claim priority of transmission and half price on all messages for an indefinite number of years.⁷⁹

76. Agents-General and High Commissioner to Colonial Office, 9 May 1899, Parl. Paps., 1900, Vol. LV, Cd 46, p.3.

77. Idem.

78. Fleming to The British People, 5 May 1899, Canada, (No. 51), op. cit., p.56.

79. Ibid, p.57.

The old campaigner predicted that the present situation, if not reconsidered, would be regarded in the colonies as a breach of a "common understanding", and an "attempt to retard the expansion and cripple the commerce of the Empire in the interest of a few rich monopolists."⁸⁰

The contention of the British authorities, that the line was of greater importance to the colonies, was also debatable in the colonial view. The cable would provide Great Britain with an alternative 'all-red' route to her Eastern possessions, as well as with the prestige of constructing the first cable in the Pacific. According to Fleming, Canada was not motivated by self-interest in the matter but, rather, by her "great zeal for Imperial unity."⁸¹ An examination of the annual trade figures with Australia and New Zealand bear this out. The total trade between Great Britain and the colonies during the years 1895 to 1897 amounted to £53,168,642 - while during the corresponding period, trade between Canada and the antipodes was approximately £190,000.⁸²

The agents-general and the High Commissioner now met with Chamberlain on 15 May (1899) to voice colonial disapproval with the Imperial government's proposal. They urged that the recommendations of the Pacific cable committee be acted upon immediately. The primary desire of the colonial representatives was to secure the

80. Ibid, p.55.

81. Ibid, p.57.

82. Fleming to R.W. Scott, 15 May 1899, ibid, p.63.

credit of Great Britian to raise the necessary capital.⁸³ They strongly argued that the co-operation of the Imperial government was to be expected, considering Great Britain's "position at the head of the Empire."⁸⁴ Finally, on 6 June, Chamberlain informed the colonies that his government "appreciated the sentiments" which motivated them to ask Great Britain for closer co-operation. Accordingly, the Imperial government was willing to utilise its credit to assist in raising the capital required.⁸⁵

Colonial representatives again met with Chamberlain and Sir Michael Hicks Beach, the chancellor of the exchequer, on 4 July, to establish guidelines for the formation of a Pacific cable board. Comprised of eight members - three appointed by the Imperial government, three by Australia and New Zealand and two by Canada - the board was responsible for calling for tenders and finding the capital required to construct the cable. This about-face by the colonial office and the treasury was directly related to the overwhelming pressure of colonial disapproval of the original proposal.

IV

The news that the British government had at last agreed to assist the colonial governments in establishing a Pacific telegraph

83. Agents-General and High Commissioner to Colonial Office, 18 May 1899, Parl. Paps., Cd 46, op. cit., p.9.

84. Idem.

85. Colonial Office to the High Commissioner, 6 June 1899, ibid, p.12. The colonial office was not gracious in admitting it had misread colonial opinion. It was stated that, "Her Majesty's Government are unable to admit that their previous offer was other than fair, and even generous, they feel the force of the considerations based upon higher grounds than mere commercial expediency."

service raised the wrath of the Eastern Extension Company. Following the death of Sir John Pender, the chairmanship of the associated companies passed to the Marquess of Tweeddale. The colonial office proposal, to provide a guarantee against any loss encountered by the Pacific cable, moved Tweeddale to complain vigorously to the British Prime Minister, then Lord Salisbury. In a letter of 17 May 1899, Tweeddale claimed that he did not wish to question the Imperial government's right to promote the interests of the Empire. But, the offer of a guarantee was at variance with his Company's interpretation of British policy. Moreover, he argued that previously the British post and telegraph department had acted upon "the principle of alliance".⁸⁶ In his view, there was no difference between a policy of subsidising colonial governments to conduct competition, and the British government directly opposing the material gain of its citizens.

The Eastern and the Eastern Extension Companies had invested millions of pounds of British capital, at considerable risk, without financial aid from the government.⁸⁷ Should the government enter into direct competition with the allied companies, they would be forced to claim compensation, because of the "unfairness on the part of the British Government in contravention of all

86. Tweeddale to Salisbury, 17 May 1899, Parl. Paps., 1900, Vol. LV, Cd, 46, p.7.

87. This is true of the Eastern and Eastern Extension Companies. However, the Eastern and South African Telegraph Company was granted a subsidy to connect South Africa with Great Britain in 1879. See Barty-King, op. cit., p.70.

precedents."⁸⁸ Tweeddale further urged Salisbury to reconsider his ministry's position, by ironically reminding a Victorian of the principles of laissez faire:

In this country, whose prosperity has been built up by the energy of private enterprise, I venture to hope that Your Lordship will not sanction any deviation from the important principle of non-competition by the State with private enterprise.⁸⁹

Tweeddale then neglected his earlier contention that the Company was loath to request any state aid, and repeated the offer to lay a Cape cable, and thus provide an alternate route to Australia and the East, "on very moderate terms".⁹⁰

Tweeddale argued that the Cape route was superior to the proposed Pacific line, both strategically and commercially. He criticised the arguments in favour of the Pacific line on commercial grounds, saying telegraph business between North America and the 'Australasian' colonies amounted to only five per cent of the total traffic. It was clear to Tweeddale that the primary incentive of the pro-Pacific forces in Australia was the anticipated reduction in tariff. The Eastern Extension Company had lowered the ordinary charge from 9s. 4d. per word to 4s. in May 1891, and was quite willing to maintain that rate. However, the Australian colonies found the price of a low tariff still too expensive, and requested the Company increase the rate to 4s. 9d., to ease the burden of the guarantee charges.⁹¹

88. Tweeddale to Salisbury, op. cit., p.8.

89. Idem.

90. Idem. The offer of a guarantee in support of the Pacific cable was less than the Eastern companies originally requested to lay a third Cape cable.

91. Ibid, p.7.

When it was later learned that the credit of the British government was to be used to finance the Pacific project, Tweeddale demanded an immediate meeting with Chamberlain and Sir Michael Hicks Beach. A contingent representing the Eastern Extension Company duly aired their grave misgivings on 29 June in regard to the interference of the State in the sphere of private enterprise. Hicks Beach argued that the Eastern Extension Company had received subsidies in the past, and that the contention that the State had not previously financed submarine cables was preposterous.⁹² As to the claim by the Company for compensation, the chancellor deemed it unjustifiable in view of its monopoly of the existing telegraphic communications between Australia and England.⁹³

Chamberlain was somewhat more conciliatory. He noted the great service the Company had rendered to the British government over the years, but he was anxious that "hardly any critical situation arose at the Cape, but that one or more of the cables were broken down."⁹⁴ That aside, the service to Australia in recent years had proven satisfactory. What the colonies deemed particularly unsatisfactory were the transmission rates charged by the Eastern Extension Company. The associated companies had been paying a seven per cent dividend, as well as accumulating an enormous reserve fund which disguised their true financial position. In view of the combined companies' profit margin, it was not surprising that the colonies desired an alternate route under

92. The Times (London), 30 June 1899.

93. Idem.

94. Idem.

their control. This was not, however, the aim of the Imperial government. Rather, they were moved by a desire to meet the wishes of their colonies and to establish an 'all-British' telegraph route connecting the various component parts of the Empire.

If the Company received scant sympathy from Hicks Beach and Chamberlain in person, its case was further eroded by a despatch from the colonial office. The correspondence addressed the "principle of alliance" between private and public interests which Tweeddale emphasised so strongly to Salisbury.⁹⁵ It was the opinion of the colonial office that no fast rules or formulae existed to govern the extent or direction of state involvement in services of public utility. The communique stated that,

With the progressive development of society, the tendency is to enlarge the functions and widen the sphere of action of the central Government, as well as of the local authorities, and to claim for them more or less exclusive use of powers and the performance of services, where the desired end is difficult to attain through private enterprise or where the result of entrusting such powers and services to private enterprise would be detrimental to the public interest.⁹⁶

The Pacific cable scheme was one that could be achieved on better terms by the associated governments acting in concert than by a private enterprise. The fact that the project would infringe upon the exclusive operation of the Eastern Extension Company in the Australian colonies and New Zealand was unfortunate. However, the Company had received over one million pounds sterling from the colonial governments which went far toward covering the original outlay by the Company.⁹⁷

95. Colonial Office to the Eastern Extension Company, 10 July 1899, Parl. Paps., 1900, op. cit., p.26.

96. Idem.

97. Ibid, p.29.

Although the completion of a Pacific service would have the two-fold benefit of bringing Canada and Australia together telegraphically, and of reducing the cost of telegraphic communication, the project involved another variable of greater significance to the Imperial authorities. The British government had decided to support the scheme unreservedly because the colonies deeply desired its co-operation. Having received these appeals it was "the duty of Her Majesty's Government to respect Colonial feeling, the more so as it is the first time in the history of the Empire that two great Colonial groups have approached Her Majesty's Government with a view to a joint undertaking for the furtherance of commercial, political and social relations."⁹⁸

The colonial governments had done a great deal to promote the idea of closer ties within the Empire. Although not a quantum leap toward the creation of any rigid institutional bonds, the co-operation of the component parts of the Empire was a peace-time precedent. However, the formation of this Imperial partnership did not automatically assure the success of the Pacific cable. The Eastern Extension Company was not daunted by the creation of a government board, or the snub by the colonial office, and it continued actively to protect its interest in 'Australasian' telegraph business. The monopoly still had one more card to play. With the help of ministry changes and federation in Australia, the Eastern Extension Company was given the time it needed to disrupt an Imperial partnership.

98. Ibid, p.27.

CHAPTER FIVE

THE "ADELAIDE AGREEMENT" AND ITS CONSEQUENCES, 1899.

The decision of the British government to join with Canada, New Zealand and the Australian colonies in operating a Pacific cable ensured the eventual completion of the project. However, the agreement reached on 4 July, 1899, did not eliminate delay or curb the opposition of the Eastern Extension Company. After the call for the establishment of a provisional Pacific cable board, matters continued to move slowly. The initial delay was caused by only three delegates being accredited as representatives of the four interested southern colonies. The resolve of those colonies to accelerate the situation was then lessened by a further proposal from the Eastern Extension Company.

The problem with nominating only three delegates was that all the interested parties desired separate representation. In an attempt quickly to solve the impasse, the premiers of Victoria and New South Wales cabled their agents-general in London instructing them to urge the colonial office to increase the membership of the board.¹ Of all the interested colonies, Queensland seemed the most likely to be left unrepresented, as it had been on the Pacific cable committee in 1896. Consequently, that colony pushed hardest to have the board enlarged. In a letter to the colonial office, of 15 August, the agent-general for Queensland stated flatly that,

As New Zealand, by its isolated position, will unquestionably claim one, it would almost follow that Queensland would have to give way to the older Colonies of New South Wales and Victoria. In view of the fact that Queensland will be the Australian terminus, and that their contribution on the basis of population largely exceeds that of any of the other sections, it is not considered

1. Reid to Agent-General, 3 August 1899, New South Wales Parl. Paps., 1900, op. cit., Government of Victoria to the Agent-General, (received 15 August 1899), Parl. Paps., 1900, op. cit., p.35.

wise in the interests of the scheme that Queensland shall be without a direct representative.²

Regardless of the forceful argument for reopening the discussions on representation, the colonial office considered the matter closed, and it rejected the Australian appeals. Chamberlain explained his reluctance to reopen the question by declaring that such a move would leave the project "seriously prejudiced".³

Limited to only three delegates, the interested premiers set about devising an equitable formula for selection. James Dickson, the Queensland premier, suggested that New South Wales and Queensland designate one nominee, Victoria and New Zealand choose another, and the third be agreed upon by the first two.⁴ The New Zealand premier, R.J. Seddon, took immediate exception to the proposal and, instead, hoped that the three Australian colonies would concede a separate representative to New Zealand and decide the last two amongst themselves.⁵ Sir George Turner, the Victorian premier, also rejected the system broached by Dickson, and rather took the advice of his postmaster-general, Duffy, who suggested that the best course would be a small local conference to decide the issue unanimously.

Certainly a conference would be more suitable than separate negotiations via the telegraph. Seddon concurred with Turner's

2. Agent-General for Queensland to Colonial Office, 15 August 1899, ibid, p.37.

3. Chamberlain to Colonial Governor's, 9 August 1899, ibid, p.34.

4. Reid to Turner, 16 August 1899, New South Wales Parl. Paps., 1900, op. cit., p.52.

5. Seddon to Reid, 17 August 1899, ibid, p.52.

proposition, and suggested that the meeting be held in New Zealand.⁶ However, due to the various legislatures being in session, the idea was deferred. With a local conference apparently impractical, Seddon proposed that the agents-general of New South Wales, Victoria and New Zealand be appointed, if Dickson was agreeable, and the business of the board could get underway immediately. This was unacceptable to Queensland. Instead, it was agreed that New Zealand be allotted one delegate, and a ballot be held with two of the three Australian nominees being selected.⁷ Finally, on 28 September, 1899, nearly three months after the colonial office had called for delegates, the agents-general of New South Wales and Victoria won the ballot, and Queensland was again without representation.⁸

Further delaying complications now arose. At a crucial point in the negotiations to select delegates for the provisional Pacific cable board, a change of ministry took place in New South Wales. The Reid ministry fell on 13 September and William Lyne took over the premiership. W.P. Crick, the newly-appointed postmaster-general, was forced immediately to familiarise himself with the details of the cable debate.⁹ Unable to convince

6. Seddon to Turner, 21 August 1899, New Zealand Parl. Paps., 1900, F-8, p.22.

7. Turner to Lyne, 20 September 1899, and Lyne to Turner, 27 September 1899, New South Wales Parl. Paps., 1900, op. cit., pp.54-55.

8. Turner to Lyne, 20 September 1899, and Lyne to Turner, 27 September 1899, New South Wales Parl. Paps., 1900, op. cit., pp.54-55.

9. A staunch protectionist, Crick was first elected to the
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successive postmaster-generals of the Reid government that the Pacific project was economic 'madness', the permanent officials of the general post office set about 'luring' Crick to the cause of the Eastern Extension Company.

Their efforts were assisted by a new and lucrative offer from the Company. Certain that the proposed Pacific cable was soon to be a reality, the Eastern Extension Company moved to forestall the impact of the pending competitor upon its share of the Australian telegraph market. The acting agent for the Company in Melbourne had already approached the Victorian government on 24 July with a proposal to lay a cable from the Cape to Australia for nothing. The offer had stated,

As public opinion in Victoria apparently favours an alternative cable via the Cape rather than the Pacific ... we are willing to meet the difficulty by making the following liberal concessions, namely, we will entirely waive the renewal of the subsidy and guarantee against competition, and, in addition to providing a cable all the way to Glenelg, via Perth, will agree to at once reduce the tariff to 4s., and make further reductions on a sliding scale as traffic increases.¹⁰

All the Company desired, in return, was the right to establish offices in Perth, Adelaide, and Melbourne to collect and distribute

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legislative assembly in 1889. He was instrumental in the defeat of the 'free trade' government in 1899 and was rewarded with the position of postmaster-general. After the formation of the Commonwealth, and the elimination of the colonial postmaster-general's department, he became minister without portfolio before moving to lands. Unpopular in the assembly, he resigned on 6 December, 1906, and was formally expelled 5 days later. The final insult came on 23 August, 1907, when his name was struck from the rolls. A heavy drinker, he died from cirrhosis of the liver in 1908. Australian Dictionary of Biography. Vol.8, p.150.

10. Squier to Duffy, 24 July 1899, ibid, pp.4-5.

international telegrams. To facilitate this procedure the Company required exclusive use of an inland wire for which an annual rent would be paid.¹¹

This last offer was not transmitted to New South Wales by the Company until 31 August. That communication expanded upon the sliding scale already broached. The Company declared that, should the total receipts of 1898, 1899 and 1900 average £350,000, the 4s. tariff would be reduced to 3s. 6d. on 1 January, 1901. If receipts were maintained at £350,000 over the three-year period between 1899 and 1901, the rate would be lowered to 3s. per word in 1902.¹² If revenue remained stable during the next three-year term, the tariff would fall to 2s. 6d. by 1903. The Company stated further that the Cape-to-Britain section of the cable was in manufacture, and the whole line would be in place and operating within two years.¹³ However, should the colonies agree to the stipulation to allow the Company direct access to the public, the tariff reduction would immediately become effective.

It is evident that the Eastern Extension Company was gravely concerned about competing with a state-run submarine telegraph service. By demanding the opportunity to solicit its own business, the Company was attempting to by-pass the possibility of the various Australian post offices sending the majority of the international traffic over the Pacific line. The new proposal was not presented to either New Zealand or Queensland. This was presumably thought

11. Idem.

12. Eastern Extension Company, Second proposal submitted by acting manager to S.H. Lambton, 31 August 1899, ibid. p.6.

13. Idem.

futile, given that the Pacific cable would have landing stations in these colonies and also because of their antagonistic position toward the Company.

Although the new proposal provided for rate reductions to as low as 2s. 6d. per word, it was doubtful in 1899 that the tariff would go that low. Should the Pacific service be established in 1902, the Company's base revenue of £350,000 would not be realised in 1903. Consequently, the tariff would remain at 3s. per word. As the projected rate for the Pacific cable was 3s., the Company would have been forced to reduce its rates to that level, just to compete with the new line. By proposing to lower the tariff gradually prior to the completion of the Pacific cable, the Company was able to appear philanthropic. At the same time, it could ready the ground for competition by usurping the power of the post offices in the two largest markets in Australia -- Sydney and Melbourne.

The Company's request to open bureaux in Australia would allow it to provide rebates to heavy cable users at the expense of the Pacific cable. This was overlooked by the press in Melbourne and Sydney. The Sydney Daily Telegraph embraced the Cape scheme, claiming that it would be complementary to the Pacific line. It was even argued in an editorial that,

If the public mind of Britain, Canada, Australia and New Zealand does not undergo an astonishing change within the next few weeks, the Pacific cable will be eventually laid ... Therefore, no alternative proposal can be considered ... But there is no reason why a cable company of such assured stability as this should not be allowed to lay another cable, or many other cables, by different routes, because the Pacific line will naturally be expected to withstand competition, not to be entirely a thread of sympathy.¹⁴

14. Daily Telegraph, 3 October 1899.

The press was self interested in all this: anxious to avail themselves of the promised rate reductions, they pushed Crick hard to accept the Company's offer.

Duffy arrived in Sydney on 4 October to discuss the situation with Crick. The Victorian postmaster-general was conscious of the potential effect which the new Cape plan might have upon the Pacific service, and he recommended to Crick that they ask the Company to guarantee that no rebates or concessions would be offered to the general public.¹⁵ The Daily Telegraph took immediate exception to the request, and harshly criticised the two postmasters-general for placing the Pacific cable before the interests of the public:

the Victorian and New South Wales Postmasters-General have in conference, come to the extraordinary decision that if the Eastern Extension Company's proposal to lay a cable via the Cape is officially recognised, there must be no undercutting of rates which would affect business on the Pacific line ... That is a remarkable position for the Postmasters-General to assume ... which means that users of the cable are expected to pay highly for the privilege of having a second cable when they could pay less, and have increased facilities, if a third was laid.¹⁶

With growing local press support, the Company replied that it had made all the concessions it could to meet the colonies' wishes and must retain a free hand over the tariff "so that if necessary they can reduce them to the lowest possible limit."¹⁷

By 19 October Crick was able to wire Duffy in Melbourne informing him that he had been in contact with the Company's

15. Duffy and Crick to the Eastern Extension Company, 5 October 1899, New South Wales Parl. Paps., 1900, op. cit., p.7.

16. Daily Telegraph, 10 October 1899.

17. Eastern Extension Company to Crick, 8 October 1899, New South Wales Parl. Paps., 1900, op. cit., p.8.

Australian representative, and he had been assured that it was not intended to increase the rate should the minimum traffic level not be achieved.¹⁸ Consequently, he was of the opinion that the Company's offer could not be improved upon, and he was prepared to recommend his colony accept the proposal. Duffy replied that he felt any agreement with the Company should be made by all the colonies interested in the Pacific route, not "separately and without the knowledge of the others."¹⁹ He argued that several questions raised by the Company's proposal would be better addressed directly to the board of directors in London. As a result, Victoria desired to place the whole question before the Australian delegates to the Pacific cable board for their recommendation.²⁰

New Zealand and Queensland also voiced opposition to New South Wales entering into an agreement with the Eastern Extension Company. Informed of New South Wales' intentions, Seddon accordingly wired to Lyne in Sydney,

Understand strong pressure been brought bear to grant concessions to Eastern Telegraph Company. To do so would materially affect colonies guaranteeing Pacific cable, and, if conceded, New Zealand will hold itself free consider situation, for inevitable that concessions, if granted, will increase contributions from Pacific cable guarantors.²¹

Queensland would be unable to air its disapproval in London as it was not represented on the Pacific cable board. However, in a letter to J.S. Larke, Dickson stated that "this fact will not deter

18. Crick to Duffy, 19 October 1899, ibid, p.8.

19. Duffy to Crick, 20 October 1899, ibid, p.8.

20. Idem.

21. Seddon to Lyne, 25 October 1899, New Zealand Parl. Paps., 1900, op. cit., p.28.

the Government from discountenancing any movement which might tend to delay or embarrass the consummation of that scheme."²²

Crick was unmoved by the protests of the other colonies interested in the Pacific cable.²³ He argued that the Pacific cable board was not authorised to deal with the Eastern Extension Company's scheme. He therefore proposed to submit the case to the colonial office and be guided by its opinion.²⁴ The agent-general for New South Wales was accordingly instructed (on 23 October) to obtain the views of the Imperial government regarding the recent plan to lay a cable from the Cape colony to Australia. It was further stated that New South Wales desired to accept the offer, should the British authorities have no objection.²⁵ The agent-general replied (4 November) indicating that Chamberlain saw no objection to accepting the Company's scheme, provided the colonial government insist upon the route being made 'all-British'

22. Dickson to Larke, 25 October 1899, Larke Papers, National Library of Australia, MS 598.

23. Crick was under tremendous pressure from the press - see Daily Telegraph, 11 and 17 October 1899 - as well as from the commercial community. The Eastern Extension Company submitted its proposal to the Chambers of Commerce in Newcastle and Sydney. On 2 October 1899, the Newcastle organisation approved the proposal while on 4 October the Sydney Chamber stated, "That while still strongly advocating the proposed construction of the Pacific cable this Chamber considers that the proposal now put forward by the Eastern Extension Company, for the establishment of a Bureau is one which should be adopted, believing that it will be to the immediate benefit of those using the cables both in the matter of cost, and facilities for doing the business." Precis Relating to Cable Subsidies and Guarantees... p.18. Telecom Archives, Sydney.

24. Crick to Duffy, 21 October 1899, New South Wales Parl. Paps., 1900, op. cit., p.8.

25. Lyne to Agent-General, 23 October 1899, ibid, p.9.

and that the landing places be approved by British military authorities.²⁶

Responding to the negotiations between Crick, Duffy and the Eastern Extension Company, the postmaster-general of Queensland, James G. Drake, revealed the true aim of the Company. In a Memorandum of 12 October he quoted Tweeddale to the effect that the Company's shareholders could rest assured that "no stone would be left unturned to prevent a Pacific cable being laid."²⁷ Drake deplored the news that New South Wales and Victoria were preparing to come to terms with the Company. He argued that granting any concession to the monopoly, at such a crucial stage for the Pacific cable, was "antagonistic to the object sought to be obtained by the promoters of that cable."²⁸ In his opinion, the governments of New South Wales and Victoria had lost sight of the main aim of a trans-Pacific telegraph, which was to break down "a gigantic and unscrupulous monopoly."²⁹

Sir George Turner's suggestion, that the matter be turned over to the 'Australasian' delegates on the Pacific cable board, was of little solace to Queensland. Without a representative on the board, it appeared to Dickson and Drake that New South Wales and Victoria were merely seeking sanction from their own agents-general to alter

26. Agent-General to Lyne, 4 November 1899, ibid, p.9.

27. Report of the Post and Telegraph Department of Queensland for the Year 1899, p.74.

28. Idem.

29. Idem.

the conditions of the Pacific cable.³⁰ This assumption was unfounded, as the Turner administration, spearheaded by Duffy, genuinely desired to protect the interests of the Pacific line.³¹ As New Zealand was on record as opposing any concessions to the Eastern Extension Company, the weak link was New South Wales, which had a new ministry, out of power for five years, and anxious to win the support of the commercial electorate.

Armed with support from the colonial office, Crick sought to terminate negotiations and ratify an agreement with the Company. He requested Lyne to cable Queensland and Victoria (22 November) declining to refer the question to the Pacific cable board and stating that New South Wales favoured to accept the Company's overture.³² Acting on these instructions, S.H. Lambton sent a message to the Company's agent asking if the reduced tariff would be

30. Dickson cabled both Turner and Lyne consenting to the question being presented to the local delegates on the Pacific cable board on 17 November 1899. However, he only concurred with the suggestion because he understood that New South Wales and Victoria were strongly in favour of that course of action, and was not then aware that the Lyne administration favoured dealing directly with the colonial office. Ibid, p.72.

31. Upon hearing of Crick's intention to by-pass the provisional board, Victoria communicated with New South Wales urging patience. Duffy argued that the Australian representatives were in the best position to ascertain the views of Canada and Britain on the subject. He warned that "We are drifting into a most unfortunate position in this affair, owing to the fact that the question has never been properly discussed by the Colonies interested. The future of the Pacific cable scheme is involved, and if we are not careful, we will play into the hand of the worst enemies of that scheme." Turner to Lyne, 24 November 1899, Minute of the Postmaster-General to the Premier, New South Wales Parl. Paps., op. cit., p.15.

32. Precis Relating to Cable Subsidies and Guarantees... p.23. Telecom Archives, Sydney.

effective immediately, and if the Company was prepared to commence at once the rental of a post office land line. Surprisingly, the agent replied that his Company had decided to allow the new Victorian administration time to consider the plan before entertaining that of New South Wales.³³ In its 'gluttony', the Eastern Extension Company preferred to 'snare' both Victoria and New South Wales, and it assumed that affronting the latter would not affect that goal.

II

As much as the decision of the Imperial government to co-operate with Canada, New Zealand and the Australian colonies on the Pacific cable scheme was a resounding triumph, Sir Sandford Fleming had misgivings.³⁴ His doubts centred on the plan to allow the four southern colonies only three representatives on the provisional Pacific cable board. In a prescient letter to Sir Wilfrid Laurier, dated 5 September, 1899, Fleming foreshadowed subsequent events:

It is a mere detail, but a detail which, to my mind, appeared of very great importance, as it involved delay, and delays are always dangerous ... so far as I know, no progress has been made towards constituting the Board up to the present date. Meanwhile the Eastern Extension Company is displaying great activity in Australia. Its agents are doing everything in their power to prolong the delay.³⁵

33. Squier to Crick, 8 December 1899, New South Wales Parl. Paps., 1900, op. cit., p.10.

34. Fleming was created K.C.M.G. in 1897. MacMillan Dictionary of Canadian Biography. p.236. For further biographical information on Fleming see Lawrence J. Burpee, Sandford Fleming: Empire Builder. London, 1915.

35. Fleming to Laurier, 5 September 1899, New Zealand Parl. Paps., 1900, op. cit., p.33.

Two days after the conference between Chamberlain, Hicks Beach and the interested colonial representatives, in July 1899, Fleming had arrived in London accompanied by the Canadian minister of public works. They had been dispatched by the Canadian government to attend the conference, and to urge the British representatives to join in the Pacific cable project. Fleming remained in London for five weeks, awaiting the first meeting of the proposed board of enquiry. Had Chamberlain conceded four delegates to the antipodes, it would have been feasible to constitute the board immediately, and possibly to forestall the designs of the Eastern Extension Company.

However, Fleming could do nothing to reverse the inaction of the governments involved, and instead took steps to lessen the impact of the Eastern Extension Company's proposal. In a letter to Sir George Turner, of 14 September, Fleming argued that the plan to lay a cable across the Indian Ocean from the Cape to Australia was of great importance to the Empire. The route suggested by the Company was identical to the one advocated by Fleming as the second link in a state-controlled chain of electric cables.³⁶ He argued, to Turner, that any agreement entered into with the Eastern Extension Company carry the proviso that the governments concerned have the right to take possession of the line.³⁷ He stated further,

it is essential that these cables should eventually come under Government control. The public interests demand that in order to secure the cheapest telegraph transmission, the

36. See Fleming to Chamberlain, 28 October 1899, Canada, Sessional Papers, (No.51), 1899, p.26.

37. Fleming to Turner, 14 September 1899, Larke Papers, op. cit.

greatest development of commerce, and the greatest freedom of intercourse throughout the Empire, the system of cables contemplated should be the property of the State.³⁸

Fleming was attempting to take the initiative from the Company, and to redirect the developments to his own proposition, of a set of state-operated cables.

The idea of reserving for the state the right to purchase privately-owned cables was not unprecedented. As early as October 1893 the then secretary of state, the Marquis of Ripon, had concluded an agreement with the Eastern Extension Company to lay a second cable from Singapore to Hong Kong. A clause was inserted in that contract stating plainly that

Her Majesty's Government shall have the option at any time of cancelling all the foregoing articles of this agreement, by giving to the Company twelve months' previous notice, and on payment to the Company of a sum of £300,000, being the estimated cost of laying such a second cable.³⁹

A similar clause attached to the Cape cable would, with the Pacific line, make up two-thirds of a state-owned cable system around the world.

Conscious of the repercussions of such an eventuality, the Eastern Extension Company was reluctant to enter into any similar agreement. The Pacific cable was the beginning-of-the-end for the Eastern and associate companies.⁴⁰ No effort was spared to

38. Idem.

39. Fleming to Laurier, 15 November 1899, New Zealand Parl. Paps., 1900, op. cit., p.34. For copy of the Ripon Agreement, see ibid, pp.70-71.

40. Hugh Barty-King argues that after Sir John Pender's death, the leadership of the allied companies was insufficient to stem the rising tide of state-run submarine cables. Referring to the threat of state
(Footnote continued to page 210)

defeat it. Once the interested governments had decided to carry out the project, the Company manoeuvred to make the undertaking unprofitable. The profits of the Eastern Extension Company in Australia could be sacrificed, as long as the Pacific cable became a white elephant. If the first attempt at government ownership of overseas communication was a failure, subsequent schemes would be less likely to develop.

By the time the provisional Pacific cable board finally held its first meeting, on 14 December, the Company's offer had gained wide public acceptance in Australia. Nor was the Company's position jeopardised by the committee's terms of reference. The provisional board was charged with ascertaining the cost of laying and operating a Pacific cable, the rates to be charged, and the best means of administering the line upon its completion.⁴¹ All conclusions were subject to the approval of the various contracting governments, while the Imperial government reserved exclusive control over the raising of necessary capital. Under these guidelines, the committee was precluded from addressing the Cape cable question unless it was put forward by the governments interested in the Pacific service.

(Footnote continued from page 209)

competition, he wrote, "The forces which opposed Eastern telegraph were formidable, but its second generation management were less capable of meeting them than the pioneers. They lacked the incentive to keep the momentum going in the direction the times demanded." See Barty-King, op. cit., p.149.

41. Instrument Appointing a Committee to Consider the Scheme suggested by the Committee of 1896. Parl. Paps., 1900, Cd. 46, op. cit., p.49. Joining Sir Julian Salomons of New South Wales, Sir Andrew Clarke of Victoria and W. Pember Reeves of New Zealand were Lord Strathcona and the Earl of Aberdeen representing Canada, Sir G.H. Murray, Lord Selborne, and Sir Francis Mowatt (Chairman) representing Great Britain.

The Company also had the advantage of negotiating with new administrations in Victoria and New South Wales. This benefit was realised when the Australian colonial premiers met in conference in Sydney, early in 1900. When the conference convened on 27 January to discuss the latest proposal of the Company, three premiers were still not associated with the Pacific scheme, and had come out in favour of the Cape line; two were bound to a Pacific route, but under pressure to agree to the Company's terms; and only one refused to consider any cable other than the Pacific.⁴² The consensus reached earlier, on the subject of an Imperial 'partnership', was disintegrating fast on the very eve of its completion.

The success of the Company's latest tactic was evident even before the premiers' conference. Acting on instructions from Melbourne, the Victorian agent-general distributed correspondence that had passed between the various colonial premiers to his peers in London - representing Queensland, New Zealand and New South Wales. Together they determined to review the issue with the High Commissioner for Canada. On 8 January 1900, all parties concerned, except the agent-general for New South Wales, concluded that acceptance of the Company's offer would seriously affect the commercial success of the Pacific line, and that the proposition had been made with that objective in view.⁴³

42. South Australia, Western Australia and Tasmania favoured the Cape route, Victoria and N.S.W. were of two minds and Queensland was firm in its commitment to the Pacific cable. Not party to the federation of Australia, New Zealand was not invited to attend the conference. The case of Victoria is confused at this time only because of the change in government. Despite pressure from the Melbourne press, the new administration remained true to the Pacific cable cause.

43. Agent-General to Seddon, 13 January 1900, New Zealand Parl. Paps., 1900, op. cit., p.54.

Before the conference opened, the Daily Telegraph had renewed its crusade to convince Crick of the wisdom in agreeing to the Company's terms. In an editorial of 23 January it argued that there was no further reason for delay in reaching an agreement with the Company.⁴⁴ As Chamberlain had given his assent to the idea, the views of the other interested parties carried little weight. Earlier in the month, in a Memorandum to Lyne, Crick had stated that,

It is understood that the Governments of South Australia and Western Australia have accepted the Company's proposals; and I am disposed to advise the Government of this colony to do the same, on condition that it agrees to reduce the tariff at once as regards such colonies as accept the proposals ... We should thus secure an immediate reduction of rates without subsidy or guarantee, whilst under the most favourable circumstances the Pacific cable could not be completed for at least three years.⁴⁵

The former postmaster-general for New South Wales, Joseph Cook, took exception to Crick's position. In a letter to the Daily Telegraph, published on 25 January, he strongly criticised his handling of the situation. In a leading editorial of the same date, the newspaper belittled Cook's arguments, and it reiterated the immediate benefits that would result from a swift conclusion of the matter.⁴⁶

Opposition to accepting the Company's terms continued to pour into Sydney prior to the conference. On 23 January the Canadian premier wired Lyne to the effect that,

Would sincerely hope that project of Eastern Extension Company will not be accepted. Any kind of delay at this moment might be fatal.⁴⁷

44. Daily Telegraph, 23 January 1900.

45. Minute by the Postmaster-General to the Premier of N.S.W. 11 January 1900, New South Wales Parl. Paps., 1900 op. cit., p.15.

46. Daily Telegraph, 25 January 1900.

47. Laurier to the Australasian Premiers, 23 January 1900, New Zealand Parl. Paps., 1900 op. cit., p.57.

The same day the premier of New Zealand cabled Sydney enquiring if Lyne had received any recommendation from Chamberlain, and stated that he considered acceptance of the scheme as a breach of faith, as it must reduce the earnings and increase the liabilities of the Pacific cable partnership.⁴⁸ Anxious to force the issue at the premiers' conference, the Company publicly announced its intention to terminate the existing tariff agreement with Australia and New Zealand, on 30 April 1900.⁴⁹

Despite the objections raised by the other partners in the Pacific cable, the force of the immediate benefits of the Cape-Australian line influenced the course of discussions at the conference. After full consideration of the details, the premier of South Australia moved that,

the proposals of the Eastern Extension Telegraph Company for a Cape-Australian cable be accepted, with the following qualifications: (a) The suggestion of Mr. Chamberlain be agreed to, (b) The right to open local offices to be exercised only on the laying of the Pacific cable ...⁵⁰

The motion was favoured by a majority of the premiers. However, the premiers of Victoria and Queensland requested that a final decision be delayed for a few days, to allow them to obtain further information on the effects an agreement would have on the Pacific cable.⁵¹

48. Seddon to Lyne, 23 January 1900, ibid, p.57.

49. Precis Relating ... op. cit., p.27.

50. Extract from the Proceedings of Conference of Premiers, Sydney, 27 January 1900, New South Wales Parl. Paps., 1900 op. cit., p.15.

51. Idem. Victoria's position had been influenced by a deputation from the Melbourne Chamber of Commerce. See Daily Telegraph, 31 January 1900.

Press reports from Sydney suggested that the premiers had come to terms with the Company.⁵² But the issue was far, in fact, from settled. To the Brisbane Courier the question had reached the point where Australians must decide whether the time had arrived for a state-owned cable, or whether the private monopoly was to retain its dominance. The Courier asked Queenslanders,

... to reflect on their experience of large private monopolies ... Why should we, with world-wide acceptance of State control of the Post Office, prefer the continuance of a private monopoly to State control of our ocean telegraphy? Why should we carry longer on our shoulders this old man of the sea, who, in fear of being unseated, promises to sit so much more easily upon us, when in fact we can use our own hands instead of his.⁵³

The Queensland government concurred with this view and, in accordance with its position in Sydney, wired its desire to have the conference resolution put before the Pacific cable committee.⁵⁴

An important telegram was received in Sydney from Laurier on 8 February registering Canada's objection to any proposal which removed control over telegraph business from the local authorities.⁵⁵ The message was transmitted to the other Australian colonies. The new Victorian premier replied that the Company would only be granted terminal privileges upon the completion of the Pacific line.⁵⁶ He argued that his government had demanded such terms so as to protect the proposed Imperial

52. Daily Telegraph, 30 January 1900.

53. Brisbane Courier, 31 January 1900.

54. Post and Telegraph Department of Queensland, 1899, op. cit., p.75.

55. Precis Relating ... op. cit., p.29.

56. McLean to Seddon, 19 February 1900, New Zealand Parl. Paps., 1900 op. cit., p.64.

project. Laurier was not satisfied, and cabled again to Australia the view that granting concessions to the Company, even upon completion of the Pacific telegraph, would seriously endanger the financial prospects of the cable.⁵⁷ He also maintained that the action contemplated by Victoria and New South Wales was a significant alteration of the situation which existed at the time when the Pacific cable partnership had been forged. He hoped, further, that no change would be entertained without the consent of the other partners.

New Zealand was also firm in its resolve to convince New South Wales and Victoria of their folly.⁵⁸ However, the two primary colonies continued to negotiate privately with the Eastern Extension Company.⁵⁹ On 26 February the manager in Australia for the Company wired Lambton, in Sydney, stating that he had been authorised to agree to the amendments suggested by Crick, and inquired whether the colony of New South Wales would sign the agreement in Sydney, or through the agent-general in London.⁶⁰ The same day a cable arrived from Chamberlain, which transmitted a unanimous resolution passed by the Pacific cable committee in London. This resolution urged that no concessions be granted to the

57. Laurier to Australasian Premiers, 20 February 1900, ibid, p.64.

58. See Seddon to McLean and Seddon to Lyne, 25 February 1900, ibid, p.64.

59. See Eastern Extension Company to Crick, 13 February 1900, McLean to Lyne, 19 February 1900, and Crick to Watt, 23 February 1900, New South Wales Parl. Paps., 1900 op. cit., pp.16-17.

60. Eastern Extension Company to Lambton, 26 February 1900, ibid, p.18.

Company for a cable between Africa and Australia until the committee had had an opportunity to assess the implications upon the Pacific scheme.⁶¹ Chamberlain further stated that he concurred with the committee's suggestion, and recommended that the colonial governments refrain from entering into any agreement with the monopoly at that time.⁶²

This was enough to dissuade the faint-hearted postmaster-general of Victoria. As his cablegram to Crick (on 28 February) demonstrated:

Since my last, vigorous protests against new proposals have arrived from Premiers Canada, New Zealand, and Queensland, also adverse report Pacific Board, endorsed by Secretary of State. In view of nature of last-mentioned, and its important bearing on Pacific scheme, do you not think final action should be deferred.⁶³

Crick was not so easily sidetracked. Rather than concede to external pressure, he advised Lyne to wire Chamberlain and the premiers of Queensland, New Zealand and Canada to explain the administration's position.

In that communique Lyne stated that there seemed to be "some misapprehension" with regard to New South Wales' participation in the Pacific cable compact.⁶⁴ His administration was still very much concerned about the future of the Pacific plan. However, as the Pacific line would not be established "for three years, probably more", New South Wales desired to avail itself of the immediate rate

61. Chamberlain to the Governor of New South Wales, 26 February 1900, ibid, p.18.

62. Idem.

63. Watt to Crick, 28 February 1900, ibid, p.18.

64. Lyne to Chamberlain et al., 2 March 1900, ibid, p.19.

reductions offered by the Eastern Extension Company.⁶⁵ Lyne argued that the existing tariff agreement was due to expire on 30 April 1900, and unless a new contract was signed, the Company could "instead of reducing rates, increase them up to eight shillings".⁶⁶

New Zealand was the first to balk at the New South Wales argument. Seddon argued that public pressure would discourage the Company from any radical increase in the tariff, and he once again requested that New South Wales refrain from concluding an agreement with the Company.⁶⁷ Queensland also denied any "misapprehension" regarding the Eastern Extension Company's true designs. In response to the threat of an increase in the tariff, the new Queensland premier, Robert Philp, stated,

It appears to this government infinitely preferable to risk for a time the vindictive action on the part of the Company, which you seem to consider probable than lose the magnificent opportunity now afforded to securing the construction of an all-British cable under state control which while fraught with limitless potentialities from the standpoint of Imperial politics cannot fail to be of inestimable commercial advantage.⁶⁸

Philp concluded by joining Seddon in the view that public opinion in the colonies and Britain would guard against any undue increase in telegraph rates. With "misapprehension" rife in the colonies, a cable from Chamberlain in London, raising the possibility that Canada and New Zealand might withdraw their support of the Pacific

65. Idem.

66. Idem.

67. Seddon to Lyne, 3 March 1900, New Zealand Parl. Paps., 1900 op. cit., p.65.

68. Philp to Lyne, 3 March 1900, Post and Telegraph Department of Queensland, 1899, op. cit., p.76.

line, acted to further isolate New South Wales.⁶⁹

Keen to advance the sputtering negotiations, the Company's manager in Australia informed the colonies on 23 March that unless an agreement was reached within a fortnight, the offer of a sliding scale would have to stand over for one year.⁷⁰ Apprehensive of continued delay because of the two Pacific cable partners, an agreement was now signed by the colonies of South Australia, Western Australia and Tasmania on 14 April.⁷¹ As of 1 May 1900, pursuant with the contract, the tariff for ordinary messages to and from the contracting colonies and Great Britain was reduced to 4s. per word; while government messages were transmitted at 3s. per word; and press messages cost 1s. 4d.⁷²

In an effort to share in the low rates enjoyed by the contracting colonies, the postmasters-general of New South Wales and Victoria hastily met in Melbourne on 3 May 1900, to prepare a proposal that would suit the Company as well as their partners in the Pacific cable. After discussion, the postmasters-general submitted a series of amendments to the existing agreement.⁷³ Paramount in these were a purchase clause, as suggested by Fleming, and an arbitration clause whereby the colonies could request

69. Chamberlain to The Governor of New South Wales, 3 March 1900, New South Wales, Parl. Paps., 1900 op. cit., p.19.

70. Warren to Crick, 23 March 1900, Precis Relating ... op. cit., p.35.

71. For copy of agreement see New Zealand Parl. Paps., 1900 op. cit., p.65.

72. See Schedule of Rates, ibid, p.69.

73. F.L. Outtrim to Lambton, 8 May 1900, New South Wales Parl. Paps., 1900 op. cit., p.22.

termination of the contract unilaterally.⁷⁴ The Company objected to the amendments, and stated that there could only be one agreement. Either New South Wales and Victoria accept the terms, of what had become known as the "Adelaide agreement", or continue to pay a higher tariff.⁷⁵

These negotiations went into abeyance. Although Victoria and New South Wales considered the "Adelaide agreement" a fair one for the Western colonies, for the sake of the Pacific cable project, both were forced to stand by the suggested amendments. In truth, the "Adelaide agreement" ensured the construction of a Cape-Australian cable. The Eastern colonies could establish a bureau in Adelaide so as to avail themselves of the lower rates, without being bound to the Eastern Extension Company. It was admitted that such a scheme was inefficient. However, the future of the Pacific cable demanded a cessation of negotiations.⁷⁶

III

While such lengthy negotiations were still underway with the Eastern Extension Company in Australia, the Pacific cable committee was busy in London finalising the details of the state-owned Pacific project. With respect to the first point of reference, the cost of

74. The agreement of 14 April 1900, hereafter referred to as the "Adelaide agreement", required mutual consent before it could be terminated.

75. Argus, (Melbourne), 29 May 1900, and Sydney Morning Herald, 29 May 1900.

76. Daily Telegraph, 29 May 1900. A cable from Chamberlain on 11 May 1900, deprecating any concessions until the Pacific cable was established, sealed the question. Although Crick was desirous of an agreement he decided to wait with the Victorian postmaster-general until the Pacific line was assured. See Precis Relating ... op. cit., p.39.

laying and maintaining the cable, the committee diverged slightly from previous estimates. Unlike the committee of 1896, the rate of interest for raising capital was set at 3%, instead of at 2 1/2%.⁷⁷ This modification altered the estimated cost of interest and the sinking fund. However, the 1899 committee calculated the expenditure on maintenance to be considerably lower than the first committee. Consequently, annual expenditures were fixed at £150,000 rather than £158,673.⁷⁸ The consulting firm commissioned by the board to ascertain the cost of construction, including two steamers for maintenance and other initial expenditures, estimated that the cable could be constructed and laid for £1,708,659.⁷⁹

The provisional board recommended that the tariff from Australia to Vancouver be set at 2s. per word. Predicting exactly what portion of the total 'Australasian' traffic which would fall to the new cable proved to be an impossible task. To reach a fair estimate, the committee accepted the mean predictions of those favourable to the scheme, and the antagonistic estimates of the Eastern Extension and associated companies. It was assumed that the total traffic for 1902 would be 2,300,000 words with the new line receiving the following portion from each colony:

77. Report of the Pacific Cable Committee, 1899-1900, Colonial Office, Miscellaneous No.128, p.3. Telecom Archives, Sydney.

78. Idem.

79. Idem. The actual tender accepted by the committee from Telcon was £1,795,000. Added to that was £200,000 for sundries not included in the call for tenders such as cable tanks, instruments for working the line and duplex apparatus.

Western Australia	None	
South Australia	None	
Victoria	One-half	
Tasmania	One-half	
New Zealand	Three-quarters	
New South Wales	Homeward three-quarters	
	Outward One-half	
Queensland	All or homeward all;	
	outward three-quarters	80

Reckoning on this division, the total paying traffic over the Pacific route was determined at 960,000 words.⁸¹ Calculating a 2s. tariff, the committee estimated a total revenue of £96,000, which, subtracted from expenditures, would leave a deficit of £54,000.⁸²

Critics of the Pacific project argued that the system would not be 'all-British', because of a traffic agreement between the proprietors of the Canadian landline, the Canadian Pacific Railway, and the Commercial Cable Company. Under the agreement the Commercial Company had exclusive rights to transmit traffic off the Canadian Pacific Railway wire over its Atlantic cable. The Commercial Company was incorporated in America. However, the Company's cables landed on British soil and its repair ships flew the British flag.⁸³ Further, the messages between Canada and Great Britain never left British territory. As a result, the

80. Ibid, p.4.

81. Ibid, p.5.

82. Idem. The committee was informed that the Canadian Pacific Railway in conjunction with the Commercial Cable Company would transmit the Pacific cable traffic from Vancouver to London at a rate of 1s. per word.

83. Ibid, p.7.

committee argued that any agreement between the governments concerned with the Pacific cable and the Commercial Company would not interfere with the system's 'all-British' character.⁸⁴

As to its last point of reference, the establishment of a permanent board of management, the committee recommended that the board consist of eight members appointed on the same basis as the provisional board.⁸⁵ The board was to be non-remunerative, and meet at least once a month. There was to be an executive, salaried manager, subservient to the board, to act on all matters of business, to supervise the staff and all aspects of the running of the cable.⁸⁶

The report of the committee was sent to the interested governments by the colonial office, and marked "confidential", in May 1900. It was agreed, miraculously, by all parties to undertake the project on the lines stated by the committee, and the provisional board asked for tenders to be submitted by 14 August, 1900.⁸⁷ On 14 October Chamberlain informed the members of the Pacific alliance that the board had recommended acceptance of the tender submitted by Telcon.⁸⁸ But, before a contract could be

84. For arguments against the Commercial company see, Anglo-American Telegraph Company to Colonial Office, 9 May 1899, Parl. Paps., 1900 Vol. LV, op. cit., p.1, and Direct United States Cable Company to The Treasury, 13 May 1899, ibid, p.5.

85. Pacific Cable Committee, op. cit., p.7.

86. Idem.

87. Post and Telegraph Department of Queensland, 1899, op. cit., p.77.

88. History of the Pacific Cable Project, (No date), p.8. Telecom Archives, Sydney.

entered into, the offer required ratification by the various colonial parliaments.

When introducing the Pacific Cable Enabling Bill to the New South Wales legislative assembly on 25 October, the postmaster-general outlined the potential cost of the project to New South Wales. Crick informed the assembly that New South Wales was bound to meet one-ninth of the interest on capital, sinking fund and working expenses, totalling £17,335.⁸⁹ Against a one-ninth share of revenue, £10,666, the estimated loss to the colony was £6,669.⁹⁰ Subtracted from that total was revenue derived from inland rates, leaving New South Wales to bear an annual charge of £5,699. In supporting the Bill, Crick pointed out that prior to the expiration of the colony's former agreement with the Eastern Extension Company, it was paying an annual subsidy of £13,000.⁹¹

The Bill was passed in the assembly the following day, but not without heated exchanges among members regarding the merits of the Pacific line, as opposed to the Eastern Extension Company's proposed rate reductions. The member for Newtown abhorred the thought of the government gratefully accepting a liability for telegraphic communications while the Company offered to reduce the tariff to 2s. 6d. without subsidy.⁹² The member for Waratah refuted that argument and further exposed the Company's designs when he stated,

The newspapers have been fighting all they can for the acceptance of the proposal of the Eastern Extension

89. Extracts from "Parl. Debates" (Assembly) 25 October 1900, p.1. Telecom Archives, Sydney.

90. Idem.

91. Idem.

92. Ibid, p.2.

Company; but is is generally known in town amongst business people that their proprietors were offered by the Company most tempting conditions should the concessions which are asked for be granted, and the Pacific cable proposal scotched.⁹³

Joseph Cook also joined in attacking the Company's plan and declared that granting the concessions once the Pacific cable was secure, as Crick intended, was "an almost criminal thing."⁹⁴

Following the passage of the Pacific Cable Enabling Bill, the postmaster-general of New Zealand wired Crick, in Sydney, inquiring about the position of negotiations with the Eastern Extension Company. Crick replied that he and the postmaster-general of Victoria would not consider the Company's proposal until the Pacific cable contract was signed.⁹⁵ The contract to construct the Pacific cable was duly entered into, on the last day of 1900.⁹⁶ The next day the Commonwealth of Australia was proclaimed. However, post and telegraph matters were not transferred to the federal department until March of 1901. Therefore, as postmaster-general, Crick was still responsible to the crown for post and telegraph matters involving New South Wales. And as a result, when the Company's representative cabled Crick, on 8 January 1901, asking if the states of New South Wales and Victoria were willing to enter into the "Adelaide agreement", he could respond in good faith, having seen the Pacific cable project finalised.⁹⁷

93. Ibid, p.3.

94. Ibid, p.5.

95. Crick to Postmaster-General New Zealand, 29 December 1901, New Zealand Parl. Paps., 1901, F-8, p.31.

96. Chamberlain to Lord Minto, 5 January 1901, Canada, Sessional Papers, (59a), 1901, p.12.

97. Warren to Crick, 8 January 1901, Precis Relating ... op. cit., p.41.

At last, on 8 January, a joint statement was issued to the Company, signed by Crick and the new postmaster-general of Victoria, which stated plainly -

We are prepared to accept Adelaide agreement with such alterations as are necessary by reason of New South Wales and Victoria coming in at the present time ... We will instruct Agents-general to sign amended agreement in London at once in these terms.⁹⁸

That same day, Chamberlain cabled to Sydney that the Canadian government had informed him of the renewed negotiations, and requested that they be deferred until the Pacific cable board had had an opportunity to deal with the question.⁹⁹ Crick recognised this tactic. At his direct request, the agent-general was instructed to sign the "Adelaide agreement" on 16 January 1901.

The Turner administration in Victoria was not so quick to break faith with its partners in the Pacific cable. After the matter was considered in cabinet, it was decided to solicit the opinions of the other members involved in the Pacific project before ratifying the 'Adelaide agreement'. In a telegram to the premiers of Canada, New Zealand and Queensland, dated 19 January, Turner diplomatically suggested -

New South Wales having obtained the advantage [of reduced rates] we are naturally desirous that our people should be in as good a position as the other states ... I shall, therefore, be glad to know whether, under the circumstances as they now exist, you will object to Victoria entering into the proposed agreement.¹⁰⁰

98. Crick and W. Gurr to Warren, 8 January 1901, ibid, p.42. Turner was returned as premier of Victoria in November, 1900.

99. Chamberlain to the Officer Administering the Government of New South Wales, 8 January 1901, New Zealand Parl. Paps., 1901, op. cit., p.33.

100. Turner to Seddon, 19 January 1901, ibid, p.32.

Opposition to Victoria, following in New South Wales' footsteps, was issued to Melbourne from all quarters, and no further moves were taken by the Victorian ministry.¹⁰¹

Regardless of this action, the damage had been done. By allowing the Eastern Extension Company access to the Sydney market, the light of the Pacific cable proposal was dimmed considerably. In responding to Chamberlain's request that the question be deferred, the New South Wales government in fact replied to the effect that

Pacific Cable Board has no power to deal with any matter affecting Post Office except Pacific Cable. Our Post Office will probably pass to Federal Government at the end of next month, when cable-rates would necessarily be uniform. At present, this state pays 4s. 11d. per word, while the adjoining state pays 3s. 6d. Paving the way for uniformity in the Federal service, my Government has entered into agreement with the Eastern Extension Company for uniformity of rate from 1 February.¹⁰²

This limp justification did little to lessen the impact of New South Wales' action upon the prospects of the Imperial Pacific 'compact'. Had Crick truly been motivated by a desire to simplify the transition of six post and telegraph departments into one federal body, it is most likely that he would have approached Queensland in the matter. He did not.

The New South Wales initiative was governed purely by the desire to secure cheaper communications. The shortsightedness of Crick and his colleagues, while providing an immediate advantage, cost subsequent administrations several thousands of pounds of

101. See Philp to Seddon, 23 January 1901, ibid, p.33, and Laurier to Strathcona, 20 February 1901, Canada, Sessional Papers, (59a), op. cit., pp.50-51.

102. Officer Administering the Government of New South Wales to Chamberlain, 17 January 1901, New Zealand Parl. Paps., 1901, op. cit., p.33.

capital to maintain a non-paying state cable. By entering into the "Adelaide agreement", New South Wales also created further complications for the infant federation. The Commonwealth government inherited two cable agreements from the former colonies, in which one state was party to both.

IV

Strenuous protests from Canada, Queensland and New Zealand had little effect upon the altered circumstances of the Pacific cable compact. In an attempt to resolve the crisis, the interested governments placed the question before the permanent board of management in London. At its first general meeting, on 25 February 1901, the board resolved that the "Adelaide agreement" was prejudicial to the interests of the Pacific cable, and concluded that a conference representing the governments concerned be held at an early date.¹⁰³ The colonial office initiated discussions with the agents-general and the High Commissioner, with the view to fulfilling the request from the board.¹⁰⁴ But, as the cable was not yet laid, negotiations subsided and the proposed conference lapsed.

The Pacific Cable Act was in fact ratified by the British government on 17 August. Surveying of the route began later that month and the ocean floor was found to be conducive to cable laying. It consisted mostly of 'globigerina ooze', and not coral

103. Pacific Cable Board, Abstract of Minutes of Meetings, Premiers Papers, Pre. 43, Queensland State Archives. See also, Strathcona to Laurier, 26 February 1901, Canada, Sessional Papers, 1901, (59A), p.54.

104. Agent-General to Seddon, 12 April and 25 April 1901, New Zealand, Parl Paps., 1901, p.37.

and mountainous volcanoes as the detractors of the scheme had predicted.¹⁰⁵ The greatest depth found along the suspect stretch between Canada and Fanning Island was 3,400 fathoms, and not 12,000 fathoms as was projected at the Colonial Conference in 1887. Laying of the cable began on 8 March 1902 when the Telcon vessel Anglia departed from Southport, Queensland, to submerge the section between Australia and Norfolk Island. By 25 March the Anglia had completed the Norfolk Island to New Zealand portion - thus connecting the latter with Australia by a state-run cable.¹⁰⁶

As the contract required the cable to be functioning by the end of 1902, Telcon had the Colonia constructed to pay out the long stretch of heavy cable between Bamfield, British Columbia, and Fanning Island. Fitted for a larger load than the Great Eastern, the Colonia set out from Bamfield on 18 September with 4000 miles of cable, weighing more than 8000 tons, and arrived at Fanning Island in a record eighteen days.¹⁰⁷ The Anglia then laid the final section, from Fanning Island to Fiji, completing the 'all-British' Pacific telegraph service on 31 October, two months ahead of schedule.¹⁰⁸

A deluge of congratulatory telegrams ensued between the various partner states, all expressing hope and faith in this latest symbol of Empire. Many of the cablegrams which arrived in Ottawa were addressed to Sir Sandford Fleming, offering cordial congratulations

105. Barty-King, op. cit., p.138.

106. Idem.

107. Ibid, p.139.

108. Idem.

on the completion of what had grown to be known as 'his' project.¹⁰⁹ Quick to exploit an opportunity to demonstrate the value of the new service, Fleming dispatched identical messages to the Governor-General of Canada in opposite directions. Both arrived in Ottawa the following day, 1 November, having circled the globe. The completion of the world's electric girdle had been won, and the first stage of Fleming's vision of a state-operated cable system was a success.

It still remained to be seen, however, just how costly the "Adelaide agreement" would be upon the financial success of the Pacific cable. After the initial excitement subsided, Edmund Barton, the premier of Australia, attempted equitably to resolve the conflict created by the New South Wales authorities. His answer was to enter into an agreement with the Eastern Extension Company, which extended the privileges from the former agreement to Victoria and Queensland, with the stipulation that the agreement could be terminated unilaterally after ten years.¹¹⁰ He considered the new agreement to be a victory for the Pacific line. Although it enabled the Company to establish offices in Melbourne and Brisbane, the arrangement was no longer in perpetuity. Barton argued that "what is done is done" and the Commonwealth had no other recourse but to abide by the previous contract.¹¹¹

R.J. Seddon, however, refused to accept Barton's rationalising and urged him to abort the proposed agreement. Seddon argued that

109. Johnson, (ed.). op. cit., p.442.

110. For terms of the new Commonwealth agreement see, New Zealand Parl Paps., 1903, F-8A, pp.2-6.

111. Barton to Seddon, 1 June 1903, ibid, p.7.

conceding further concessions to the Company was a one-sided compromise which benefitted the Commonwealth at the expense of the other partners involved in the Pacific cable.¹¹² A gain for the Eastern Extension Company was a loss to those allied with the Pacific cable. Barton rebutted this by stating that

The Pacific cable is not for a day, but, it is to be hoped, for all time, and it is surely the province of those responsible for the administration of a country not to limit their views to momentary advantages, but rather to look ahead and proceed in such a manner that their actions will be of permanent benefit ... There can be no doubt that in reducing the term of the agreement to a reasonable period the Commonwealth has obtained for the Pacific cable a very great advantage, which cannot fail to be of immense and increasing value.¹¹³

Barton acted on the premise that the former agreement was inviolable. Consequently, his resolve to deal with the issue in a just manner was unshakable, and the new agreement passed the Commonwealth House of Representatives on 29 July 1903, without division.¹¹⁴

At a subsequent annual meeting of the British Empire League in Canada, held on 19 May 1903, Sir Sandford Fleming expanded upon the implications of the Eastern Extension Company's actions in Australia. For him, the situation was far more than a question of losses and profits. Instead, the crisis affected the great issue of the "good faith and honour" of the component parts of Empire.¹¹⁵

Much as the misunderstanding is to be deplored, it is the cause of rejoicing to the old enemy of the Pacific cable.

112. Seddon to Barton, 11 May 1903, ibid, p.2.

113. Barton to Seddon, 1 June 1903, op. cit.

114. Barton to Seddon, 30 July 1903, ibid, p.12.

115. British Empire League in Canada, Enclosure in, Seddon to Barton, 29 June 1903, ibid, p.9.

... As a result of long plotting, that Company has at length achieved a double victory. They have not only succeeded in taking from the Pacific cable its fair share of telegraph earnings, but they have managed by their machinations to get the owners of that undertaking at loggerheads.¹¹⁶

Unless that impasse was handled in a friendly spirit of brotherhood and co-operation, Fleming feared that the conflict could be the "beginning of a family quarrel the outcome of which no one can foretell."¹¹⁷ The aim of the Pacific project was to bring closer together the strands of Empire. But, in its infancy, the cable actually appeared to be a hinderance to that great end.

Fleming's appeal, for a return to co-operative dialogue between the partner states involved in the Pacific cable, went unheeded. News of the ratification of the new agreement by the lower house of the Australian Commonwealth produced a further string of protests from Canada, New Zealand, and Queensland.¹¹⁸ Of the three angered premiers, only Robert Philp of Queensland offered Barton any alternative to his chosen course of action. Philp urged Barton to delay any further discussion until the once-proposed special conference had had an opportunity to assess the significance of the Commonwealth legislation. Philp informed the lieutenant-governor, on 17 August, of his state's intention to obstruct ratification of the agreement until a conference could be held.¹¹⁹

116. Idem.

117. Idem.

118. See, Laurier to Barton, 19 August 1903; Seddon to Barton, 18 August 1903; and Philp to Barton, 17 August 1903, Australia, Senate Paper, 1903, No.44, p.1.

119. Philp to Lieutenant-Governor, 17 August 1903, Premiers Papers, Pre. 46, Queensland State Archives.

Philp's determination, and the disapproval of Canada and New Zealand, moved a band of Commonwealth senators, led by W.G. Higgs of Queensland, to withhold support for the Commonwealth government's resolution. In a letter to Philp, of 3 September, Higgs stated that "the federal government are acting in a most extraordinary and unstatesmanlike manner."¹²⁰ He argued that clause 80 of the Post and Telegraph Act prohibited the government from relinquishing its authority to collect and distribute messages to the Eastern Extension Company.¹²¹ This was sufficient to prevent ratification of the agreement by the senate. However, the Company still opened an office in Melbourne, under the authority of the lower house. Although no money was ever voted by the senate, the Commonwealth provided a special line for the Company between Sydney and Melbourne.¹²²

In late October of that year, the colonial office duly began arranging the details of the desired conference. Because of the transference of responsibility for the Pacific cable from the colonies to the Commonwealth, the federal government was not interested in continuing the discussion, as it deemed the new agreement as the conclusion of the question.¹²³ Consequently,

120. Higgs to Philp, 3 September 1903, ibid.

121. Speech in Favour of Pacific Cable, by W.G. Higgs (from the "Parliamentary Debates" 23 November 1905), ibid. The Act states that "the Postmaster-General shall have the exclusive privilege of erecting and maintaining telegraph lines and of transmitting telegrams ... and performing all the incidental services of receiving, collecting, or delivering such telegrams."

122. Idem.

123. Higgs to Philp, 3 September 1903, op. cit.

matters were left in abeyance for two years until June 1905. At that time the Pacific Cable Conference was finally convened at the colonial office. The chairman of the meeting was the colonial secretary, Alfred Lyttleton; and also in attendance were Lord Jersey, Sir William Mulock and, of course, Fleming.¹²⁴

Despite the good intentions of the conference, the issue of considering the effects of the Eastern Extension Company's manouevers had been left for too long for any practical result to come from the meetings. Lyttleton said as much in opening the conference:

whatever may have been the original merits or demerits of the case, the matter now has been left untouched for so considerable a period that it would perhaps be the most businesslike way to look at these Agreements and the opening of offices in the light of accomplished facts.¹²⁵

By admitting such defeat at the outset, the conference was destined to prove fruitless. Indeed, the only conclusion reached at the meeting was that the Commonwealth agreement be amended, expressly to state that it remain in force until 31 October 1913, "and no longer".¹²⁶

124. Proceedings, Pacific Cable Conference, Colonial Office Proof, Miscellaneous, No.182, p.3. Telecom Archives, Sydney.

125. Ibid, p.2.

126. Parl Paps., 1905, Vol. LXIV, Cd. 2663, p.4. In December 1905, the Australian Senate amended the Commonwealth agreement to suit the recommendation of the conference. The Company was not prepared to accept the new condition and the agreement was terminated. As a result, on 3 April, 1906, the Australian government withdrew the right of the Company to operate independently in Melbourne and the 'Adelaide agreement' remained in force. First Annual Report of the Postmaster-Generals Department. 1911, No. 29, p.28.

The conference was shown that, by allowing the Eastern Extension Company to open offices and aggressively solicit business in Melbourne, the Commonwealth had dramatically reduced the financial prospects of the state-owned line. In 1903, out of a total Victoria traffic of 489,318 words, the Pacific service secured only 83,410, while the Eastern Extension Company received 405,908.¹²⁷ The story was equally disturbing in New South Wales. Of the total telegraph business the Pacific line transmitted 128,327 words and the Eastern Company sent 367,065.¹²⁸ Because of the inequality of traffic, early estimates of revenue were proven incorrect, even though Fleming's prediction in 1893 of the number of words to be expected in 1903 were exact. Rather than a surplus, the Pacific cable incurred a loss of £90,518, of which Australia was charged £30,514.¹²⁹ The inability of the Pacific Cable Conference to erradicate the circumstances created by the former monopoly meant that, although the cable was intended to be more than a commercial property, it would not be a paying concern for many years to come. The Eastern Extension Company continued to operate profitably in Australia. Although inconvenienced by the advent of state-ownership in submarine telegraphy, this first attempt, taking several decades to eventuate, ensured the future of private interests in world communications.

127. See Appendix C.

128. Idem.

129. See Appendix D.

Conclusion

The Pacific cable was not laid without difficulty. If the story of that imperial telegraphic connection is complicated, the reasons for this complexity can be readily identified. Indeed, three major factors contributed to the history of the Pacific cable: the apathy of the British authorities; colonial disunity; and determined opposition from the Eastern Extension Company. The latter is understandable in light of the vested interest of the 'infamous monopoly'. The other two, although explicable, are less easily comprehended. Clearly the Pacific cable was a low priority to British Imperial statesmen, so much so that the admiralty felt little neglect when it discontinued the survey of the ocean floor, and failed to tell the interested colonial governments for over three years. During the early discussions about the Pacific cable, the Imperial government concluded that the scheme was a colonial matter, and offered no substantial benefit to the British tax payer.

Throughout the 1880's and early 1890's, the Imperial government continued its disjointed, piecemeal assemblage of an Empire with no definitive policies to comprehend its transformation. Instead, British officials responded to situations as they occurred, and in order of importance to Britain itself - rather than to the Empire in its totality. The "national interest" was not necessarily synonymous with colonial interests. When Canada, New Zealand and the Australian colonies put forward a policy for overseas communications, which they deemed in the interest of the Empire, successive Imperial governments declined to participate in this view.

Indeed, Britain's initial reluctance to nurture the willingness of Canada and Australia to co-operate, in bringing together the loosely associated segments of Empire, tended to negate the significance of the Pacific scheme. As in the Scramble for Africa, the 'British Lion' was spurred to action largely by the threat of being excluded. Even Joseph Chamberlain only conceded to colonial demands for a committee in 1896, after being informed that the United States was seriously considering a Pacific cable of its own.

The early promoters of a Pacific cable were, in truth, ahead of their time. In the 1880's, concern over the challenges to British world supremacy increasingly came to dominate foreign and colonial policy. Chamberlain was the first modern British colonial secretary of state to recognise the potential of the settlement societies in maintaining Britain's commercial and imperial dominance. However, by the time the British Conservative government moved to comprehend this fact, the need for an alternative means of communications with Australia had passed. The Eastern Extension Company had reduced the tariff for ordinary messages to 3s., and established a second and 'all-red' route to the antipodes, via the Cape, before the Pacific service was in operation. The long delay manipulated by the Eastern Extension Company, and tolerated by the Imperial government, meant that instead of becoming a second and cheaper means of communications, the Pacific service was a third and costly route. Moreover, on 12 December 1901 signals were received in Newfoundland from Britain without the use of a cable thus marking the beginning of wireless telegraphy and the decline in submarine cables.

However, the Pacific cable did not have to return a profit to justify its construction. The strategic importance of swift and secure communications guaranteed the worth of a Pacific telegraph service. Curiously, it was this concern for safe communications that caused the Imperial authorities to procrastinate about the Pacific cable plan. Indeed, P.M. Kennedy has argued significantly that strategic considerations moved the British government to "turn a blind eye to the privileges" of the Eastern and Eastern Extension companies.¹ The Eastern group, the proprietors of by far the largest fleet of cable ships in the world, possessed the means for disrupting the cable communications of an antagonist in the event of war. As a result, the development of the associated companies was a strategic concern of the Imperial government, and the two bodies had agreed to a "confidential co-operation".² Consequently, the Pacific cable project, conflicting as it did with the smooth and profitable operation of the Eastern Extension Company, was in fact also a thorn in the paw of the British military establishment.

Also responsible for the anti-climax of the Pacific cable was Australian parochialism, a dimension of colonial nationalism. The Pacific telegraph provided an opportunity for the separate colonies to put aside regional differences and colonial rivalries, to advance the common good of Australia as a whole within the Empire. The cable was of greater importance to the Australian colonies than any of the other parties. Yet, the various colonies were unable to

1. P.M. Kennedy "Imperial cable communications and strategy, 1870-1914" English Historical Review. Vol.86, 1971, p.745.

2. Idem.

disregard their own local self-interests. Consequently, although New South Wales was bound by honour to see the Pacific line to its conclusion, it did not feel bound to protect its future if this interfered with immediate economic gain. All the southern hemisphere settlement colonies, with the possible exception of New Zealand, were moved in the matter by the desire to secure cheaper communications and eliminate monopoly in the bargain. It can reasonably be concluded then that imperial unity was a battle cry, but not a primary factor in promoting the Pacific cable in Australia.

The instability of the Australian colonial legislatures before 1894 contributed to the appearance of indifference toward the Pacific cable. Because of its interest in Australian telegraph business, the Eastern Extension Company reacted to each set of circumstances arising from the cable debate. The colonial governments, by comparison, were slow to respond to proposals for an alternative means of communication. As an independent body only marginally effected by public opinion, the Company answered its critics by condemning the practicality of a second cable service and, as a last resort, offered generous concessions to protect its monopoly. Conversely, to come to a common position, the separate colonies were forced to meet in conference to discuss numerous questions, ranging from means of ownership and financing, to routes and landing places. Between conferences, colonial governments were preoccupied with pressing local matters which took precedent over realising an imperial submarine cable. As a result, the Company was able to read colonial opinion, and respond as required, to prolong the discussion.

Canadian motives varied from government to government, and individual to individual. It has been argued by G.N. Savory that Sir Sandford Fleming was guided by the desire to increase traffic over the Canadian landline and, thus, through private gain. This may well have been true during the early years of discussion. However, Fleming's call in 1902 for the Canadian government to nationalise the landline would appear to contradict this argument. From 1887 until the completion of the Pacific cable, Fleming laboured incessantly to convince the governments concerned that the prosperity of the British Empire depended on cheap and secure communications. His idea for establishing a system of state controlled cables was, I would rather argue, fostered by a genuine desire to advance the cause of imperial unity.

The same can not be said for the Canadian government after 1896. The Laurier ministry came to power at the height of imperial sentiment in Canada. As an astute politician, Laurier recognised the electoral significance of imperialism. His oratory at the jubilee conference in 1897 is legendary. However, he was not willing to commit his young government to the Pacific cable proposal at that time. For him the conference was a resounding success without concluding the Pacific cable debate.

When the Pacific telegraph service was finally established, few of the anticipated benefits were realised. The cost of overseas communications was lowered to an acceptable level, and an imperial cable network was initiated. However, because it was a financial liability to the colonies concerned, the Pacific cable acted as a deterrent to further joint ventures with the Imperial government.

Despite the federation of Australia after 1901, it became increasingly difficult for the Imperial authorities to persuade the sister Dominions to assist in the financial responsibilities of the Empire. Throughout the first decade of the 20th century Imperial affairs were dominated by issues of defence. It was the desire of the British government to convince the colonies to take up their share of the burden in protecting the Empire. The reluctance of colonial statesmen to participate in the British view could be attributed to the course and the outcome of the Imperial communications debate; the end result of which was not at all what the colonies had envisaged - a strong and viable competitor in the field of submarine telegraphy. What they received was a mere shadow of the original noble and grandiose concept - unable to compete financially with the monopoly, and outdated almost as soon as it was completed.

The Pacific cable project offered an excellent symbol of the "new imperialism" at work, in that it provided a tangible creation to place beside the rhetoric of imperialism and jingoism. It appeared to be an example of the component parts of Empire, however far flung, working together to aid in the promotion and expansion of British ideals and industry, as well as local colonial interests. The cable debate also fostered a closer relationship between Canada and Australia. The protracted discussions lead to a better understanding of the divergent course of the two settlement societies within a rapidly changing British Empire.

APPENDIX A

List of signatories to the Articles of Association of the Pacific Telegraph Company, Limited:-

The Earl of Milltown, Representative Peer of Ireland in the Parliament of Great Britain

Sir James P. Corry, Bart., M.P., Member for Armagh in the Parliament of Great Britain.

Sir Daniel Cooper, Bart., Vice-President of the Colonial and Indian Exhibition, 1886.

The Viscount Folkestone, M.P., Member for Middlesex in the Parliament of Great Britain, Comptroller of H.M. Household.

Hugh G. Reid, Esq., J.P., late M.P. for Aston, Warley Hall, near Birmingham.

Sir Alfred Slade, Bart., Receiver-General of H.M. Inland Revenue.

J. Henniker Heaton, Esq., M.P. for Canterbury in the Parliament of Great Britain.

E.M. Young, Esq., London, General Manager of the Australia Mortgage, Land, and Finance Company Limited.

Edward Pulliser, Esq., Inte Capt. 7th Hussars.

Randolph C. Want, Esq., Solicitor to the New South Wales Government, London.

Sir W.M. Clarke, Bart., Queen Street, Melbourne.

The Hon. P. Perkins, London, late Minister for Lands, Queensland.

Sir Samuel Wilson, K.C.M.G., M.P., Member for Portsmouth in the Parliament of Great Britain.

The Hon. Murray E.G. Finch-Hatton, M.P., Member for Lincolnshire in the Parliament of Great Britain.

George Coote, Esq., F.S.I., Sweetham Hall, Sudbury.

Signed the duplicate Articles of Association:-

Sir Donald A. Smith, K.C.M.G., Director Hudson Bay and Canadian Pacific Railway, Montreal.

Sandford Fleming, Esq., C.M.G., Director Canadian Pacific Railway, and Hudson Bay Companies, Ottawa.

Source: Secretary of Pacific Cable Company to Gillies, 8 December 1886, Enclosure, Federal Council. 87.230.

APPENDIX B

Route No.1

Commencing at Vancouver Island, the cable to extend to Fanning Island, thence to a suitable island in the Fiji group. From Fiji to Norfolk Island, and at that point the route will bifurcate to the northern part of New Zealand, and to a convenient point near the boundary between New South Wales and Queensland.

	Knots
Vancouver Island to Fanning Island	3,232
Fanning Island to Fiji	1,715
Fiji to Norfolk Island	1,022
Norfolk Island to New Zealand	415
Norfolk Island to Tweed Mouth, near boundary	
New South Wales and Queensland	761
Total	<u>7,145</u>

Route No.2

From Vancouver Island the cable to be laid to a small unoccupied island indicated on the charts as Necker Island, situated about 240 miles westward from the most western island of the Hawaiian Group and about 400 nautical miles from Honolulu. From Necker Island the cable to extend to Fiji, and thence, as in route No.1, to New Zealand and Australia. On the section between Necker and Fiji possibly Howland Island or Baker Island may be available for a mid-station, but the exact position has not been ascertained.

	Knots
Vancouver Island to Necker Island	2,431
Necker Island to Fiji	2,546
Fiji to Norfolk Island	1,022
Norfolk Island to New Zealand	415
Norfolk to Tweed Mouth	761
Total	<u>7,175</u>

Route No.3

As in Route No.2, the cable to extend from Vancouver Island to Necker Island, thence to Onoatua or some one of the eastern islands of the Gilbert Group. From this station in the Gilbert Group two branches to extend, one to Queensland and the other to New Zealand. The Queensland branch to touch at San Christoval Island, in the Solomon Group, and to terminate at Bowen, connecting at that point with the land-lines, easterly to Brisbane and Sydney, westerly to the Gulf of Carpentaria.

Vancouver Island to Necker Island	2,431
Necker Island to Onoatua (in Gilbert Group)	1,917
Onoatua to Fiji	980
Viti Levu to New Zealand	1,004
Onoatua to San Christoval (Solomon Group)	953
San Christoval to Bowen, Queensland	980
Total	<u>8,265</u>

APPENDIX B (Cont'd)

Route No.4

As in Route Nos. 2 and 3, the cable to be laid from the northern terminal point to Necker Island. From Necker Island to extend in a direct course to Bowen, touching at Apamana, a central island in the Gilbert Group, and at San Christoval, of the Solomon Group.

	Knots
Vancouver Island to Necker Island	2,431
Necker island to Apamana (Gilbert Group)	1,865
Apamana to San Christoval (Solomon Group)	970
San Christoval to Bowen, Queensland	980
Total	<u>6,246</u>

Route No.5

As in Route Nos. 2,3 and 4, the cable to run from Vancouver Island to Necker Island; from Necker Island to Fiji, thence direct to New Zealand.

	Knots
Vancouver Island to Necker Island	2,431
Necker Island to Fiji	2,546
Fiji to New Zealand	1,150
Total	<u>6,127</u>

Route No.6

From Vancouver Island the cable to extend to Honolulu; from Honolulu to Fiji, and from Fiji to follow Route No.1 to New Zealand and Australia. On the section between Honolulu and Fiji one of the Phoenix Islands may possibly be found for a mid-station.

	Knots
Vancouver Island to Honolulu	2,280
Honolulu to Fiji	2,600
Fiji to Norfolk Island	1,022
Norfolk Island to New Zealand	415
Norfolk Island to Tweed Mouth	761
Total	<u>7,078</u>

Route No.7

From Vancouver Island the cable to extend to Honolulu; from Honolulu to Onoatua, of the Gilbert Group; from Onoatua to San Christoval, of the Solomon Group; from San Christoval to Bowen.

	Knots
Vancouver Island to Honolulu	2,280
Honolulu to Onoatua	2,080
Onoatua to San Christoval	953
San Christoval to Bowen	980
Total	<u>6,293</u>

APPENDIX B (Cont'd)

Route No.8

From Vancouver Island the cable to extend to Honolulu; from Honolulu to Fiji, possibly with a mid-station on this section if a suitable island be available. From Fiji the cable to run direct to New Zealand.

	Knots
Vancouver Island to Honolulu	2,280
Honolulu to Fiji	2,600
Fiji to New Zealand	1,150
Total	<u>6,030</u>

The northern terminus of each route is on Vancouver Island. The cable will land at some suitable point to be determined, probably at Port San Juan, near the entrance of the Strait of San Juan, or at Barclay Sound.

Source: New Zealand Parl. Paps., 1894, Telegraph Cables (Further Papers Relating to), 1-F.8. pp.2-3.

APPENDIX C

International Traffic Between Australasia and the United Kingdom, Europe and America,
carried by the Eastern and Pacific Cable Routes for the years 1903 and 1904.

State of Origin or Destination	1903		1904			
	Eastern	Pacific	Total	Total		
	Words	Words	Words	Words		
N.S.W. and U.K.	367,065	128,327	495,392	385,857	118,084	503,911
Vic. and U.K.	405,908	83,410	489,318	567,493	86,468	553,961
Qld. and U.K.	24,064	75,313	99,377	17,111	81,464	98,575
S.A. and U.K.	352,478	4,797	357,275	371,445	10,163	381,518
W.A. and U.K.	289,816	7,934	297,750	270,881	10,090	280,971
Tas. and U.K.	19,914	7,788	27,713	16,397	10,916	27,313
N.Z. and U.K.	102,994	234,924	337,918	79,213	285,744	264,957
All Messages	1,824,397	811,960	2,636,357	1,889,359	894,864	2,784,220

Source: Official Yearbook of the Commonwealth of Australia, 1901-1914, No.8, p.683.

APPENDIX D

Revenue, Expenditure and Loss on Working of Pacific Cable

1903-1914

YEAR	REVENUE £	EXPENDITURE (Including Annuities and Renewal Fund) £	LOSS £	AUSTRALIAN PROPORTION OF LOSS £
1903	90,518	30,514
1904	80,118	167,869	87,751	29,250
1905	87,446	163,296	75,859	25,283
1906	91,952	164,508	72,556	24,185
1907	113,516	167,439	53,923	18,307
1908	110,160	172,523	62,393	20,787
1909	113,093	173,981	60,888	20,295
1910	111,724	171,312	59,588	19,862
1911	138,678	186,888	48,210	16,071
1912	159,150	199,649	40,499	13,500
1913	167,901	200,171	32,270	10,757
1914	197,848	217,798	19,950	6,650

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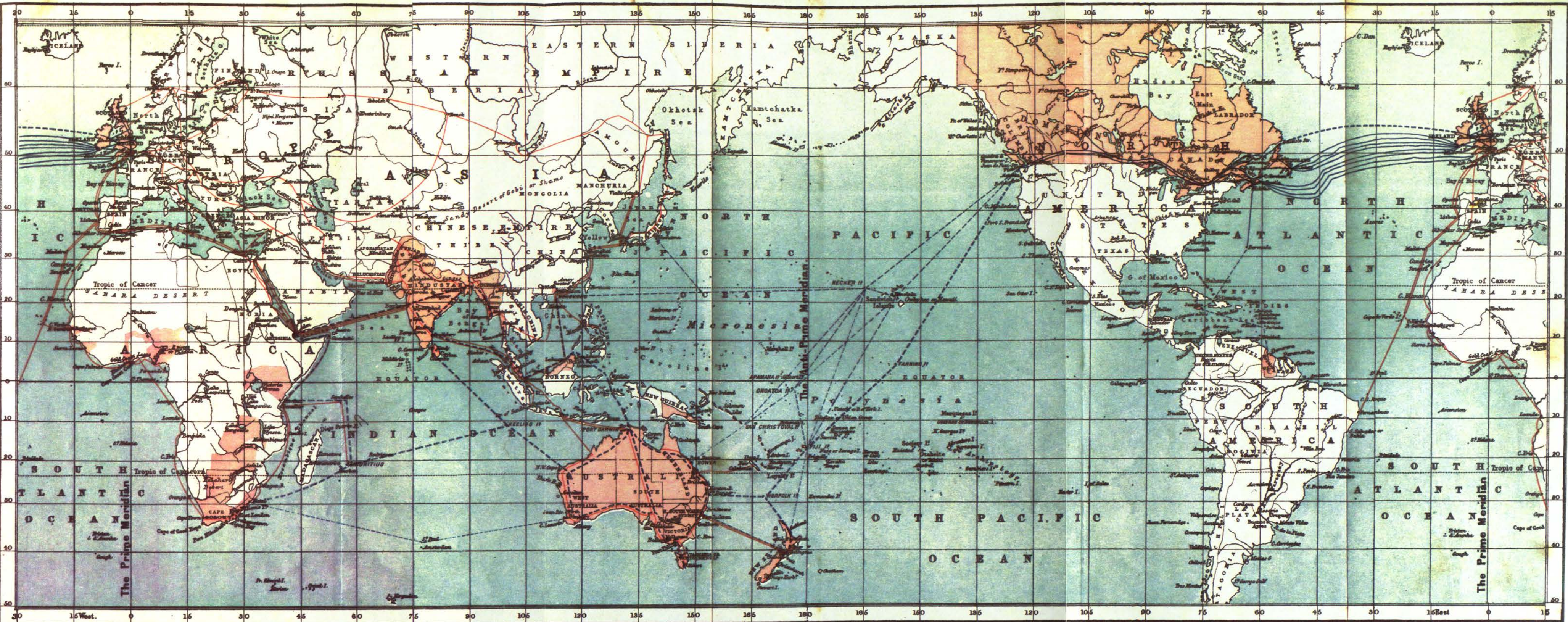
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The Red lines, indicate the existing lines of Telegraph from England to India, Australia and South Africa, each one of which passes over the Territory of Foreign Powers.

The Blue lines, indicate the Telegraph system of the British Colonial Empire, referred to in the address of M. Sandford Fleming at the Colonial Conference of 1894.