

1899.
NEW ZEALAND.

TELEGRAPH CABLES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.-8A, presented on the 18th October, 1898.]

Presented to both Houses of the General Assembly by Command of His Excellency.

NEW ZEALAND AND AUSTRALIAN CABLES.

No. 1.

The DEPUTY POSTMASTER-GENERAL, Melbourne, to the SECRETARY, General Post Office, Wellington.

Post Office and Telegraph Department, General Post Office, Melbourne,
18th July, 1898.

SIR,—

With reference to the Tasmanian-Victorian cable-traffic guarantee, and with respect to the apportionment of the deficiency in receipts for the twelve months ended the 30th April, 1895 [see F.-6, 1896], I beg to inform you that Tasmania is pressing this department for an immediate settlement of the proportion due by New Zealand for that period. It was understood by this office that the Hobart Conference agreement would apply to the year 1894, and the other colonies interested have since concurred in this view and paid their respective proportions.

I beg therefore to request that the question may again be considered by your department, as Tasmania looks to this office for a settlement in the event of the failure of your office to pay. This latter contingency is, however, I trust, not likely to occur, as it would not be equitable nor in accord with the principle under which the various guarantees were pooled amongst the colonies. I shall be glad to receive an early reply.

I have, &c.,

F. L. OUTTRIM,

The Secretary, General Post Office, Wellington.

Deputy Postmaster-General.

No. 2.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Melbourne.

SIR,—

General Post Office, Wellington, 29th July, 1898.

I have the honour to acknowledge the receipt of your letter of the 18th instant, referring to the apportionment of the deficiency on account of the Tasmanian-Victorian cable traffic for the twelve months ended the 30th April, 1895, and asking that the question of admitting liability in respect of this colony for the year 1894 be again considered.

In reply, I have to express my regret that the department is unable to admit that its liability extends back prior to the 1st May, 1895. It was understood that the arrangement arrived at was that the pooling of the Tasmanian cable guarantee would date from the time the new cable guarantee came into force. Under these circumstances the Postmaster-General is unable to agree to meet the claim for the year 1894.

The Deputy Postmaster-General, Melbourne.

I have, &c.,

W. GRAY, Secretary.

No. 3.

The POSTMASTER-GENERAL, Adelaide, to the SECRETARY, General Post Office, Wellington.

Post and Telegraph Department, General Post Office, Adelaide.

SIR,—

14th September, 1898.

Referring to resolution No. 68, page 76, of the Hobart Conference report [see F.-3, 1898], I have the honour to inform you that the agent of the Eastern Extension Australasia and

I—F. 8.

China Telegraph Company, in answer to my communication, replies as follows: "London states that, with regard to the date of the guarantee year, they fully appreciate the advantages of changing it; but, seeing that the arrangement will so shortly expire, it is hardly worth while making any alteration now, because they assume that both this and the subsidy arrangement, which also expires next year, will have to be reconsidered and readjusted."

I have, &c.,

CHARLES TODD,

Postmaster-General and Superintendent of Telegraphs.

The Secretary, General Post Office, Wellington.

No. 4.

The DEPUTY POSTMASTER-GENERAL, Melbourne, to the SECRETARY, General Post Office, Wellington.

Post and Telegraph Department, General Post Office, Melbourne,
6th February, 1899.

SIR,—

With reference to the Port Darwin subsidy agreement of 1879, which terminates on the 30th October next, and the guarantee agreement, dated the 30th April, 1895, which expires on the 30th April, 1900, on two months' notice being previously given, I am directed to state that the Hon. the Postmaster-General is inclined to think that the colonies should give the Cable Company the two months' notice required, and he desires that the attention of your Administration should be invited to the necessity for giving such notice. Mr. Duffy would be glad if you would kindly favour him with an expression of your opinion on the subject.

I have, &c.,

F. L. OUTTRIM,

The Secretary, General Post Office, Wellington.

Deputy Postmaster-General.

No. 5.

The SECRETARY, General Post Office Wellington, to the SUPERINTENDENT, Eastern Extension Company, Wakapuaka.

(Telegram.)

Wellington, 16th February, 1899.

WHAT is the explanation of Press message from Brisbane that your company had proposed to make Brisbane the terminus of the Australian cable system?

No. 6.

The SUPERINTENDENT, Eastern Extension Company, Wakapuaka, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Wakapuaka, 16th February, 1899.

HAVE been unable to find out. It may mean a cable from Darwin to Normantown.

No. 7.

The SECRETARY, General Post Office, Wellington, to the POSTMASTER-GENERAL, Adelaide.

(Telegram.)

Wellington, 21st February, 1899.

PRESUME you have received letter from Melbourne Post Office, suggesting that colonies should give Cable Company notice under agreements of 1879 and 1895. Is there to be concerted action now? If so, we would fall in with decision other colonies. We are, however, not directly interested in 1879 agreement.

No. 8.

The POSTMASTER-GENERAL, Adelaide, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Adelaide, 4th March, 1899.

THERE appears to be no necessity for immediate action, and I advise waiting few months. There is nothing to pay on 1895 agreement for reduced international rates, nor likely to be. The company may possibly submit some proposition. Do you concur?

No. 9.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Melbourne.

SIR,—

General Post Office, Wellington, 9th March, 1899.

I have the honour to acknowledge the receipt of your letter of the 6th ultimo, with reference to the termination of the Port Darwin subsidy agreement of 1879 and the guarantee agreement of the 30th April, 1895.

In reply, I have to inform you that I have communicated with the Postmaster-General, Adelaide, who expressed the opinion that there appears to be no necessity for immediate action, and

advises waiting for a few months before taking any further step in the matter. He states that there is nothing to pay on the 1895 agreement for reduced international rates, nor is there likely to be, and that the Cable Company may possibly submit some proposition. I am inclined to agree with Sir Charles Todd, but at the same time think that all the colonies should be in agreement on the point whether notice should be given now or later on.

The Deputy Postmaster-General, Melbourne.

I have, &c.,
W. GRAY, Secretary.

No. 10.

The SECRETARY, General Post Office, Wellington, to the POSTMASTER-GENERAL, Adelaide.

SIR,—

General Post Office, Wellington, 9th March, 1899.

I have to acknowledge receipt of your reply to my telegram of the 21st ultimo, in connection with the colonies giving notice under the cable agreements of 1879 and 1895. I note that you consider there is no need for immediate action, and advise waiting for a few months, with which I agree. I have replied to Melbourne to that effect. I assume that you will obtain the views of the other colonies, and see that due notice is given the company.

The Postmaster-General, Adelaide.

I have, &c.,
W. GRAY, Secretary.

No. 11.

The ACTING MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the PREMIER.

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,—

Melbourne, 18th May, 1899.

I have the honour to inform you that the message receipts for the year ended the 30th April last, under the guarantee of the Australasian Governments, amount to £330,003 5s. 1d.

The year's working has shown a heavy falling-off in the traffic, and the following comparative statement will show that the decrease of the previous year, amounting to £49,184, has been followed by a further decrease of £28,754 for the year just ended:—

Year 1896-97—Receipts	... £407,941	Year 1897-98—Receipts	... £358,757
Year 1897-98—Receipts	... 358,757	Year 1898-99—Receipts	... 330,003
Decrease	... £49,184	Decrease	... £28,754

From the report, just published, the calculations of the Pacific Cable Committee were based on an annual increase of traffic of 10 per cent., but it will be seen that this is far from being borne out by the actual figures.

I have, &c.,
J. EUSTON SQUIER,
Acting Manager in Australasia.

The Right Hon. R. J. Seddon, P.C., M.H.R., Premier of New Zealand, Wellington.

PROPOSED PACIFIC CABLE.

No. 12.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

26th August, 1898.

(Memorandum.)

I BEG to transmit herewith copy of letter from the Secretary of State for the Colonies, transmitting copy of despatch, with enclosures, referring to the Pacific telegraph-cable, from the officer lately administering the Government of Queensland, and copy of letter, with enclosure, from the Agent-General for Victoria.

The Hon. the Premier, Wellington.

WALTER KENNAWAY,
For the Agent-General.

Enclosure in No. 12.

The SECRETARY of STATE for the COLONIES to the AGENT-GENERAL.

SIR,—

Downing Street, 26th August, 1898.

I am directed by the Secretary of State for the Colonies to transmit to you for your information, with reference to previous correspondence respecting the proposed Pacific telegraph-cable, copies of a despatch, with enclosures, on the subject from the officer lately administering the Government of Queensland, and of a letter, with enclosure, from the Agent-General for Victoria.

I am, &c.,
C. P. LUCAS,

For the Secretary of State for the Colonies.

The Agent-General for New Zealand.

Sub-enclosure 1 to Enclosure in No. 12.

His Excellency the DEPUTY GOVERNOR, Brisbane, to the SECRETARY of STATE for the COLONIES.

SIR,—

Government House, Brisbane, Queensland, 18th May, 1898.

I have the honour to enclose for your information copy of a letter from the Hon. the Chief Secretary, transmitting a copy of a resolution on the subject of the proposed Pacific telegraph-cable, adopted at the Postal Conference of representatives of the Australasian Colonies held at Hobart in March last.

I have, &c.,

S. W. GRIFFITH, Deputy Governor.

The Right Hon. the Secretary of State for the Colonies.

Second Sub-enclosure to Sub-enclosure 1 in No. 12.

The CHIEF SECRETARY, Brisbane, to His Excellency the DEPUTY GOVERNOR, Brisbane.

SIR,—

Chief Secretary's Office, Brisbane, 11th May, 1898.

I have the honour to enclose herewith, for transmission to the Right Hon. the Secretary of State for the Colonies, a copy of a resolution on the subject of the proposed Pacific submarine telegraph-cable, adopted at the Postal Conference of representatives of the Australasian Colonies held in Hobart in March last, and to request that you will be good enough, in forwarding the resolution to the Secretary of State, to inform Mr. Chamberlain that this Government is strongly impressed with the importance, as well from a national as from a commercial standpoint, to the Australasian Colonies of the establishment of a means of telegraphic communication with Great Britain entirely independent of the existing system, and free from foreign control. We are prepared to afford all possible assistance to the project for the construction of a submarine cable across the Pacific Ocean to Canada, and are therefore thoroughly in accord with the opinion expressed by the Postal Conference. I shall feel obliged, accordingly, if you will ask the Secretary of State to urge upon the Imperial Government the desirableness of taking prompt action, with a view to some definite arrangement being concluded between Great Britain, the Dominion of Canada, and the Australasian Colonies which would insure the carrying-out of the undertaking in question.

I have, &c.,

The Hon. Sir S. W. Griffith, G.C.M.G.,
Deputy Governor.JAMES R. DICKSON,
For the Chief Secretary.

Third Sub-enclosure to Sub-enclosure 1 in No. 12.

Resolution adopted at the Postal Conference of Representatives of the Australasian Colonies held at Hobart in March, 1898.

“THAT this Conference reaffirms the opinion that, in the interests of Australasia, the Pacific-cable project should be consummated as speedily as practicable, and that the Governments of the various Australasian Colonies be requested to represent to the Imperial and Dominion Governments the foregoing opinion, together with the proposal of the Premiers as agreed to at their recent Conference held in Melbourne—viz., that if Great Britain and Canada would each contribute one-third of the cost the colonies would be prepared to contribute the remaining third.”

Sub-enclosure 2 to Enclosure in No. 12.

The AGENT-GENERAL for VICTORIA to the UNDER-SECRETARY of STATE for the COLONIES.

SIR,—

Victoria Office, 15, Victoria Street, Westminster, S.W.,

2nd August, 1898.

I have the honour to forward herewith a copy of a letter addressed to the Premier of Victoria by the Melbourne Chamber of Commerce, together with a copy of the resolution therein referred to, relative to the Pacific-cable question.

I have also to inform you that I am instructed by my Government to place these documents before the Secretary of State for the Colonies, and to urge upon him, on behalf of Victoria, that, in view of the importance of the issues involved, no other project should be allowed to interfere with the prosecution of the establishment of the Pacific cable.

I have, &c.,

The Under-Secretary of State, Colonial Office, S.W.

ANDREW CLARKE.

Second Sub-enclosure to Sub-enclosure 2 in No. 12.

The SECRETARY, Chamber of Commerce, Melbourne, to the Hon. the PREMIER, Melbourne.

SIR,—

Chamber of Commerce, Melbourne, 6th June, 1898.

I have the honour, by direction of the president and council of this Chamber, to forward to you copy of a resolution arrived at by the council at their last meeting on the subject of the long-projected Pacific cable.

I am respectfully to say that the terms of a recent Press telegram intimate that the Committee of the Imperial Government, which had been dealing with this matter, had reported unfavourably on the question of a cable *via* the Pacific, notwithstanding the strong and general opinions expressed at conferences and by the heads of the colonies most interested, and the weighty evidences in favour of the project which this Chamber has been assured were put before the Imperial Committee.

I am further respectfully to suggest that the recent movements of the foreign Powers in acquiring new stations in the North Pacific and the east generally, as well as the significant action of the Russian authorities in insisting upon partial control of the telegraph-lines passing through their territory to Hongkong, furnish new and urgent reasons for adhering to the recognised necessity of an all-British telegraph-line to Australia, as well as of relieving the colonies from the obvious perils incidental to a great telegraphic monopoly, even if the suggested line *via* South Africa could be made to touch only on British territory.

My council therefore trust that your Government will again urge these views on the Colonial Office and on the Government of the Canadian Dominion.

The Right Hon. Sir G. Turner.

I have, &c.,
C. HALLETT, Secretary.

Third Sub-enclosure to Sub-enclosure 2 in No. 12.

Copy of Resolution adopted by the Chamber of Commerce.

“That, in the opinion of this council, the peril to these colonies in case of the Empire becoming involved in war has been accentuated by the adverse pronouncement of the departmental Committee of the Imperial Government when reporting on the proposed extension of an all-British telegraph-line to Australia. That the activity displayed by other nations in strengthening their military and naval positions in neighbouring seas, and connecting them by a network of cables of which they have exclusive or partial control, furnishes new and demonstrable evidence of the necessity of the long-discussed cable across the Pacific, and that it be urgently suggested to the Right Hon. the Premier that the Colonial Office and the Government of the Canadian Dominion should be appealed to with a view to a definite decision in favour of this great work being no longer delayed.”

No. 13.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 27th August, 1898.

PACIFIC cable: Cannot too strongly urge upon you joining other colonies so as to secure reduction charges.

No. 14.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

SIR,—

Premier's Office, Sydney, New South Wales, 30th August, 1898.

I have the honour to acquaint you that, at a Conference of the Prime Ministers of Victoria, Queensland, and New South Wales recently held in Sydney, the matter of the proposed Pacific cable was discussed, among other matters, and it was decided that, if the British and Canadian Governments agree to guarantee five-ninths of the cost, the Premiers then present would recommend their respective Parliaments each to contribute one-ninth; it being assumed, in view of the importance of such a cable to New Zealand, that that colony would be willing to guarantee the remaining ninth.

The Right Hon. R. J. Seddon, P.C., M.H.R.,
Prime Minister of New Zealand, Wellington.

I have, &c.,
G. H. REID.

No. 15.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 3rd September, 1898.

PACIFIC cable: Committee House Representatives recommends establishing cable. New Zealand to join Australian Colonies basis guarantee four-ninths total cost construction and annual deficiency; New Zealand's proportion guarantee not exceed one-eighth of the whole cost. Governments to own cable. Canada to control, but colonies to be represented and vote on all matters. Rates—3s. per word, ordinary messages; 2s., Government; Press, 1s. per word, and 6s. hundred words. Report will be considered by House on Thursday.

[Same telegram sent to the Hon. the Premier, Sydney.]

No. 16.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

(Telegram.)

Sydney, 7th September, 1898.

AM in receipt of your telegram of third instant *re* Pacific cable.

No. 17.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne, and the Hon. the PREMIER, Brisbane.

(Telegram.)

Wellington, 13th September, 1898.

REGRET I omitted inform you that Committee of our House of Representatives recommends establishing Pacific cable, but probably Premier New South Wales may have advised you. New

Zealand to join Australian Colonies basis guarantee four-ninths total cost of construction and annual deficiency; New Zealand proportion guarantee not exceed one-eighth whole cost. Governments to own cable. Canada to control, but colonies to be represented and vote on all matters. Rates—3s. per word, ordinary messages; 2s., Government; Press, 1s. per word, and 6s. per hundred words. Report will be considered by House this week.

No. 18.

The SECRETARY, General Post Office, Wellington, to Mr. J. C. LOCKLEY, the British Empire Telegraph Cable Corporation, Nhill, Victoria.

SIR,—

General Post Office, Wellington, 16th September, 1898.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 1st instant [not printed], forwarding certain proposals of the British Empire Telegraph Cable Corporation to submerge and maintain on a co-operative basis with the interested Governments the projected Pacific cable. The proposals will receive consideration.

I have, &c.,

J. C. Lockley, Esq.,
The British Empire Telegraph Cable Corporation, Nhill, Victoria.

W. GRAY, Secretary.

No. 19.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 17th September, 1898.

PACIFIC cable: Colonial Office asks whether Government determined guarantee one-ninth cost cable. Am anxious to know as soon as possible.

No. 20.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 19th September, 1898.

PUBLIC Accounts Committee reported favour New Zealand being responsible proportion guarantee Pacific cable not exceeding one-eighth whole cost. Report be considered by House this week. Inform Imperial authorities colony almost sure find one-ninth.

No. 21.

The SECRETARY, General Post Office, Wellington, to the MANAGER in AUSTRALASIA, Eastern Extension Company, Melbourne.

SIR,—

General Post Office, Wellington, 24th September, 1898.

In reference to my letter of the 18th ultimo and to your telegram and my reply of yesterday [not printed], I have now the honour to return the half-yearly balance-sheets of your company for the past eight years, with the thanks of the Hon. the Postmaster-General and the Chairman of the Public Accounts Committee for the opportunity of perusing them.

The balance-sheets will be reproduced in the parliamentary papers reporting the proceedings of the Public Accounts Committee, of which I shall have the pleasure of sending you a copy. [See I.—7, 1898.]

I have, &c.,

W. Warren, Esq., Manager in Australasia,
Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne.

W. GRAY, Secretary.

No. 22.

The SECRETARY, General Post Office, Wellington, to Sir SANDFORD FLEMING, Ottawa.

SIR,—

General Post Office, Wellington, 28th September, 1898.

I am directed by the Right Hon. Mr. Seddon to acknowledge the receipt of your letter of the 23rd June last [not printed; but see No. 3, F.—8A, 1898], and to thank you for the printed documents on the subject of the proposed Pacific cable, which you were so good as to enclose. [See Nos. 14 and 15, F.—8A, 1898.]

I am to forward copy of the report of the parliamentary Committee of the New Zealand Parliament which dealt with the Pacific-cable question, and to say that Mr. Seddon has further referred to the position in a private letter to you.

I have, &c.,

Sir Sandford Fleming, K.C.M.G., Winterholme, Ottawa, Canada.

W. GRAY, Secretary.

No. 23.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 29th September, 1898.

I have the honour to acknowledge the receipt of your cablegram of the 27th ultimo, and to confirm my telegram to you of the 3rd instant.

For your information I have forwarded, under separate cover, a copy of the Public Accounts Committee's report (I.-7) on the question of establishing a Pacific-cable service. The paper was presented to Parliament on the 27th instant, and you will be informed by cable of the action taken on it. I have also enclosed in the same cover a copy of Parliamentary Paper F.-8A, relating to telegraph-cables.

I have, &c.,

W. C. WALKER, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 24.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 30th September, 1898.

I have the honour to acknowledge the receipt of your memorandum of the 26th ultimo, forwarding copy of a letter from the Secretary of State for the Colonies, transmitting copy of despatch, with enclosures, referring to the Pacific telegraph-cable, from the officer lately administering the Government of Queensland; also forwarding copy of letter, with enclosure, from the Agent-General for Victoria.

I have, &c.,

W. C. WALKER, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 25.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne.

SIR,—

Premier's Office, Wellington, 30th September, 1898.

In supplement to my cablegram of the 13th instant, I have now the honour to inform you that a copy has been forwarded to you, under separate cover, of Parliamentary Paper I.-7, embodying the report of the Public Accounts Committee on the question of establishing a Pacific-cable service, together with Minutes of Proceedings and Appendices. The paper was presented to Parliament on the 27th instant, and when it has been considered by the House of Representatives you will be duly advised of the action arising thereon.

I have, &c.,

R. J. SEDDON.

The Hon. the Premier, Melbourne.

[Letters of same text to the Hons. the Premiers, Sydney and Brisbane.]

No. 26.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

SIR,—

Premier's Office, Wellington, 1st October, 1898.

I have the honour to acknowledge the receipt of your letter of the 30th August last, advising of the decision of the Conference of the Prime Ministers of New South Wales, Victoria, and Queensland, recently held at Sydney, on the question of the proposed Pacific cable. I note that the Premiers present agreed to recommend their respective Parliaments each to contribute one-ninth of the cost of establishing the service if the British and Canadian Governments would guarantee five-ninths of the cost.

As indicated in my letter of yesterday's date, the report of the Public Accounts Committee on the Pacific-cable question has yet to be considered by the Parliament of this colony, but when this is being done the Government will recommend that New Zealand shall guarantee the remaining one-ninth of the liability.

I have, &c.,

R. J. SEDDON.

The Right Hon. G. H. Reid, P.C., M.P.,

Prime Minister of New South Wales, Sydney.

No. 27.

The SECRETARY, General Post Office, Wellington, to the Hon. the PREMIER, Ottawa.

SIR,—

General Post Office, Wellington, 18th October, 1898.

I have the honour, by direction of the Hon. the Electric Telegraph Commissioner, to send herewith for your information a copy of Parliamentary Paper No. I.-7, 1898, being the report of the Public Accounts Committee on the question of establishing a Pacific-cable service.

I have, &c.,

W. GRAY, Secretary.

The Hon. the Premier, Ottawa.

[Letters of same text, with enclosures, to the Hon. Sir R. Cartwright, Ottawa; the Hon. Sir Mackenzie Bowell, Ottawa; the Hon. Sir Julius Vogel, London; and the Deputy Postmaster-General, Sydney.]

No. 28.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,—

Ottawa, 3rd November, 1898.

I have the honour to transmit for the information of your Government a copy of a letter addressed to the Right Hon. Joseph Chamberlain, on the subject of a State-owned cable-service for the Empire. I venture to think the arguments submitted very strongly support the establishment of the Pacific cable.

I have, &c.,

SANDFORD FLEMING.

The Right Hon. R. J. Seddon, Premier, Wellington, New Zealand.

Enclosure in No. 28.

Sir SANDFORD FLEMING to the Right Hon. the SECRETARY of STATE for the COLONIES.

SIR,—

Ottawa, 28th October, 1898.

I had the honour, on the 28th December of last year, to address Sir Wilfrid Laurier respecting the proposal to establish a State-owned Pacific cable. [See No. 11, F.-8, 1898, enclosure.] Circumstances have since arisen which impel me to ask permission to address you on the subject of a State-owned system of cables for the British Empire.

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

There remains only one way of gaining telegraphic connection with Hongkong freed from exacting charges, and that is through the Home Government. In granting to the Eastern Extension Company exclusive privileges, Lord Ripon, then Colonial Secretary, reserved to Her Majesty's Government the option to take possession of the cable between Singapore, Labuan, and Hongkong, by giving twelve months' notice and paying the company £300,000.

My letter of December last to Sir Wilfrid Laurier sets forth the position and the attitude, to Canada and the Australasian Colonies, of the Eastern Extension Telegraph Company. The proposal submitted in the following paper would undoubtedly interfere with the rich monopoly which that company enjoys, and to some extent, and for some time, diminish its profits; but 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 hindrances, may be rendered of greater and greater value to the human race.

The advantages of cable-connections and low charges increase with distance in an accelerating ratio. It is impossible, therefore, to set a limit to the commercial, social, and political benefits which would result to the Empire from a State-controlled cable-service reaching every British possession. In the following remarks I have pointed out that the Pacific cable, established as now proposed, will prove to be the key to such a service, and practically its forerunner.

I have, &c.,

SANDFORD FLEMING.

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

Sub-enclosure to Enclosure in No. 28.

BRITISH EMPIRE CABLE-SERVICE.

THE action recently taken in London in adopting the principle of cheap Imperial postage suggests that the time has arrived when the expediency of establishing a complete telegraph-cable system throughout the Empire may be considered on its merits. The advantages which will inevitably follow the adoption of a universal penny postage appear to be generally recognised, and I venture to think the public mind will be prepared to entertain favourably another proposal not less important. It is not necessary in the least to undervalue cheap postage or detract from its immense importance in order to show that a cheap telegraph-service on a comprehensive scale is easily attainable, and that it would prove an effective means of speedy communication for an Empire such as ours.

The transmission of letters has always been a function of the Government; indeed, it has been wisely held throughout the civilised world that the postal service should be controlled by the State. The electric telegraph is a comparatively modern introduction. In the Mother-country private companies were the first to establish lines of telegraph, but in 1868 it was found to be in the public interest to have them taken over by the State and placed under the Post Office Department.

A Committee of inquiry had reported to Parliament: "That the telegraph-service as managed by the companies, (1) maintained excessive charges, (2) occasioned frequent and vexatious delays in the transmission of messages, and inaccuracies in sending them, (3) left a large number of important towns and districts wholly unprovided for, and (4) placed special difficulties in the way of that newspaper Press, which had in the interest of the public a claim, so just and so obvious, to special facilities." The transfer was effected in 1870. Changes and improvements were immediately made: the telegraph-service, previously confined to lines connecting great cities where business was most lucrative, was extended to many towns and districts previously neglected, and notwithstanding the fact that the charges on messages were greatly reduced, the business developed to such an extent that the receipts progressively increased. Before the transfer it cost about six shillings to send an ordinary message from London to Scotland or Ireland. The rate was reduced to a shilling, and subsequently to sixpence (the rate at present charged), and for that sum a telegram can be sent from any one station to any other station within the limits of the United Kingdom, without regard to distance.

It was early discovered by every country in Europe that so efficient a servant to trade and commerce, so important an aid to the State itself, should become a national institution. France, Austria, Prussia, Russia, Sardinia, Italy, Spain, Portugal, and Belgium each established a State telegraph system, and, as in Great Britain, experience has shown that they have done this, not only with advantage to the various administrative necessities, but with benefit to the public at large.

Such being the unanimous conclusion, is not the application of the principle of State ownership on a larger scale than hitherto attempted a fit subject for inquiry? Is it not desirable and expedient that the whole British Empire should have a State-controlled cable system?

The conditions of the Empire are totally different to what they were some years back. When Her Majesty ascended the throne there was not a single mile of electric telegraph anywhere. There was not an iron ship of any class afloat, and mail steamships were practically unknown. From that period the conditions have been continually changing, and the process of growth and development still goes on. True, change has met with resistance from individuals and companies and classes; but, resist it who may, the law of development follows its steady course, and continually makes demands on science and skill to meet the ever-changing conditions. We are living in an age of transformation; the spirit of discovery and enterprise—of invention and achievement—has extended and expanded the British Empire from the small islands on the coast of Europe to new territories, continental in extent, in both hemispheres. The development of the mercantile marine has carried the flag of our country over every mile of sea to meridians far distant from the Mother-land. In these distant territories, communities have established themselves under the protection of that flag. They have drawn riches from the forest, the soil, and the mine. They have caused noble cities to spring up, rivalling in the splendour of their streets and buildings the finest cities of the Old World. These young nations, full of hope and vigour, have made progress in every direction; they are imbued with lofty aspirations, and their most ardent desire is to give their energy and strength to the building up of a greater British Empire on the firm foundation of common interest and common sentiment.

At an earlier period in the world's history it would have been difficult to conceive the possibility of any lasting political union between countries so widely separated by intervening seas. The problem is, however, being solved, not by old methods, but by the application of wise principles of government, aided in a wonderful way by the highest resources of modern science. Steam has made the separating oceans no longer barriers, but rather the medium of union. Electricity has furnished the means by which the British people in all parts of the globe may exchange thought as freely as those within speaking distance. These twin agencies of civilisation are pregnant with stupendous possibilities. Already the one, as the prime factor in sea-carriage, has rendered universal penny postage possible. The other has made it equally possible to bring the British people, so widely sundered geographically, within the same neighbourhood telegraphically.

Imperial penny postage will have far-reaching consequences; it is, undoubtedly, a great onward movement in the career of civilisation, and in the development of wider national sympathy and sentiment. But great as are the benefits to follow the adoption of universal cheap postage, the first result, and not the least, will be to make plain that a postal service, however cheap and comprehensive, is in itself insufficient for the increasing daily needs of the now widely distributed British peoples. It will be seen that, in addition to an ocean penny-postal service, the circumstances of our world-empire demand a cheap ocean cable-service, extending to every possession of Her Majesty.

The carriage of letters at any known speed consumes time, and the length of time consumed depends on the distance traversed. The telegraph, on the other hand, practically annihilates space, and in this one respect has immeasurably the advantage over the ordinary postal service, especially in the case of correspondents who are separated by the greatest distances.

We can as yet but faintly appreciate the extent to which the telegraph may be employed, because its use heretofore has been restricted, on long-distance messages, by almost prohibitory charges. If messages be exchanged between places not far apart—let us say between London and Edinburgh, or Toronto and Montreal—the gain in time by the use of the telegraph is inconsiderable. But if the points of connection be far separated, such as London and Melbourne, or Ottawa and Cape-town, the comparison between a postal and a telegraph service brings out the distinct value of the latter. In the cases last mentioned, while it would require the lapse of eight or ten weeks to obtain an answer to a letter by post, if the telegraph be employed a reply may be returned next day, or even the same day.

Existing long-distance cables are little used by the general public; it may be said, not at all except in emergencies. They are used in connection with commerce, the growing needs of which

demand more and more the employment of the telegraph, but owing to the high charges exacted its use is limited to business which would suffer by delay. These cables are in the hands of private companies striving chiefly to earn large dividends, and who adopt the policy of charging high rates, in consequence of which trade and commerce is unduly taxed, and its free development retarded. Were the cables owned by the State, large profits would not be the main object, and precisely as in the case of the land-lines of the United Kingdom, it would be possible to reduce charges so as to remove restrictions on trade, and bring the service within reach of many now debarred from using it.

When the Government assumed control of the inland telegraphs of the United Kingdom it was found possible greatly to reduce charges. In 1869, the year before the transfer, less than seven million messages were carried. At the transfer the rate was reduced to 1s. per message; the traffic immediately increased nearly 50 per cent. and continued increasing until, in the tenth year, twenty-nine million messages were transmitted, with a surplus of revenue over expenditure of £354,060. In another decade the total annual business equalled ninety-four millions, the operations still resulting in a surplus of £251,806, although the charge for a message had been meanwhile reduced from 1s. to 6d. It is indisputable that high charges restrict the utility of sea-cables as well as of land-lines, while low charges have the opposite effect. A few years ago the tariff of charges between Australia and London was 9s. 4d. per word. The proposal to establish the Pacific cable and the discussion which followed, led to the cheapening of the rate to 4s. 9d. per word. In 1890, the year before the rates were lowered, the gross business consisted of 827,278 words. Last year (1897) it had increased to 2,349,901 words. In 1890, with high charges, the revenue was £331,468. In 1897, with reduced charges, the revenue was £567,852, or £236,384 in excess of that of 1890, when the highest rates were exacted.

The utility of the telegraph may be measured by the time gained over the post, and the success of the telegraph-service of the United Kingdom must be accepted as convincing evidence of its utility and value, for the gain in time is, in this case, measured by hours only. Its striking success in this instance may be largely owing to State control, but, whatever the cause, it is obvious that if, under similar conditions, weeks were gained instead of hours, the utility of the telegraph would be proportionately increased and its value as a means of communication correspondingly enhanced. There is another immense advantage, not generally known to the public, which can be claimed for telegraphy: it is the fact, that within certain limitations, the actual cost of transmission is but little affected by distance. While the cost of carrying letters is in proportion to the distance traversed, the same rule does not apply to the electric wire. With a properly equipped telegraph system, the actual expenditure incurred in transmitting a message thousands of miles is practically no greater than in sending it ten miles. Obviously, therefore, the principle of "penny postage"—that is to say, a low uniform charge for all distances—is applicable even more fully to ocean telegraphy than to the Imperial postal service. With these considerations before us, a moment's reflection leads to the conviction that this wonderful agency—the electric wire—places within our reach, if we have the wisdom to accept it, an ideal means of communication for the world-wide British Empire.

Thirty years ago the British Parliament, for reasons, the soundness of which experience has fully confirmed, determined that the State should assume control of the inland telegraph system of the United Kingdom. To-day there are incomparably stronger reasons for State control being exercised over a cable system for the whole Empire.

The proposal is not altogether new. If the proceedings of the Colonial Conference of 1887 be referred to, it will be found that an Imperial telegraph-service was foreshadowed in the discussions. To these I would refer, and especially pages 225 to 228, 339 to 341, and 513 to 520. In these discussions the delegates from the Cape of Good Hope, Natal, Australia, New Zealand, Newfoundland, and Canada took part. Again, at the Colonial Conference of 1894, the proposal was set forth in some detail, and the advantages of an all-British system of telegraphy around the globe pointed out. On that point I beg leave to direct attention to the proceedings of the Ottawa Conference, and more particularly to pages 88 to 90, inclusive. Likewise to the proceedings of the second Congress of the Chambers of Commerce of the Empire, and more especially to a letter from the Ottawa delegate (1st July, 1892) to the President, Sir John Lubbock.

The proposal to complete the telegraphic circuit of the globe has no doubt suggested itself to many persons. Among those who have written on the subject may be mentioned Sir Julius Vogel, at one time Postmaster-General of New Zealand; the late Mr. F. N. Gisborne, Superintendent of Telegraphs for the Canadian Government; Sir George Baden-Powell, M.P., London; Mr. J. C. Lockley, of Nhill, Australia; and the veteran postal reformer, Mr. Henniker Heaton. At the Cape, Mr. Jan Hendrich Hofmeyer has given the matter his strongest support.

PROJECTED CABLE SYSTEM.

It may be laid down as an essential condition of an Imperial cable-service, that none of the lines should touch foreign soil, and that they should be placed so as to avoid shallow seas, more especially those seas in proximity to any country likely at any time to prove unfriendly. In describing generally the route which would best comply with these conditions, I shall commence at Vancouver, for the reason that up to this point telegraphic connection with the Imperial centre in London is already assured, without being dependent on any foreign Power. First, we have direct telegraphic connection across the Atlantic by a number of cables, and it is a mere question of cost to lay additional trans-Atlantic cables whenever they are wanted. Secondly, we have a trans-continental telegraph from the Atlantic coast to Vancouver, extending along the line of the Canadian Pacific Railway, and all practical telegraphers will recognise the great advantage of this

position. By having the wires hung within sight of passing trains, the telegraph can be frequently inspected with the greatest possible ease, and faults, when they occur, can speedily be repaired.

Commencing at Vancouver the cable would cross the Pacific to New Zealand and Australia, from Australia the main line would cross the Indian Ocean to South Africa, from South Africa it would traverse the Atlantic to Canada, where it would connect with the trans-Atlantic lines. Such a system of cables would complete the telegraphic circuit of the globe, and would constitute a base for connecting every one of Her Majesty's possessions and naval coaling-stations (Gibraltar and Malta excepted) by the most perfect means of conveying intelligence at our disposal. Moreover, the connection would be formed by a system of all-British deep-sea cables in the position where they would be least vulnerable. This Imperial cable system may be considered in three divisions.

(1.) *Cables in the Pacific Ocean.*

The cable from Vancouver would first find a mid-ocean station at Fanning Island, second at Fiji Islands, third at Norfolk Island; at Norfolk Island it would bifurcate, one branch extending to New Zealand, the other to the eastern coast of Australia.

There are many islands in the Pacific, some under British, others under foreign flags; in course of time these islands could be served by branches as circumstances may require. The land lines of Australia would complete telegraphic connection with the western coast, or it may be deemed expedient to substitute a cable for the land lines over that portion of the interior between Adelaide and King George's Sound.

(2.) *Cables in the Indian Ocean.*

From King George's Sound, or other point in Western Australia, the cable would extend to Cocos Island, thence to Mauritius, and thence to Natal or Capetown, as may be found expedient. Cocos would become an important telegraphic centre; it would be a convenient point for connecting Singapore by a branch cable. Singapore is already in connection with Hongkong by an all-British cable *via* Labuan, and Her Majesty's Government can take possession by giving twelve months' notice. India could be reached by a branch from Cocos to Colombo or Trincomalee in Ceylon. At Mauritius a connection would be formed with the existing cable to Seychelles, Aden, and Bombay.

(3.) *Cables in the Atlantic Ocean.*

In order to avoid the shallow seas along the west coast of Africa, Spain, Portugal, and France, it is proposed that the cable should extend from Capetown to Bermuda, touching at St. Helena, Ascension, and Barbados as mid-ocean stations. At Bermuda a connection would be formed with the existing cable to Halifax, and at that point with the Canadian and trans-Atlantic lines.

Much prominence has been given to a proposal to connect England with the Cape by a line of cable touching at Gibraltar, Sierra Leone or Bathurst, Ascension and St. Helena. I pointed out in my letter of last December to Sir Wilfrid Laurier that there are grave objections to the northern half of that route, as "the cable, of necessity, would be laid for some distance in shallow seas where it would be exposed to injury from various causes, and where, too, the agent of an unfriendly nation or, indeed, an evil-disposed fisherman, would have it in his power to destroy the cable with ease, totally unobserved. For hundreds of miles it would be exposed to such risks."

The route now proposed from Ascension to Great Britain is certainly less direct, but the cable would be much less in jeopardy, and to this may be added, the advantage which would result in bringing the West Indian possessions within the Imperial telegraphic circle.

In order that some estimate may be formed of the cost of such an undertaking, I submit the following approximate distances which each group of cables would require to cover:—

(1.) In the Pacific Ocean, from Vancouver to Australia and New Zealand	Knots.
... ..	7,150
(2.) In the Indian Ocean, from Western Australia to South Africa—	
Main line	Knots.
Branch to Singapore	6,500
Branch to Colombo...	1,100
	1,500
	9,100
(3.) In the Atlantic Ocean, from South Africa to Bermuda ...	6,600
	<hr/> 22,850

The total distance for which new cables would be required (of which 20,250 knots would be in the main line, and 2,600 knots in branches) may be roughly placed at 23,000 knots, and the cost (including the branch to Hongkong) between £5,000,000 and £6,000,000 sterling.

I have long advocated the first division of the proposal,—the establishment of a cable from Canada to Australasia as a State work. I have felt that it would be the forerunner of an all-British telegraph system embracing the whole Empire. As a State undertaking, I am satisfied that the Pacific cable would be a complete commercial success, and that so soon as it so proved, the cable extension to South Africa and India would follow.

One advantage peculiar to a globe-encircling system of cables will be apparent: each point touched would be in connection with every other point by two routes extending in opposite directions. This feature is of special value, as it practically constitutes a double connection in each case. The projected system of all-British cables with its branches would thus doubly connect the following fortified and garrisoned coaling stations—namely, Hongkong, Singapore, Trincomalee, Colombo, Aden, Capetown, Simons Bay, St. Helena, Ascension, St. Lucia, Jamaica, Bermuda, Halifax, Esquimaux, King George's Sound, and Thursday Island. The following "defended ports" would

likewise be connected—viz., Durban, Karachi, Bombay, Madras, Calcutta, Rangoon, Adelaide, Melbourne, Hobart, Sydney, Newcastle, Brisbane, Townsville, Auckland, Wellington, Lyttelton, and Dunedin.

Would it not be in the interest of a great commercial people to have these and all such points in the outer Empire connected by a means of communication so perfect as the electric telegraph? Is it not a matter which vitally concerns every British community around the globe? Is it not in their common interest that they all should be placed in possession of the speediest medium of conveying intelligence the one to the other, free from the burden of high charges?

That a State-owned Pacific cable is the key to the situation, I am firmly convinced. Exhaustive examinations have proved its entire practicability. Its financial aspect has been minutely investigated by business-men of the highest rank. The Canadian Government appointed Lord Strathcona and the Honourable A. G. Jones for the purpose, than whom there are no men with stronger business insight. Their report is in the possession of the Government, and it takes the most favourable view of the project. As a State undertaking it would be self-supporting from the first year of its establishment, and would admit of charges being lowered year by year. That the final outcome of the laying of this 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 for ever 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 extends, and that it would be the means of bringing into momentary electric touch every possession of Her Majesty.

In 1837 Rowland Hill, in advocating uniform penny postage for the United Kingdom, pointed out how desirable it would be to have the same low rate as on inland letters charged on letters passing to and from the colonies. This remarkable man concluded with the memorable words: "There is perhaps scarcely any measure which would tend so effectually to remove the obstacles to emigration, and maintain that sympathy between the colonies and the Mother-country which is the only sure bond of connection, as the proposed reduction on the postage of colonial letters."

Had Sir Rowland Hill known of the means of instantaneous communication which, since his day, has been placed at our command, he assuredly would have viewed it as the most civilising agency of the century. He would have seen that while promoting the activities of trade and commerce and improving the well-being of the human race, nothing would more tend to deepen the sympathies of our people and make firm the foundations of the Empire, than the adding to a universal penny postage the incalculable advantage of a State-controlled ocean telegraph system encircling the globe.

Holding the views which I have ventured to submit, I feel that in the public interest I should greatly err if I failed to seek an opportunity of giving expression to them. S. F.

No. 29.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 10th November, 1898.

Pacific cable: Advise by telegraph decision of Parliament.

No. 30.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 12th November, 1898.

With reference to your telegram of tenth. . . . Pacific cable: House had not time discuss Committee's report. Government prepared to join other colonies and guarantee one-ninth cost, in terms Committee's report, and will increase proportion to one-eighth, if necessary.

No. 31.

The SECRETARY, Wellington Chamber of Commerce, to the SECRETARY, General Post Office, Wellington.

DEAR SIR,—

Wellington Chamber of Commerce, Wellington, 3rd December, 1898.

This Chamber has been asked to join in urging the Government to take steps to support the adoption of the Pacific route for cable-communication with the United Kingdom. Will you kindly let me know how this matter stands as regards New Zealand?

I have, &c.,

The Secretary, General Post Office, Wellington.

S. CARROLL, Secretary.

No. 32.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Wellington Chamber of Commerce.

SIR,—

General Post Office, Wellington, 6th December, 1898.

I have the honour to acknowledge the receipt of your letter of the 3rd instant, asking how the matter of the Pacific-cable scheme stands as regards New Zealand.

In reply, I beg to inform you that New Zealand, in common with the other colonies, is now waiting to hear what support will be given by Canada and Great Britain. As at present arranged, it is the intention of Government, subject to parliamentary approval, to join with the other colonies in guaranteeing four-ninths of the total cost of construction and annual deficiency, if any, New Zealand's proportion of the guarantee not to exceed in any case one-eighth of the whole cost.

I enclose for your information Parliamentary Paper I.-7, containing the report of the Public Accounts Committee on the question of the Pacific cable, together with the papers relating thereto.

I have, &c.,
The Secretary, Wellington Chamber of Commerce, Wellington. W. GRAY, Secretary.

No. 33.

Mr. J. C. LOCKLEY, the British Empire Cable Corporation, Nhill, Victoria, to the SECRETARY,
General Post Office, Wellington.

SIR,—

Nhill, 8th January, 1899.

In acknowledgment and reply of your communication of 16th September last, I most respectfully beg to inform you that I am in receipt of a letter from Sir Sandford Fleming, in which he prefers the Pacific-cable project to be carried through as a State work from its inception instead of by a corporation working on a co-operative basis under Government control, as proposed by myself.

As I have one object in view—namely, to see the realisation of this cable—I am in hearty sympathy with Sir Sandford, and am only too pleased to meet his views, and have communicated with him to this effect.

Under these circumstances, will you kindly honour me by holding over my proposals of the British Empire Telegraph Cable Corporation, until such time as it may be decided whether the interested Governments will or will not undertake the work as a State one. If by any mischance this should fall through, which I sincerely trust will not be the case, then my proposals may be revived, so as to prevent any chance of the work not being undertaken.

Trusting this will meet with your favourable consideration and approval.

I am, &c.,

J. C. LOCKLEY,

The British Empire Cable Corporation.

The Secretary, Post and Telegraph Department, Wellington.

No. 34.

The Hon. AUDLEY COOTE, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Waverley Park, Sydney, 11th January, 1899.

Referring to my previous communication dated 19th May last [No. 1, F.—8A, 1898], I have now the honour to bring under your notice some other articles which appeared in the *Electrical Review* of the 23rd and 30th September and 14th October last year, under the title "Side-lights on Cable Routes." I enclose herewith reprints of the articles in question.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

AUDLEY COOTE.

Enclosure 1 in No. 34.

(Reprinted from the *Electrical Review* of 23rd and 30th September, 1898.)

SIDE-LIGHTS ON CABLE ROUTES.

As a study of what we may fairly enough call an unsuccessful intrigue, we commend to the attention of our readers a report printed in June last by order of the Speaker of the Cape of Good Hope Parliament, headed "Copies of communications that have passed between the Government of Cape Colony, the Imperial Government, and the Eastern Telegraph Company, on the subject of a deep-sea cable *viâ* the Cape, with extension to Australia." The frank audacity of some of the proposals advanced by the Eastern Telegraph Company and its backers would come as an amusing relief in the perusal of these letters, were it only new, but for those who have any knowledge of the methods by which in the East and in Australasia these companies have gradually acquired their present monopoly, the freshness of the style has altogether disappeared.

To lay the matter clearly before those who may not care to wade through these letters, we may state shortly that they refer to certain proposals made by the Eastern, Eastern Extension, and Eastern and South African Telegraph Companies, to the Imperial Government, and to the Governments of Cape Colony and of the Australian Colonies. Of these cable companies, the Eastern, and the Eastern and South African are practically one in all but name, and are both under the able management of Mr. J. Denison Pender, who is also a director of the Eastern Extension Telegraph Company, the interests of which are most closely allied with those of the other two companies, the Marquis of Tweeddale being chairman of this as well as of the Eastern Company. The community of interests above indicated obviously calls for joint action in cases of need. Now, for some years past (since about the time of the Transvaal difficulty), the telegraph-lines to the Cape and South Africa generally have given much trouble and caused much dissatisfaction, owing to the frequent breakages; these lines run along both the east and west coasts of Africa, the East and South African owning all those on the east and a portion of those on the west coast

This company, therefore, suffers both in purse and credit, owing to the frequent interruptions, which besides, might possibly make the laying of an opposition cable necessary, thus entailing serious competition, reduced rates, and consequent loss. Such a position clearly requires remedy. The allied Eastern Extension Company also is not free from the serious danger of competition, should a cable over which they have no control be laid between Australia and Canada. This also requires attention. The papers now published by the Cape of Good Hope Parliament expose the manner in which the combined companies hope to find relief from the troubles above indicated, but not at their own expense.

About the beginning of this year frequent reference was made in the Press, many paragraphs appeared concerning an "all-British" cable to Australia, *via* the Cape, and touching at various places *en route*, which, in return for "certain privileges," would be laid by the companies above mentioned. The nature of these privileges is given in a letter dated the 22nd March, 1897, addressed by Mr. J. Denison Pender to the Chancellor of the Exchequer. In this letter, after referring to the demand for "additional telegraphic communication between Great Britain and the Australasian Colonies, quite independent of the Mediterranean route," Mr. Pender proposes that the combined companies should provide "cables between England, the Cape, and Australia, touching only at Gibraltar, Sierra Leone, Ascension, St. Helena, Durban, Mauritius, Rodriguez, and Cocos." In consideration of the above, the "privileges" asked for are the following: £25,000 annually for twenty years from the Imperial Government; an extension by the Australasian Governments, for at least ten years, of the annual £32,400, which they have been paying to the Eastern Extension Company for the last nineteen years; also a present of a double-wire land-line (about one thousand miles long) between Capetown and Durban, from the Governments of Cape Colony and Natal, a land-line which, as the Postmaster-General of Cape Colony points out, is equal to a perpetual subsidy of £12,000 per annum. An underground land-line service from London to Cornwall is also to be provided: this will cost the Imperial Government at least £50,000. In addition to the above, it is stipulated that an annual subsidy of £32,000 for twenty years shall be paid if a branch cable be laid from the Seychellès to Ceylon, touching at Diego Garcia on the way.* The financial side of the proposal having been set forth, Mr. Pender asks for an "undertaking by the Governments concerned that, for a fixed period, they will not subsidise any opposition line connecting any of the places served at present by the associated companies. On their side, the companies undertake to increase their cables whenever necessary to meet public requirements. This principle was, to some extent, formally recognised by the Imperial Government, with the approval of the Australasian Colonies, when the Eastern Extension Company's Singapore-Labuan-Hongkong cable was laid in 1894." The qualifying words, "to some extent," are very much needed here, as Article 7 in the agreement between Lord Ripon (then Secretary of State for the Colonies) and the Eastern Extension, &c., Company, concerning the Singapore-Labuan-Hongkong cable runs as follows: "Nothing in this agreement shall affect the right of Her Majesty's Government to grant to the Government of the Dominion of Canada, or of any colony in Australia, permission to lay, or cause to be laid, a submarine telegraph-cable connecting Hongkong with Canada or with Australia, provided such connection with Canada or Australia be completed within five years from the date of this agreement, after which date the exception in this article mentioned shall become null and void."

In Article 4, Her Majesty's Government reserve the right to permit the laying of cables by others, if "such new cables should, in the opinion of Her Majesty's Government, be found necessary in the public interest of Great Britain, Hongkong, the Straits Settlement, or Labuan, or in the general interests of international telegraphic communication."

These quotations, as well as the fact that no subsidy is mentioned in the Singapore-Labuan-Hongkong cable agreement, show that it is always well to verify references.

This attempt to confirm the existing monopoly of the allied companies would, of course, if successful, have the effect of relieving both the Eastern and South African, and the Eastern Extension Companies, from the awkward position in which they at present find themselves. The Eastern and South African Company would be provided—at Government cost—with an efficient service to the Cape and Natal, and would also be freed from the danger of a competing cable. The Eastern Extension Company would no longer have to count with a competing cable from Canada to Australia, and would, besides becoming independent of the ricketty land-lines across Australia, also insure the continuance of the colonial subsidy of £32,400 annually, which would otherwise lapse next year. The suggested method of securing a monopoly, although sufficiently efficacious, and reaching the limits of any demand to which England could by any possibility accede, is not so thorough as that adopted by these allied companies in their dealings with other countries. For instance, to secure their interests in China against a competing American cable from San Francisco *via* Honolulu and the Spanish islands in the Pacific, the Eastern Extension Company, in return for providing an efficient service to Manila from Hongkong (by moving their cable direct into town), exact from Spain a prolongation for twenty years of an absolutely exclusive right to lay cables from Manila to Hongkong, besides the landing rights on all the Spanish possessions in the Pacific. These rights, owing to the result of the war, are probably now of no value.

To turn again to the letters relating to the proposals of the allied companies, we find that, under date of 12th November, 1897, to the Chancellor of the Exchequer, the Marquis of Tweeddale repeats in a modified form that portion of Mr. Pender's letter which relates to carrying the cable from Gibraltar to Cape Town (the subsidy figuring at £20,000 per annum), also the

*We hear that the cable between Mauritius and the Seychelles Islands, for the laying of which the Eastern and South African Telegraph Company is receiving a large annual subsidy from the Imperial and Indian Governments, is at present totally interrupted.

request for land-lines from London to Cornwall. The clause intended to shut out competition also recurs, but, as regards the line to Australia, Lord Tweeddale writes:—

“This proposal, if approved, would leave for after arrangement the continuation of the cables from South Africa to West Australia, and, in the meantime, would provide the best alternative means of strengthening cable-communication with our African colonies by a cable landing throughout on British territory only, as well as placing the important islands of Ascension and St. Helena in telegraphic communication with Great Britain.

“The triplication of cable-communication with South Africa has been decided upon, not on account of any abnormal development of traffic, but because it has always been the policy of these companies to insure the maintenance of communication between all points in their system, more especially between Great Britain and her important colonies; and, although it is improbable that with two lines of communication between South Africa and Great Britain the telegraph-service between these places would ever be totally interrupted for a long period, yet it is considered that with three lines of communication the fear of total interruption would be entirely removed.”

The extension from the Cape to Australia is thus shelved for a time. The admission that for satisfactory telegraph-service a third line is requisite, quite justifies the opinion expressed in a letter of the 22nd March last from the Postmaster-General of Cape Colony, who says, “I would wish to remark that, in my opinion, no subsidy should be given by the Cape in connection with the *revised* scheme, as the traffic receipts at the present time appear to warrant the laying of an additional cable on commercial grounds alone, without the aid of a subsidy from the Cape, or Natal, or any State or colony in South Africa. At all events, if the Eastern Company does not lay a third cable, it will be worth while for some other company to do so, and this would lead to competition in rates, which would undoubtedly be beneficial to South Africa.” The opinion thus expressed by Mr. French in this letter is justified by the information given in his note attached to a telegram from the Agent-General of the Cape to Sir Gordon Sprigg, under date 9th March, from which we quote: “I have not as yet been able to obtain reliable information as to the total value of the South African cable traffic during the year 1897, but, although it will not probably (owing to the depression in the Transvaal) reach the very high total of £300,000 attained in 1896, I have little doubt that it will exceed considerably the limit of £180,000 fixed by the late Sir John Pender as a paying revenue for the existing cables.” Mr. French, in his note, also protests against giving a practical monopoly to the Eastern Company, by which they would be in a position to refuse that reduction of the present rates, which will be expected from the company in the near future.

From the evidence given above, and from the notoriously unsatisfactory condition of the lines to the Cape, it seems clear that the Eastern and South African Company, and its friends, have a duty incumbent on them, not only to provide a third cable, but also to provide it for their own safety, free of subsidy or conditions. The gains from the cable traffic, as pointed out by Mr. French, are more than sufficient to warrant this, and as the only possible alternative route for such a cable is *via* Ascension and St. Helena, it is monstrous that these companies should call on Her Majesty's Government for assistance in carrying out a work which their own commercial interests absolutely require.

That these companies are not justified in the claim which they make for State assistance, the following figures will prove up to the hilt. Apart from the revenue derived from traffic, and to which Mr. French makes allusion, the Eastern and South African Company already receives, almost entirely from British sources, subsidies amounting to £88,000 per annum. The African Direct, and West African Telegraph Companies, in which the allied companies are large shareholders, draw from the British and various other Governments annual subsidies amounting to about £65,000. Thus, altogether, the total at present paid in subsidies to the African cable ring amounts to more than £150,000 yearly; and they have already received in this way, quite apart from their traffic earnings, a sum exceeding £2,000,000.

We do not include here the Eastern Extension Company, which we propose to deal with in a future article, but will only remark that this partner in the scheme we have here exposed has, during its existence, drawn well over £1,000,000 in subsidies, besides having a reserve fund of more than £800,000 in hand.

That the proposals made by these allied companies were even thought worthy of consideration by a departmental Committee, appointed by the Treasury, proves nothing beyond the influence which they possess in official circles. We are glad to notice that in the draft instructions to this Committee the following occurs: “The Committee will understand that in no case can an unqualified guarantee against subsidised competition be given.”

After the collapse of that part of the scheme which entailed a prolongation of the cable from the Cape to Australia, the Agent-General, in a telegram to the Premier of Cape Colony, asks: “If all-British cable stops at Cape, and proceeds no further, what contribution or subsidy are you prepared to offer? Committee awaits reply.” The reply of Sir Gordon Sprigg, dated 15th May last, is perhaps the best which could have been made to the impudent demands of these “sturdy beggars,” and runs as follows: “In letter, 29th December, company offered to lay cable without South African subsidy. As present traffic warrants third cable on basis of revenue laid down by Sir John Pender, feel sure South African contributories to subsidy would not entertain question of increase without satisfactory guarantee regarding reduced rates. As monopolists, company must make concessions to meet legitimate public requirements.”

II. We have laid before our readers as concisely as may be the story of the futile attempts made by the allied companies (the Eastern, Eastern Extension, and Eastern and South African Telegraph Companies) to confirm their monopolies, and to relieve themselves from the impending danger of competition—at the expense of the nation; we have shown how this very prosperous clique has failed in this endeavour, in spite of the sympathetic interest which they have generally

managed to inspire amongst a certain class of officials. We omitted, however, sufficiently to emphasize the fact that in the letter to the Chancellor of the Exchequer, dated the 12th November, 1897, and in which the Marquis of Tweeddale leaves in abeyance the prolongation of the cable beyond the Cape, to Australia, the clause intended to quash competition is left unchanged. If this clause had been acceded to, it would have prevented the Government from assisting by subsidy any one who might desire to compete, on equal terms, with these already subsidised companies in either Africa, India, China, or Australasia. This absurd request was summarily dismissed in the draft instructions to the departmental Committee.

Perhaps that portion of the scheme on which we are trying to throw light, which relates particularly to the Eastern Extension Company is the most interesting. We refer to the suggested prolongation of this cable from the Cape to Australia, which is now for convenience put into the background. We have frequently drawn attention to the delays and interruptions which occur on the Australian land-lines, and find support for the views we have so often expressed, in a letter dated the 25th February last, addressed to the Chancellor of the Exchequer by Mr. J. Denison Pender, who, as a director of the Eastern Extension Company, writes with full knowledge of the subject. Mr. Pender, in the course of his letter, writes: "I have the honour to inform you that in consequence of the recent unsatisfactory working of the Australian Government land-lines (over which the company have no control) serious complaints have arisen both on this side and in the colonies, and deputations from Chambers of Commerce and other public bodies have waited on the Postmasters-General of New South Wales and Victoria with a view to ventilating the question and endeavouring to find an effectual remedy. The Eastern Extension Company's cables to Australia are landed at Port Darwin in the northern territory of South Australia, and Roebuck Bay on the north coast of Western Australia, whence land-lines belonging to and worked by the Governments of South and Western Australia carry the telegrams to Adelaide. The bulk of the traffic is transmitted by the Port Darwin-Adelaide land-line, the long coast-line from Roebuck Bay to Adelaide being more or less unreliable. The proposed Cape-Australian cable, by landing at Perth, would cut out the most defective portion of this line, and consequently much shorten and improve the communication. It is, however, contended that the line between Perth and Adelaide, passing, as it does, through a sparsely populated country, would be liable to as much interruption as the Port Darwin-Adelaide line, and to meet this objection the Eastern Extension Company has intimated to the colonies its readiness to extend the proposed cable from Keeling or Perth to Albany, and thence lay a separate cable to Adelaide, thus making the new connection altogether independent of the long land-lines complained of." In return for this extension, which will have the effect of seriously decreasing the revenue of the land-lines of South and Western Australia, "the company would require the Australasian Colonies to continue the existing subsidy of £32,400 per annum for another twenty years, or ten years longer than the period named in the original proposal." That these land-lines are very long and very bad no one but an interested colonial Postmaster-General would venture to deny. We have on a previous occasion pointed out that a telegram sent over the land-line from Roebuck Bay to Burketown, in Queensland, would, assuming that it ever reached its destination, have to travel over a length of land-line greater than the distance between London and Calcutta, or several hundreds of miles more than the distance intervening between London and Vancouver. The admission made by Mr. Pender as to the land-line from Roebuck Bay being "more or less unreliable," is only in accordance with the statement made by Mr. Playford, the Agent-General of South Australia, at the Conference held in Ottawa. This unsatisfactory condition of affairs proves that the cable which was laid from Java to Roebuck Bay in 1889 cannot be looked upon as an alternative to the two cables which run from the same point in Java to Port Darwin, although it was laid with the intention of assuring communication with Australasia when the Port Darwin cables were broken down.

The Australian Colonies, however, do not see the position in the same light as the associated companies, and at the Postal and Telegraphic Conference held in Tasmania in March-April last, at which all the colonies were represented, when the original scheme of the allied companies was discussed, the two following resolutions were passed:—

"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 alternate cable *via* Africa, this Conference is unable to make any fresh arrangements with that company." Also, "That this Conference reaffirms the opinion that in the interests of Australasia the Pacific-cable project should be consummated as speedily as practicable, and that the Governments of the various Australasian Colonies be requested to represent to the Imperial and Dominion Governments the foregoing opinion, together with the proposal of the Premiers, as agreed to at their recent Conference held in Melbourne, viz., 'That if Great Britain and Canada would each contribute one-third of the cost, the colonies would be prepared to contribute the remaining one-third.'"

In the course of this discussion much dissatisfaction was expressed at the unwillingness of the above-mentioned company to meet the colonies, even to the extent of replying to the plain questions put to them as to arrangements consequent on the approaching expiry of the annual subsidy of £32,400 at present paid to the company by the colonies. In the course of his remarks, the Hon. Mr. J. Gavan Duffy said that "they had spoon-fed the company, and the more they fed it the more spoon-fed it wanted to be." A strong feeling in favour of an alternative cable *via* the Pacific to Canada was also shown, and in reference to this Mr. Gavan Duffy said: "That project was entertained very fairly, and at one time it seemed as though the line would be immediately constructed. But for some reason or other a blight had come over it, and they did not now hear of it." The cause of this "blight" will bear some examination.

In the first place, it is only right to give the allied companies credit for the manner in which they have so long, and heretofore so successfully, managed to delay the establishment of a competing cable across the Pacific. It is no more than natural that the Eastern Extension Company

should strongly object to the lapsing of subsidies, and to the loss of about 50 per cent. of the revenue which they now derive from Australasian traffic, which in 1897 amounted to a total of some £530,000. With this position in view, it is easy to understand the opinion expressed by Sir Sandford Fleming, who, in his very temperate report to the Canadian Government on the evidence given in the Colonial Office before the Pacific Cable Commission at the end of 1896*, expresses himself as follows in reference to this company: "It may indeed be held that the company has always assumed an attitude of hostility to the aspirations of Canada in respect to the proposed cable, and have for years strenuously opposed all efforts to advance her own and Imperial interests on the Pacific in connection with the union of Australasia and British North America telegraphically. Be that as it may, I can only repeat the view I have often expressed, that if the exigencies of the Empire, as a whole, demand the establishment of a national work which will interfere with the operations of this private company, every reasonable consideration should be extended to that company by those upon whom it has just claims. But it cannot be supposed that the public interests must be entirely set aside in order that the company may for ever continue to receive large dividends. I will again refer to the position of the Eastern Extension Company, and suggest a means by which, as it appears to me, the matter can be adjusted in the spirit of justice and fairness."

Sir Sandford Fleming also points out that "All doubt as to the practicability of laying an electric cable from the western coast of Canada to the Australasian Colonies, touching only on islands in the possession of Great Britain, is now entirely set at rest. The best authorities known were examined, and not one of them expressed the least misgiving on this point."

In this report reference is also made to what has been one of the most serious causes of obstruction in the progress of the Pacific-cable project. Sir Sandford Fleming writes: "I have pointed out in what respect there is a general agreement in the views expressed by the several gentlemen examined by the Committee. I shall now refer to an extraordinary diversity of opinion. In this diversity I find ranged on one side the agents, the Eastern Extension Telegraph Company, and two officers of the Post Office Department. On the other side, all the highest authorities on electrical science, together with the managers of two important ocean cables, whose evidence was submitted to the Committee. "The two officers were Mr. J. C. Lamb, secretary, and Mr. W. H. Preece, engineer-in-chief and electrician to the General Post Office, London. Their evidence in the main agrees with that of the gentlemen who appeared on behalf of the Eastern Extension Telegraph Company, whose views are adverse to the establishment of the proposed Pacific cable. The antagonistic evidence is voluminous. If examined, it will be seen that the gentlemen who submitted it are substantially of one mind on many subjects. The tone and substance of their observations leaves the impression that they do not look upon the Pacific cable as a necessary or desirable undertaking, and that if established as designed it would be inadequate in capacity and a heavy burden on the public exchequer. I could not venture here to take up the time necessary to refute the whole evidence."

Apparently these remarks are principally intended to apply to the preposterous estimate which is contained in a report dated 5th July, 1893, published in the "Proceedings" of the Ottawa Conference. Concerning this estimate Sir Sandford Fleming writes: "We have thus presented to us the estimate of the officers of the Post Office Department, amounting in all to £3,264,000. The Canadian Government has a *bond fide* tender to carry out in a complete and satisfactory manner precisely the same work for £1,517,000. What can be said of such a discrepancy as this? I entertain no doubt as to the great ability, the varied information, and the value of the services of these gentlemen. I can only regret that, in my extremely limited knowledge of them, I should be so unfortunate as to be driven to the conclusion that, however important the offices they fill, their importance does not make the occupants of the office infallible. In short, I am constrained to form the opinion that they have made a grave mistake, and that to this mistake, and to the unfortunate letter of Mr. Lamb in which it is contained, may be traced the seeming antagonism to a Pacific cable, which will be found in the evidence recently submitted."

That the adjective which we have used to describe this estimate is quite warranted, will be at once admitted by any one with technical knowledge who reads the report in question. The mere suggestion that the core of the cable mentioned should have *equal* weights of copper and gutta-percha (940 lb. of each) is quite enough, without going further into the matter, to show that the report is utterly valueless. It is obvious that such a report as that above referred to, being officially circulated, must have had a most prejudicial effect as far as the Pacific-cable project is concerned. We also find that, as far back as September, 1888, in a minute on a letter from the Secretary of State for the Colonies (Lord Knutsford) the following occurs, above the signature of Sir Charles Todd, who was then, and still continues to be, Postmaster-General of South Australia: "In face of the known difficulties arising from coral reefs, and the enormous depth of the Pacific along the route proposed, estimated at 12,000 fathoms in some places," &c., &c. After this display of ignorance of a subject, on which his opinion is conveniently accepted by the Government of South Australia, it is not surprising to find in the same minute the following assertion advanced by Sir Charles Todd: "As the Government are aware, I have given this subject very great and careful consideration, more so, perhaps, than any one else." In all probability the reference made by this Postmaster-General to the "enormous depths of the Pacific" can be traced to a blunder in the evidence given by another post-office official before the Colonial Conference of 1897. We cannot but attribute a handsome share of the misunderstandings and false reports to the delay in the survey of

* Return to an address of the House of Commons (Canada), dated 18th April, 1898, for a copy of the Report of the Committee appointed by the Imperial Government in 1896 to consider the question of a telegraph-cable between Canada and Australasia; also of any reports or correspondence to the Canadian Government from the Canadian representatives on said Committee, or Sir Sandford Fleming in regard to the same subject.

the Pacific-cable route, which was unanimously recommended by the delegates to the Colonial Conference held in London in 1887, and which is not yet completed. The Hydrographer (Admiral Sir W. J. Wharton) has in his report dated the 28th February, 1887, ten years ago! (figures corrected to 1892) expressed himself as follows: "My general conclusion is that if the Government is to aid in a substantial manner any scheme for multiplying the lines of communication to Australia, it should be in the direction of triplicating, by means of sea-cables, those portions of the existing route which are now duplicated by foreign land-lines."

In view of such an opinion it is not surprising to find that the survey recommended by the Colonial Conference is of slow accomplishment. We may say here that when the Hydrographical Department of the United States undertook the survey for the American cable, soon to be laid from San Francisco to Honolulu, the work (about a third of that required for the Pacific-cable scheme) was very fully carried out in three months.

Besides these serious stumbling-blocks in the way of the Pacific cable, we must remember that in some of the Conferences held, some of the representatives had no special or technical knowledge of the subject; thus we find that in the Colonial Conference in Ottawa in 1894, the Hon. Thomas Playford, representing South Australia, emphatically asserts (and this after having been corrected?) that no soundings from San Francisco to Honolulu had been taken since 1887, which proved that he was quite uninformed of the very complete series of soundings taken by the United States Government in 1892-93 for the San Francisco-Hawaii cable, a matter vitally affecting the subject on which he was supposed to speak with intelligence.

Added to such misconceptions, arising from insufficient or incorrect information, we should not omit to say that the Australian Colonies have from time to time been quite satisfied with the reductions of rates which they have received, by using the leverage of proposing to support the Pacific cable; but that after each reduction they have ceased to interest themselves in the project. That the reductions were quite justifiable is proved by the steady increase of the revenue of the company concerned. For information regarding the financial position, revenue, &c., of the Eastern Extension Company, we refer our readers to an analysis made by Sir Sanford Fleming, which we published last week. In conclusion, we would express a hope that the allied companies will not be permitted in any way to close the doors on the progress of telegraph enterprise. Besides the large revenues derived from traffic, these companies, together with others in which they are interested, have already received in subsidies, guarantees, &c., a sum in excess of £3,000,000, and it would be extremely unwise to still further strengthen against competition the position of these "spoon-fed" monopolists.

REDUCTION OF CABLE RATES TO AUSTRALIA.

The following extract from a Sydney paper, the *Daily Telegraph*, just to hand, shows the present position as regards the proposed reduction of rates: "The subsidy paid by the Australian Colonies, with the exception of Queensland, to the Eastern Extension Company amounts to £32,000 per annum. The contract expires before the end of the year. At the Hobart Conference the question of a reduction in the rates came up for consideration, and it was decided that efforts should be made to secure this end. From the correspondence published below, and which has been furnished by the Postmaster-General (Mr. Cook), it will be seen that the company decline to discuss the question excepting on the basis of the colonies subsidising the new Cape cable. The reduction asked for is from 4s. 9d. per word to 4s., but an intimation has been received that the company are waiting before entertaining the proposal for the Governments of the Australian Colonies to definitely decline to consider the proposals with regard to the Cape route. Mr. Cook states that so far as he knows the Governments have already decided on that point, and against the proposal. This was at the Premiers' Conference in Melbourne. Under these circumstances the attitude of the company appears to the Postmaster-General to be, as he describes it, somewhat extraordinary. At the same time, he wishes the public to understand that every effort has been made to secure a reduction in the cable rates, irrespective of the Cape-cable project, but, so far, without success. The following is the correspondence referred to:—

"Postal and Electric Telegraph Department, General Post Office, Sydney, 14th April, 1898.
—Sir,—Referring to the understanding at Hobart last week that you would communicate further with your company in England regarding the question of a new agreement and reduction of cable rate between Australia and Great Britain, I am directed by the Postmaster-General to inquire whether the company is prepared to make any fresh proposals, irrespective, of course, of those in connection with the projected South African route.—I have, &c., S. H. LAMBTON, Deputy Postmaster-General.—W. Warren, Esq., Manager in Australasia, E. E. A. and C. Telegraph Company (Limited), Melbourne.

"The Eastern Extension, Australasia, and China Telegraph Company (Limited), Melbourne, 20th April, 1898.—Sir,—In acknowledging the receipt of your letter of the 14th instant, I have the honour to state that I made no promise to the Hon. the Postmaster-General to communicate further with the company regarding the question of a new agreement and reduction of the cable rate. In reply to his inquiry, I am directed to say that the company have no further proposals to make other than those already submitted to the respective colonies for an alternate route *via* the Cape, and now await their decision respecting the same.—I have, &c., W. WARREN, Manager in Australasia.—S. H. Lambton, Esq., Deputy Postmaster-General, Post Office, Sydney."

In reply to further representations by Mr. Cook, Mr. Warren wrote on June 9th as follows:—

"Sir,—I have the honour to acknowledge the receipt of your letter, No. B2/98—2222, of the 8th instant, and in reply to state that my company cannot offer any opinion or advice respecting the proposal for reducing the tariff to 4s. until the Australian Governments definitely decide whether they will, or will not, take part in the Cape-cable scheme. Should they definitely decide in the

negative, my company will then be prepared to consider any proposals that may be submitted for a 4s. tariff.—I have, &c., W. WARREN, Manager in Australasia."

The following extract from an enclosure to a letter from Sir Sandford Fleming to Sir Wilfrid Laurier, dated Ottawa, 28th December, 1897, with regard to the Eastern Extension Company, will be interesting:—

"The Eastern Extension Company represents a combination of associated companies engaged in telegraph transmission between England and Australasia. The lines of the company comprise those of three amalgamated companies: (1) The 'British Indian Extension,' from Madras to Singapore, with a share capital of £460,000; (2) the 'British Australian,' from Singapore to Australia, with a share capital of £540,000; (3) the 'China Submarine,' from Singapore to Hongkong and Shanghai, with a share capital of £525,000. The combined share capital of these three companies amounted to £1,525,000. On their amalgamation the united share capital, by a well-known process of 'watering' to the extent of £472,500, was increased nominally to £1,997,500. The united company, since known as the Eastern Extension, Australasia, and China Telegraph Company (Limited), has been exceedingly prosperous; it has paid 7 per cent. on the enlarged capital, equal to 9 per cent. on the original capital. An examination of the published statements establishes that it has, in addition, expended out of the profits earned no less a sum than £1,571,540 on extensions and other productive works, and there remains unexpended and undivided to-day a reserve of surplus profits amounting to £804,193. These figures establish that the Eastern Extension Company has become a remarkably profitable investment. It regularly pays good dividends, but the dividends are no guide to the profits made. It holds in reserve undivided profits far exceeding in amount the whole value of its cables between Asia and Australia. The accounts of the company for 1896 and the first half of 1897 show that the net profits actually earned during these periods amounted to 13 per cent. on the present capital, and 17 per cent. on the capital prior to its being watered."

Side-lights on Cable Routes.

In the Melbourne *Argus* of the 26th August, we notice a long article (No. 1) under the heading of "The Proposed Pacific Cable." We do not intend to criticize this, as it is simply a *rechauffé* of the objections and misleading statements which those who are interested in opposing the laying of a cable across the Pacific take every opportunity of publishing for the consumption of the colonial public, who have not had the opportunity of acquiring a proper insight into the matter. This knowledge might have been in their hands had the proceedings of the Commission of inquiry, held in the Colonial Office at Downing Street at the end of 1896, been presented to the House of Commons. The supposed analysis of the Pacific scheme now being published in Australia is, as has previously been the case, utterly misleading, and evidently springs from a biased source.—*Electrical Review*, 7th October, 1898.

Enclosure 2 in No. 34.

(From the *Electrical Review*.)

In one of the leading Australian papers, the Melbourne *Argus*, a considerable amount of space has been devoted in the issues of 26th and 30th August to the proposed Pacific cable. We made reference to these last week, and pointed out that the information offered was simply a rehash of the numerous erroneous and misleading statements which have been so liberally offered for colonial consumption by those interested. We have so frequently exposed the fallacies and inaccuracies which have been so often and so skilfully advanced that we do not care to devote further space to going over this ground again at present. An element of novelty has, however, been introduced into the matter in a further article published, as if by an afterthought, in the Melbourne *Argus* of the 6th ultimo. Here, in a column or so of matter relating to the Cape-Australia cable (with which we have already dealt), we find the following: "During the discussion on the Pacific scheme it was frequently suggested that the Eastern Extension Company might put up rates on the expiration of the Government subsidies in 1899, but, of course, all possibility of this would cease were the Cape route adopted. In any case it is hardly likely that a company which controls nearly one-half the cable mileage of the world—viz., 75,000 nautical miles out of a total of 165,000—would damage either its own reputation or the interests of its shareholders by any such suicidal act. As Mr. P. B. Walker, Secretary of Telegraphs in New South Wales, points out in one of his reports, no attempt was made by the cable company to raise the rates when the New Zealand and New South Wales Governments declined to continue the subsidy on that line." The first part of this statement does not appeal to our recollection, although we have followed the discussion closely. The idea has possibly arisen in the mind of the writer owing to the fact that the Eastern Extension Company have not replied to the inquiries urgently made by the colonial Governments as to whether they proposed to reduce the existing tariff on the expiry next year of the annual subsidy (£32,400) which has been paid to the company by the colonial Governments for the last nineteen years. This seems all the more probable in view of the suggestion in this paragraph that "all possibility of this would cease were the Cape route adopted." As regards the latter portion of the statement—viz., that "no attempts were made by the cable company to raise the rates," &c.—this statement is, if possible, still more inaccurate and misleading than the rest of the information given in these articles. The editor of the Melbourne *Argus*, who writes with assumption of minute knowledge, should refer to a telegram, dated 20th September, 1886, addressed to Sir Julius Vogel, then representing the New Zealand Government, by the late Sir John Pender, then Chairman of the Eastern Extension Company, who, referring to the subject mentioned in the above extract from the *Argus*, wires: "The company have done everything possible to conciliate your Government and to meet the requirements of the tele-

graphing public, and if our guarantee proposal had been accepted it would have given the public a cheaper tariff than it is possible to obtain by any other means without entailing considerable expenditure on the colony. Under the circumstances, however, the company have no alternative but to raise the tariff for intercolonial telegrams from 1st October to 10s. per ten words and 1s. for every additional word, in order to recoup the loss of the subsidy." This gives a flat contradiction to the statement we are dealing with, and, as a matter of fact, the tariff actually *was* raised over the cable between New Zealand and New South Wales. Having nailed this statement to the counter, there is little in the article worth further attention. It may perhaps be an indiscretion to suggest to the editor of the Melbourne *Argus* that, in matters connected with the Eastern Extension Cable Company, he might apply to Mr. W. Warren, the manager of that company in Australasia, to have his information verified. In the article we refer to, and which is published as an editorial, we find a table purporting to give the subdivision among the various companies and Governments concerned of the rate per word received for telegrams from Australia to London. It is curious to find in this schedule of proportions that the division of the cable route on the English side of India is described in this Australian editorial as "cis-Indian." This would have been described as *ultra-Indian* had the table above referred to, and which appears as part of the article, been really drawn up in Australia, instead of having been supplied, as we are justified in believing, from some (apparently) competent source in London. We can only inquire of ourselves how much more of the information we have proven to be misleading springs from the same source.

No. 35.

The SECRETARY, General Post Office, Wellington, to Mr. J. C. LOCKLEY, the British Empire Cable Corporation, Nhill, Victoria.

SIR,— General Post Office, Wellington, 21st January, 1899.

I have the honour to acknowledge the receipt of your letter of the 8th instant, advising of the receipt of a letter from Sir Sandford Fleming, and asking that the proposals made in your communication of the 1st September last, to submerge and maintain on a co-operative basis with the interested Governments the projected Pacific cable, might be held over in the meantime.

In reply, I have to inform you that your request has been noted.

J. C. Lockley, Esq.,
The British Empire Cable Corporation, Nhill, Victoria.

I have, &c.,
W. GRAY, Secretary.

No. 36.

The SECRETARY, General Post Office, Wellington, to the Hon. AUDLEY COOTE, Sydney.

SIR,— General Post Office, Wellington, 21st January, 1899.

I have the honour, by direction, to acknowledge, with thanks, the receipt of your letter of the 11th instant, forwarding extracts from the *Electrical Review* on the subject of the proposed Pacific cable.

The Hon. Audley Coote, Waverley Park, Sydney.

I have, &c.,
W. GRAY, Secretary.

No. 37.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,— Ottawa, 2nd February, 1899.

I have the honour to enclose, for your information, a memorandum I have prepared for the Canadian Government on the cost, annual expenses, and revenue of the proposed Pacific cable.

The Hon. the Premier, New Zealand.

I have, &c.,
SANDFORD FLEMING.

Enclosure in No. 37.

MEMORANDUM: COST, ANNUAL CHARGES, AND REVENUE—THE PACIFIC CABLE.

Cost.—A careful and exhaustive inquiry was made by the Imperial Cable Committee, which met in London in 1896, Lord Selborne, Chairman, the Canadian representatives being Lord Strathcona and Hon. A. G. Jones.

The Committee had before them the tenders received by the Canadian Government in 1894; they examined the managers of various cable-construction firms, and they took a large amount of technical evidence. After a thorough investigation the Committee came to the conclusion that a cable of a serviceable type could be manufactured, shipped, laid, and guaranteed for £1,500,000, and that it would be possible to secure another type of cable, one capable of transmitting 50 per cent. more traffic, for £1,800,000.

One of the most substantial construction firms offered to furnish and lay the cable of the first-mentioned type for £1,517,000, and of the second type for £1,880,000; and this offer not only included the erection at each station of suitable buildings, with duplicate sets of all proper instruments, but also the cost of maintaining the cables for three years. It is probable, the report states, that another firm would offer similar terms.

The report of the Imperial Committee is dated the 5th January, 1897; in this document all particulars will be found. The Committee did not think it necessary to include maintenance for three years in the original cost of the cable; they considered six months sufficient. In their estimates, which follow, £35,000 is included for six months' maintenance, £80,000 for the purchase of two repairing ships, and £78,000 as a margin of capital to cover possible contingencies: Minimum cost (first type of cable), £1,500,000; maximum cost (second type of cable), £1,800,000.

Annual Charges.—The Imperial Committee took a large amount of evidence bearing on the cost of working, maintenance, and repairs. They considered it necessary to make provision of capital by sinking fund for replacing the cable after a term of years. They likewise, under this heading, took into account interest on capital, the rate of which to a great extent must depend on the conditions under which the capital is raised. They append four estimates of total annual charges, varying according to the type of cable and the rate of interest, as follows:—

No.	...	...	Interest.	Capital.	Total Annual Charges.
No. 1	...	...	2½ per cent.	£1,500,000	£144,887
No. 2	...	...	2¾ „	1,500,000	147,561
No. 3	...	...	2½ „	1,800,000	155,464
No. 4	...	...	2¾ „	1,800,000	158,673

The annual charges of every description may therefore be placed at: Minimum, £144,887; maximum, £158,673.

Revenue.—In the report of the Imperial Committee, under the sub-heading “Recommendation and Summary” (page 9), they allude to this branch of the subject in these words: “Taking the total annual expenditure at £144,887 and the increase of business at 10 per cent. per annum on 750,000 words in 1896, a Pacific cable would, if it came into actual work on the 1st January, 1900, earn £178,437 in its first year of working, if the rate obtained by it per word were 3s. 3d., thus leaving a credit balance on the first year's working of £33,550. If the rate per word were reduced to 2s., in the year 1900 it would earn £109,807; in 1901, £120,788; in 1902, £132,867; and in 1903, £146,153; it would thus become a paying concern during the fourth year of working.”

In reference to the above it may only be remarked: (1.) The Committee repeatedly explain that in estimating revenue “they must be actuated by extreme caution,” and as an evidence of the caution exercised they base the estimate on the Pacific cable securing scarcely more than one-third the gross Australasian-European traffic, and they include nothing for Australasia-American traffic. (2.) Notwithstanding the great caution of the Committee, their estimate goes to show that even at the reduced rate of 2s. a word (as the new line would not be open for business before 1902), annual charges would be covered by earnings in the second year—viz., 1903.

In the special report of Lord Strathcona and Mr. A. G. Jones (12th January, 1897) a more liberal view is taken. They submit two estimates (pages 13 and 14), in both of which it is shown that there would be in the year 1902 a surplus of revenue over all charges, and in every following year the surplus would go on increasing.

Estimate of Revenue from the Latest Information.

It is two years since the Imperial Committee reported, and it may be well to consider the subject of revenue in the light of information acquired since that date.

The latest returns of telegraph business between Australasia and Europe appear in the printed proceedings of the Postal and Telegraph Conference held at Hobart in April, 1898. These returns are given on the authority of Sir Charles Todd, Postmaster-General of South Australia, who has always been a consistent opponent of the Pacific cable. In Table 4, page 58, we find as follows: The gross traffic in 1889 consisted of 793,917 words; the gross traffic in 1890 consisted of 827,278 words.

The rates then charged were 9s. 4d. per word. The rates were reduced on 1st May, 1891, to 4s., and on 1st January, 1893, raised to 4s. 9d. per word; the latter rate has not since been changed.

Under the new rates, according to the same authority, the gross annual traffic has been as follows: In 1892 the number of words transmitted were 1,275,191; in 1893, 1,303,336; in 1894, 1,381,400; in 1895, 1,450,446; in 1896, 2,110,917; in 1897, 2,349,901.

It is not probable that the Pacific cable will be completed much within three years from the present date. Assuming that it will come into working condition by the 1st January, 1902, the questions to be considered are: (1) What will be the gross traffic for 1902; and (2) what proportion of it will be secured by the new line?

However much opinion may differ on both questions, with respect to the first, it is obvious, from the returns quoted, that there is a great development of telegraph traffic steadily going on, and that this development is greatly accelerated by a reduction of rates. In the last year of the 9s. 4d. per word tariff, 1890, the gross business consisted of 827,278 words; the reduction at once had the effect of increasing the business 50 per cent. Even under the conditions of a uniform tariff, there is evidence of great vitality. From 1893 to 1897 the tariff of charges remained at 4s. 9d. per word, and the business grew from 1,303,336 words to 2,349,901 words in these four years.

We may fairly infer from these facts that in the year 1902, even if the tariff of charges remains unchanged, there will be a large increase in telegraph business, and that with the new line established and the charges on messages reduced the increase would be still greater. If more than a million words were added to the traffic in the four years from 1893 to 1897, under precisely the same conditions the increase in five years from 1897 to 1902 would be a million and a quarter words. That is to say, if the tariff of charges on messages remains unchanged at 4s. 9d. per word,

and the same condition of growth continues, the gross Australia-European traffic will in 1902 be, in round figures, 3,600,000 words.

It may, of course, be said that there is no absolute certainty that the gross telegraphic traffic will be as stated; there is, however, reasonable probability, and there is more than a probability that if the rates be lowered as proposed, telegraphic intercourse will be stimulated, and a much increased business will follow. There are indeed good grounds for the belief that with the tariff lowered from 4s. 9d. to 3s. per word, the gross telegraph business in 1902 will not be less than 4,000,000 words. It is advisable, however, in forming estimates, to be well on the safe side; we may, with perfect safety, then take 3,600,000 words, as the probable business within the year 1902 when the Pacific cable may be opened.

With respect to the second question, what proportion of the gross traffic will fall to the share of the Pacific cable? The following reasons will make plain that the new line will obtain a full share, certainly not less than one-half the whole number of words transmitted.

1. The Pacific cable would undoubtedly give a better service to the public than the existing line. On this point it will only be necessary to quote from a return to Parliament (No. 94) to an address dated the 18th April, 1898, as follows:—

“In reference to the remarks of Sir Julius Vogel in the above letter, the undersigned deems it proper to point out that it is the *manual* as distinguished from the *automatic* repetitions which cause delay and increase the chances of error in the transmission of messages. The repeating stations on the overland route through Canada are *automatic*, and in a comparison they should not be taken into account. By the eastern route there are *ten manual* repeating stations intervening between Great Britain and Australia—viz., at Gibraltar, Malta, Alexandria, Suez, Aden, Bombay, Madras, Penang, Singapore, and Java. By the Pacific route there would be only five *manual* repeating stations—viz., at Canso, Vancouver, Fanning Island, Fiji, and Norfolk Island. With but half the number of such repeating stations, naturally the tendency to greater accuracy and speed in transmission, and generally to a better service by the new route, would be increased.”

2. The Australasian Governments, being at the chief sources of traffic, and possessing control of all the land-lines, would not only have it in their power to throw business over the Pacific cable, but, as joint owners, would be directly interested in so doing. The Pacific cable would become the “normal route” for all telegrams from these colonies to North and South America, to Great Britain, Germany, France, Scandinavia, Belgium, and Holland. By the term “normal route” it is understood that unless telegrams are specially directed by the sender to follow some other route, they follow the “normal route.” This circumstance would give to the Pacific cable an enormous advantage in securing business, as experience proves that a very large proportion of traffic is handed in by the public without any indication of route. With respect to messages from Europe to Australasia, it will be obvious that every Atlantic cable company, with their offices in every city in the United Kingdom and elsewhere, would be interested in collecting return traffic for the Pacific cable.

In view of the facts submitted, it is a reasonable and perfectly safe prediction that there will be a gross telegraphic traffic in the year 1902 of not less than 3,600,000 words, and that of this business the Pacific cable will obtain fully one-half, or 1,800,000 words.

The transmission of 1,800,000 words, at 2s. per word, would yield a revenue of £180,000 to meet annual charges of every description. The maximum charges have been placed at £158,673, and there would remain a surplus of £21,327. But this surplus would result from the Australasia-European business alone. To this must be added the Australasia-American business, the whole of which would pass over the Pacific cable. By a return to the New Zealand House of Representatives of date 30th August, 1898, it appears that the Australasia-American business for the year 1897 consisted of 87,033 words, the cost of which at present rates would average 6s. per word. It is impossible to say how much the gross business of 1902 will exceed that of 1897 when the rates will be reduced to 2s. per word. Nothing can be more certain than that in six years from 1897 there will be a great advance, that, with charges on messages lowered to less than *one-third* present rates, the trans-Pacific traffic will eventually develop to large proportions, and that it will all go to swell out the profits of the Pacific cable.

The estimates submitted are extremely moderate. They go to show beyond all question that the Pacific cable, from the first year of its establishment as a Government undertaking, will prove a complete commercial success. Moreover the growth of traffic, stimulated by the reduction of rates, will so improve business that the net surplus revenue will go on increasing every succeeding year, and thus admit of the further lowering of rates from time to time.

SANDFORD FLEMING.

No. 38.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 20th April, 1899.

WHAT is the present position of Pacific cable? Will Imperial Canadian Governments contribute third cost?

No. 39.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 21st April, 1899.

PACIFIC cable: Colonial Office, replying Agents-General, hopes shortly communicate the Imperial Government decision. Canadian Government, according to Reuter, propose guarantee five-eighths.

No. 40.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,
London, S.W., 21st April, 1899.

SIR,—

I beg herewith to transmit copy of a joint letter addressed to the Colonial Office by the Agents-General for Victoria, Queensland, Tasmania, and myself, with reference to the Pacific cable, and also copy of reply received this day.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure 1 in No. 40.

The AGENTS-GENERAL to the SECRETARY of STATE for the COLONIES.

Westminster Chambers, 13, Victoria Street,
London, S.W., 30th March, 1899.

SIR,—

We have the honour to direct your attention to the present position of the proposal to establish telegraphic communication between England and its Colonies of Australia and New Zealand, *via* Canada and the Pacific.

This proposal has been the subject of discussion for some years past, and, as the advantages to be derived by its being carried into effect are well known and understood, we do not propose to bring them again under your notice.

You are aware that, at the Postal Conference of the representatives of the Australasian Colonies held at Hobart in March of last year, a resolution was adopted reaffirming the opinion that the project should be commenced as speedily as practicable, and that subsequently the Australian and New Zealand Colonies intimated their willingness to guarantee four-ninths of the cost of laying the cable, and also to make good up to that amount any deficiency which may arise in working the same.

It was also understood that Canada was willing to join the Mother-country in guaranteeing the remaining five-ninths of the cost of the line, and any deficiency in its working.

Under these circumstances, and having regard to the number of years during which this project has been under the consideration of both the Imperial Government and of the colonies, we venture to 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, so that the establishment of the line may be proceeded with.

We have &c.,

ANDREW CLARKE, Agent-General for Victoria.

W. P. REEVES, Agent-General for New Zealand.

HORACE TOZER, Agent-General for Queensland.

P. O. Fysh, Agent-General for Tasmania.

The Secretary of State for the Colonies.

Enclosure 2 in No. 40.

The SECRETARY of STATE for the COLONIES to the AGENT-GENERAL.

Downing Street, 20th April, 1899.

SIR,—

In reply to the letter of the 30th ultimo, received on the 10th instant, and signed by yourself and the Agents-General for Victoria, Queensland, and Tasmania, on the subject of the Pacific cable scheme, I am directed by Mr. Secretary Chamberlain to inform you that he hopes at an early date to be in a position to communicate to you the decision of Her Majesty's Government in regard to this matter.

I have, &c.,

The Agent-General for New Zealand.

H. BERTRAM COX.

No. 41.

The AGENT-GENERAL to the Hon. the PREMIER.

London, 28th April, 1899.

(Telegram.)

PACIFIC cable: It is announced that the Imperial Government decided contribute yearly subsidy in accordance with Pacific Cable Committee's report, '97.

No. 42.

The SECRETARY of STATE for the COLONIES to His Excellency the GOVERNOR.

MY LORD,—

Downing Street, 28th April, 1899.

I have the honour to transmit to you, for communication to your Ministers, a copy of a letter which has been addressed to the High Commissioner for Canada and the Agents-General for the Australasian Colonies, from which you will learn the nature and extent of the assistance which

Her Majesty's Government are prepared to render to the Canadian and Australasian Governments in connection with the Pacific-cable scheme.

Governor the Right Hon. the Earl of Ranfurly, K.C.M.G., &c.

I have, &c.,

J. CHAMBERLAIN.

Enclosure in No. 42.

The SECRETARY of STATE for the COLONIES to the HIGH COMMISSIONER for CANADA and the AGENTS-GENERAL.

SIR,—

Downing Street, 28th April, 1899.

I am directed by Mr. Secretary Chamberlain to convey to you the decision at which Her Majesty's Government have arrived as to the form and extent of the assistance which they are prepared to give to the scheme for connecting Canada with Australasia by a direct submarine cable across the Pacific.

I am to remind you that in the various communications which have been from time to time addressed to the colonial Governments on this subject, Her Majesty's Government have never concealed their opinion that the construction of a Pacific cable is a matter of much greater importance to Australasia and Canada than to the United Kingdom; and they would not have themselves been disposed to recommend Parliament to aid it, but for their desire to afford the support and assistance of the Mother-country to her great self-governing colonies in a project the success of which cannot fail to promote Imperial unity. For this reason they consider that the responsibility for constructing and working the cable should be borne by the Governments of Canada and Australasia, to whom any profits which may hereafter accrue from the undertaking would consequently fall; and that the aid to be given by the United Kingdom should take the form of an annual subsidy, which has hitherto been adopted by Parliament in promoting the establishment of important lines of telegraphic communication between different parts of the Empire.

In considering the question, Her Majesty's Government have had regard to the report of the Committee of 1897. The estimates of initial cost and annual expenses put forward by that Committee was £1,500,000 for original cost, and £144,900 for total annual expenses. Against this it was anticipated, on the basis of the latest returns available, that the traffic receipts in the first year would amount to £132,000, leaving a deficit of £12,900, diminishing annually until it ceases altogether at the end of the third year.

It is not, however, possible to act with certainty on these estimates, for the prices of materials have risen since they were made; and in other respects the cost of establishing the cable may possibly exceed the estimate of the Committee.

Her Majesty's Government have accordingly decided to offer, for a period not exceeding twenty years, an annual subsidy, calculated on the basis shown below, not exceeding a maximum limit of £20,000 in any year, on the following conditions:—

1. That the Canadian and Australasian Governments undertake to construct the line, and to provide in each year any further sum that may be necessary for its efficient maintenance and working.

2. That the subsidy runs only from the opening of the cable for traffic, and so long as it is open, with the allowance of a reasonable time for repairs in the event of interruption of communication.

3. That the cable is, in accordance with a specification and samples to be approved by the Treasury and to the satisfaction of an officer appointed by the Treasury for that purpose, constructed, submerged in proper working-order, and established with proper stations and offices at such places as the Treasury may approve, and effectually worked with a sufficient staff of proper and efficient officers being British subjects.

4. That messages of the Imperial Government are transmitted in priority to all other messages, at rates not exceeding one-half of those charged to the general public.

5. That all rates charged to the general public, whether for messages to, from, or between intermediate stations, or for through messages between this country, Australia, and New Zealand, are approved by the Treasury.

6. That an account, duly certified and audited, is rendered annually to the Treasury as soon as possible after the anniversary of the opening of the cable, showing: (a.) The net traffic receipts in the past year for messages sent over the line after the deduction of money paid out for the further transmission of messages on other lines. (b.) The expenses incurred in the same year, including interest, sinking fund, maintenance and repairs, and working-expenses.

The Treasury will cause this account to be duly examined, and will pay over to such person as the associated Governments of Canada and the Australasian Colonies may nominate in their behalf, five-eighteenth of the amount by which the net receipts shown by this account, after examination, shall fall short of the amount of the expenses, subject to the maximum limit named above.

7. That the cable is worked in accordance with the International Telegraph Convention of St. Petersburg of the 22nd July, 1875, and the regulations in force for the time being thereunder.

Her Majesty's Government trust that the liberal arrangement proposed will meet the views of the colonies, and that it will be accepted as a 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 than that of this country.

[To High Commissioner only.]—I am to add that the substance of the above was communicated by telegram to the Governor-General of Canada on the 26th instant.

The High Commissioner for Canada and the Agents-General for the Australasian Colonies.

I am, &c.,

H. BERTRAM COX.

No. 43.

The Hon. the PREMIER, Wellington, to Sir SANDFORD FLEMING, Ottawa.

SIR,—

Premier's Office, Wellington, 1st May, 1899.

I have the honour to acknowledge the receipt of and to thank you for your letter of the 2nd February last, forwarding copy of memorandum prepared by you for the Canadian Government on the cost, annual expense, and revenue of the proposed Pacific cable.

I have, &c.,

W. C. WALKER, for the Premier.

Sir Sandford Fleming, K.C.M.G., Ottawa.

No. 44.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 1st May, 1899.

IMPERIAL Government, by letter received Saturday, offers subsidy towards annual expenses Pacific cable when constructed by Canadian-Australasian Governments. Subsidy to represent five-eightieths annual loss on expenses if any. But amount not to exceed £20,000 per annum, subject to following conditions: Cable must be laid to the satisfaction of Imperial Treasury, which must also approve rates to be charged, be entitled to examine annual accounts; Imperial Government messages to have priority and to be charged half rates. Official letter states England's interest in cable comparatively small, but desire assist undertaking, having regard to its Imperial character.

No. 45.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,

London, S.W., 3rd May, 1899.

SIR,—

Referring to my letter of the 21st April last, I beg herewith to transmit copy of letter from the Colonial Office conveying the decision of the Imperial Government as regards the form and extent of the assistance which they are prepared to give to the scheme for connecting Canada with Australia and New Zealand by a direct cable across the Pacific.

I also enclose copies of the cablegrams which I have since addressed to you with respect to the Imperial Government's proposal.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES, Agent-General.

[For Enclosures in No. 45, see No. 41, Enclosure in No. 42, and No. 44.]

No. 46.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,

London, S.W., 5th May, 1899.

SIR,—

Since writing my letter of the 3rd instant, despatched by this mail, the report with minutes of proceedings, &c., of the Pacific Cable Committee has been presented to the Houses of Parliament, and I herewith transmit a copy thereof. [For report see F.—8a, 1899.]

The Hon. the Premier, Wellington.

W. P. REEVES.

No. 47.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 11th May, 1899.

PACIFIC cable: Presuming you have notification of Great Britain's decision, do you think any action should be taken out here and so strengthen hands of Agents-General, who are apparently trying to get better terms? Would a conference of Postmasters-General be desirable at this stage?

No. 48.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 12th May, 1899.

PACIFIC cable: Am of opinion that prompt and vigorous action should be taken to impress upon Imperial authorities that decision arrived at is unsatisfactory, and that we consider Great Britain should be joint owner with Canada and the colonies. Suggest your communicating with Canada and acting with her. Conference would emphasize protest, but as our session begins next month, regret I would be unable to go to Australia. Recommend conference being held in New Zealand. Assume you are communicating with other colonies.

No. 49.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,
London, S.W., 12th May, 1899.

SIR,—

Referring to my letter of the 3rd instant, I beg to enclose copy of a joint letter from the High Commissioner for Canada and the Agents-General for those colonies interested, to the Secretary of State for the Colonies, with respect to the form and extent of the assistance which the Imperial Government are prepared to give to the scheme for connecting Canada with the Australasian Colonies by direct submarine cable across the Pacific.

I have, &c.,

WALTER KENNAWAY, for the Agent-General.

The Hon. the Premier, Wellington.

Enclosure in No. 49.

The HIGH COMMISSIONER for CANADA and the AGENTS-GENERAL to the SECRETARY of STATE
for the COLONIES.Office of the High Commissioner for Canada, 17, Victoria Street,
London, S.W., 9th May, 1899.

SIR,—

We beg to acknowledge your letter of the 28th ultimo, in reference to the form and extent of the assistance which Her Majesty's Government are prepared to give to the scheme for connecting Canada with Australasia by direct submarine cable across the Pacific.

It has always been contemplated that the construction and operation of the cable would be under the joint control of the Mother-country and the colonies, and that there would be a joint ownership on some conditions to be agreed upon. Her Majesty's Government now appear, however, to have in view a departure from that principle, and we venture to express the hope that the matter may be further considered, as the proposals communicated to us are certainly open to the gravest objections so far as Canada and the Australasian Colonies interested are concerned.

You observe that in considering the question Her Majesty's Government have had regard to the report of the Committee of 1897; but in this connection we may be allowed to quote from the report of that Committee upon the question of the ownership of the proposed cable:—

"71. The Committee are of opinion that the cable should be owned and worked by the Governments interested.

"72. In arriving at this conclusion, they do not underrate the importance of allowing all commercial undertakings to be carried out, whenever possible, by private enterprise unassisted by Government. But in the present case there seems to be no probability that private capital will be forthcoming for the purpose of laying a Pacific cable without a larger subsidy than the Governments interested in the project would be prepared to grant.

"73. If Government assistance, in some form or other, is necessary, the Committee think that a scheme under which the cable would be constructed and owned by the Governments interested is much to be preferred to a private company working under a Government subsidy."

It will at once be seen that the proposal now submitted is very different in its nature from the course recommended by the Committee. What is suggested is that Canada and Australasia should construct and operate the cable, and that they should be responsible for raising the necessary funds. On the other hand, it is proposed that the Mother-country should simply contribute an annual subsidy for twenty years of five-eighths of any deficiency between the receipts and expenses, the amount of such contribution not, however, to exceed £20,000 in any one year.

In consideration of this offer Her Majesty's Government imposes conditions which will, in effect, give them the control of the undertaking. They stipulate among other things:—

(a.) That the cable is in accordance with a specification and samples to be approved by the Treasury, and to the satisfaction of an officer appointed by the Treasury for that purpose, constructed, submerged in proper working-order, and established with proper stations and offices at such places as the Treasury may approve, and effectually worked with a sufficient staff of proper and efficient operators, being British subjects.

(b.) That all rates charged to the general public, whether for messages to, from, or between intermediate stations, or for through messages between this country and Australia and New Zealand, are approved by the Treasury.

(c.) That messages of the Imperial Government are transmitted in priority to all other messages at rates not exceeding one-half of those charged to the general public.

(d.) That the accounts are to be subjected to the supervision of the Treasury.

In connection with the attitude now taken by Her Majesty's Government you point out that:—

1. Her Majesty's Government have never concealed their opinion that the construction of a Pacific cable is of greater importance to Australasia and Canada than to the United Kingdom; and that they would not have been disposed to recommend Parliament to aid it but for their desire to afford the support and assistance of the Mother-country to her great self-governing colonies in a project, the success of which cannot fail to promote Imperial unity.

2. That Her Majesty's Government consider the responsibility for constructing and working the cable should be borne by the Governments of Canada and Australasia, to whom any profits which may hereafter accrue from the undertaking would consequently fall.

The question of the relative interest of the colonies and the Mother-country in the matter is open to argument; but the dominating principle which has governed Canada and Australasia is that the scheme "cannot fail to promote Imperial unity," a principle which we are glad to notice is accepted by Her Majesty's Government. The cable affords an alternative route to the East, passing entirely through territory under British control; its importance from a strategical point of view is manifest; and the possession of the first cable across the Pacific appears to be a matter of the highest commercial importance. And, again, there is the question of connecting Canada and Australasia. If, as we believe, the cable cannot fail to promote Imperial unity—and Her Majesty's Government share that 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.

The opinion seems to be very generally expressed, as the result of the presentation to Parliament of the recent correspondence, that the responsibility of constructing and working the cable should be borne by the different parts of the Empire interested, including, of course, the Mother-country, and that to them jointly should accrue any profits, direct or indirect, which may arise from the undertaking. From no point of view, in any case, can the proposal now submitted be regarded as either satisfactory or equitable to Canada and the colonies we represent. It may be pointed out that if the loss on the undertaking during the first three years of working of the cable were to largely exceed the sum estimated by the Committee of 1897, the total contribution of Her Majesty's Government even then might be less than £20,000, spread over that period; and, as already mentioned, a very large measure of control over the enterprise is demanded in consideration of the offer to accept this small contingent liability.

But the serious part of the proposal is that Canada and Australasia would be called upon to raise the money on their own responsibility. It is evident that this could not be arranged by them on such favourable terms as if Her Majesty's Government were associated in the enterprise, and that their abstention would add materially to the expenses of constructing and working the cable. It cannot be questioned that the reduction of the annual outlay for these services would operate to the advantage of the Mother-country as well as to the colonies, and it is this aspect of the case that we desire to commend to the serious consideration of Her Majesty's Government.

We trust you will give us an opportunity of discussing the matter with you, in the hope that Her Majesty's Government may be disposed, after reconsideration, to join the colonies in raising funds for the cable, and in constructing and operating it. Such a decision would practically involve little or no more liability than the suggestions you have made to us. At the same time we feel justified in stating that Canada, at any rate, and we think the Australasian Colonies also, would not be prepared, as we are advised, to proceed with the matter on the lines laid down in the communication now under acknowledgment.

We are, &c.,

STRATHCONA, High Commissioner for Canada.

JULIAN SALOMONS, Agent-General for New South Wales.

ANDREW CLARKE, Agent-General for Victoria.

W. P. REEVES, Agent-General for New Zealand.

HORACE TOZER, Agent-General for Queensland.

The Right Hon. J. Chamberlain, M.P., Secretary of State for the Colonies.

No. 50.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 16th May, 1899.

PACIFIC cable: Imperial Government having refused adopt Committee's report, project likely seriously hampered. Have suggested Postmaster-General, New South Wales, confer with colonies and make immediate forcible protest. Authorise you to protest behalf New Zealand. Endeavour with colonies, Canada, obtain reversal decision. Governor asked move Colonial Office reconsider.

No. 51.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 16th May, 1899.

PACIFIC cable: In reply to your telegram of to-day, already protested by letter, and at lengthened interview with Chamberlain informed him exact proportion guarantee minor matter. Laid great stress necessity Imperial partnership. Chamberlain promised friendly careful further consideration.

No. 52.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street,

London, S.W., 19th May, 1899.

SIR,—

Referring to my letter of the 12th instant, I beg to enclose copy of a further joint letter addressed by the High Commissioner for Canada and the Agents-General to the Secretary of State for the Colonies on the subject of the Pacific cable.

I also enclose copy of your cablegram of the 16th instant, and copy of my reply thereto of the same date.

The Hon. the Premier, Wellington.

I have, &c.,

W. P. REEVES,

Enclosure in No. 52.

The HIGH COMMISSIONER for CANADA and the AGENTS-GENERAL to the SECRETARY of STATE for the COLONIES.

Office of the High Commissioner for Canada, 17, Victoria Street,
London, S.W., 18th May, 1899.

SIR,—

At the meeting you were good enough to grant us on the 15th instant, we placed before you our views on the proposal for connecting Canada with Australasia by direct submarine cable across the Pacific—very much on the lines of our letter of the 9th instant, in reply to the communication you caused to be addressed to us on the 28th ultimo.

What we have stated so far, in writing, relates chiefly to the commercial aspect of the proposals in question. We have pointed out the belief that has all along been held in the colonies, that the construction and working of the cable would be undertaken jointly by the Governments interested. This view was also adopted by the Pacific Cable Committee, and we think it is not surprising that the proposition Her Majesty's Government have communicated to us should have caused some dismay in Canada and the colonies we represent.

The abstention of the United Kingdom would inevitably add greatly to the cost of raising the capital required for the work, and consequently to the annual interest payment; and the suggestion to contribute for twenty years a proportion, not to exceed £20,000 annually, of any deficiency that might arise cannot be regarded as adequately meeting the requirements of the case. The loss, part of which Her Majesty's Government are prepared to meet, can only be large (according to the estimates placed before the Committee after full inquiry) if the credit of England is withheld when the capital is being raised. Otherwise the obligations Her Majesty's Government are ready to assume must be considered as in the nature of a contingent liability; and any adverse balance in the first few years would need to be very much greater than has been estimated to require the payment of a sum such as that mentioned—even spread over a period of years. It can scarcely be considered by the colonies as satisfactory that the Imperial Government should in effect first create a deficiency much larger than has been contemplated as probable, by increasing the annual cost of the requisite capital, and then offer to defray a certain proportion of the loss. It certainly seems to us most desirable that the object to be kept in view should be to reduce as far as possible both the initial and the subsequent cost of the undertaking to the taxpayers of England and the colonies.

Therefore, on commercial grounds, it would not, in our opinion, be possible to accept the scheme as submitted, apart from the fact that the offer of the subsidy carries with it conditions virtually placing the construction and working of the cable under the control of the Treasury. Amongst the terms we would draw special attention to the veto reserved upon rates to be charged for messages, a condition which, we venture to think, would meet with the strongest objection in the colonies.

But there is an aspect of the question other and even more important than the commercial. It is undoubtedly the feeling in Canada and the colonies concerned, that the proposed cable is an Imperial work, and that its success cannot fail—as stated in your letter—to promote Imperial unity. Indeed, the desire of the colonies for the cable has been in no small degree based on the belief that the enterprise would be an Imperial undertaking. The colonies concerned have relied on the co-operation of the Mother-country, and it will be a great disappointment if the Imperial Government do not accept the share of the responsibility which we venture to think properly attaches to the Mother-country in the matter, in virtue of her position as the head of the Empire.

The cable, as already mentioned, is destined to provide an alternative route to the East entirely through British territory and under British control. It will be important for commercial and for political reasons, apart altogether from its value as bringing Australasia and Canada into closer connection, and it is not necessary to dwell at any length on the advantages that must accrue to the Empire from the fact of the first cable across the Pacific being in British hands. These facts are fully recognised in the outlying parts of the Empire, which take the warmest possible interest in the question of Imperial unity; and it will cause widespread regret and disappointment if anything should be allowed to occur to prevent the scheme being carried to a satisfactory conclusion in the near future. We are gratified to notice that similar views, according to the Press, appear to be entertained very largely in the United Kingdom.

It is for these reasons, as well as for those that have been referred to in our previous letter, that we earnestly commend the matter to the attention of Her Majesty's Government; and we feel every confidence that they will, on reconsideration, adopt the recommendations made by the Pacific Cable Committee after a very thorough and exhaustive inquiry into the whole question.

We are, &c.,

STRATHCONA, High Commissioner for Canada.
JULIAN SALOMONS, Agent-General for New South Wales.
ANDREW CLARKE, Agent-General for Victoria.
W. P. REEVES, Agent-General for New Zealand.
HORACE TOZER, Agent-General for Queensland.

The Right Hon. Joseph Chamberlain, M.P., Secretary of State for the Colonies.

No. 53.

The Hon. the PREMIER and COLONIAL TREASURER, Sydney, to the Hon. the PREMIER,
Wellington.

(Telegram.)

Sydney, 20th May, 1899.

PACIFIC cable: As a conference could not be arranged without some delay, I advise that a message be sent to our Agents-General expressing great disappointment at Imperial Government decision;

that we fully expected that Great Britain would have agreed to share in the actual cost of this important work in the proportions recommended at Premiers' Conference in August last—namely, Great Britain and Canada, five-ninths; New South Wales, Victoria, New Zealand, and Queensland, remaining four-ninths; strongly urge on Government a reconsideration of decision. Please say if you concur in above, and, if so, whether we should each send instructions to our respective Agents-General.

No. 54.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER and COLONIAL TREASURER, Sydney.

(Telegram.)

Wellington, 22nd May, 1899.

PACIFIC cable: Concur in views expressed in your message of twentieth. In addition to sending instructions to respective Agents-General, I think that each colony should send message to Secretary of State through its Governor urging importance of Imperial partnership.

No. 55.

The SECRETARY, General Post Office, Hobart, to the SECRETARY, General Post Office, Wellington.

Post and Telegraph Department, General Post Office,
Hobart, 26th May, 1899.

SIR,—

I am directed by the Right Hon. the Postmaster-General to forward you hereunder a copy of a cablegram that has been received from the Tasmanian Agent-General:—

“Proposed Australian Postmasters' Conference should remember *re* Pacific cable that probably 50 per cent. must be added to the original estimated cost, consequent upon the extraordinary continued rise in prices of copper, guttapercha, and other cable material.”

I have, &c.,

The Secretary, General Post Office, Wellington.

H. V. BAYLY, Secretary.

No. 56.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 9th June, 1899.

IMPERIAL Government, while unwilling adopt arrangement involving partnership, propose to use credit United Kingdom for the purpose of raising sufficient capital. Having regard to whole matter requiring careful consideration and arrangement details, it is proposed to appoint colonial delegates to meet Chancellor Exchequer and Secretary of State Colonies. I am strongly of opinion this very good offer.

No. 57.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

9th June, 1899.

Referring to my letter of the 19th May last, I beg to enclose letter received from the Colonial Office, in which it is stated that the Imperial Government are willing to consider the matter of the Pacific cable on the basis of utilising the credit of the United Kingdom in the provision of the capital necessary for the undertaking, and proposing that delegates of the colonial Governments shall meet the Chancellor of the Exchequer and the Secretary of State for the Colonies for the purpose of making the necessary arrangements involved in the adoption of the principle.

Copy of cablegram sent yesterday is also enclosed.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure in No. 57.

The SECRETARY of STATE for the COLONIES to the HIGH COMMISSIONER for CANADA.

MY LORD,—

Colonial Office, Downing Street, 6th June, 1899.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of the letters of the 9th and 18th ultimo, signed by your Lordship and the Agents-General for New South Wales, Victoria, New Zealand, and Queensland, in reference to the offer of Her Majesty's Government to assist the scheme for connecting Canada with Australasia by a submarine cable.

2. Mr. Chamberlain desires me to point out, in reply, that, though the proposal that the construction and operation of the cable should be under the joint control of the Mother-country and the colonies concerned was advocated by the Committee of 1897, and was adopted by the colonies, Her Majesty's Government had distinctly stated that they were not in any way committed to that or any of the other recommendations of the Committee.

3. In approaching the question of what assistance they should render to the project, Her Majesty's Government had to consider, as was pointed out by the Secretary of State at the conference with the Premiers in 1897, that it was not one which the Imperial Government regarded as urgent, or in which, apart from their desire to afford the support and assistance of the Mother-country to the colonies, they would have been anxious to take part.

4. They had also to bear in mind that the cable will be remote from this country, with one of its terminals in Canada and the others in Australasia, and that it must be worked by the postal administration of the colonies where it is landed.

5. It appeared to them, therefore, that it was preferable, as likely to avoid any possible friction in the management, that Her Majesty's Government should refrain from seeking any active participation in the construction and control of the cable, and should give their support to the scheme, untrammelled by any conditions except such regulations of a general nature as

are generally considered advisable in connection with any cable project to which they give assistance.

6. The arrangement submitted on behalf of the colonies was for the joint ownership and control of the cable, the Imperial Government guaranteeing five-eighteenths of any loss on the working and receiving the same proportion of any profits, the colonies guaranteeing the remaining thirteen-eighteenths and taking a similar proportion of profits.

7. Her Majesty's Government accepted without hesitation the estimate of the colonial Governments of the proportion of the annual cost of the undertaking to be allotted to them as their share, and in offering, therefore, to guarantee the proportion asked for of any deficiency on the working and payment of interest and sinking fund, while foregoing any share in possible profits and any active control over the cable, Her Majesty's Government considered that they were proposing an arrangement which might be more acceptable to the colonies as leaving them a free hand in the management of an enterprise more intimately affecting their interests, and which was at least as favourable to them, from a pecuniary point of view, as that which had been submitted on their behalf.

8. If the original outlay would have been (as you anticipate) considerably increased by this arrangement, it must be remembered that, while the United Kingdom would have had to bear its full share of any deficiency so created, the whole of any profits would have been left to the colonies immediately interested and responsible for the efficient working of the cable, which, subject to the general conditions laid down, they would have been entirely free to work in the manner which appeared to them to serve their own interests best.

9. But, although 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 which are emphasized in your letter of the 18th ultimo. You point out that it is the feeling in Canada and the colonies concerned that the proposed cable is an Imperial work, and that its success cannot fail to promote Imperial unity, in the furtherance of which the colonies are warmly interested; you say, further, that the desire of the colonies for the cable has been in no small degree based on the belief that the enterprise would be an Imperial undertaking, that the co-operation of the Mother-country has been relied upon, and that great disappointment would be felt if Her Majesty's Government did not accept the share of the responsibility which attaches to the Mother-country in virtue of her position as head of the Empire.

10. Her Majesty's Government highly appreciate the sentiments which have prompted the colonies concerned to urge the close co-operation of the Mother-country with themselves in a work of great importance to the Empire. They are therefore willing, in order to meet the wishes of the colonies, to consider the matter on a basis of utilising the credit of the United Kingdom in the provision of the capital necessary for the undertaking. But, as the adoption of this principle must involve the previous discussion of many questions relating to the mode of raising the capital, and to the construction and control of the cable, I am to suggest that for this purpose the colonial Governments should appoint delegates to meet the Chancellor of the Exchequer and Mr. Chamberlain.

I am, &c.,

The High Commissioner for Canada, London.

EDWARD WINGFIELD.

No 58.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

PACIFIC cable: Concur your opinion. Appoint you delegate.

Wellington, 10th June, 1899.

No. 59.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 10th June, 1899.

I have the honour to transmit herewith copies of the latest cables which have passed between us relative to the Pacific cable, and venture to hope that the meeting of colonial delegates with the Chancellor of the Exchequer and Her Majesty's Secretary of State for the Colonies may result in the scheme being placed on a practical basis acceptable to the colonies.

I have, &c.,

A. J. CADMAN, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 60.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, General Post Office, Hobart.

SIR,—

General Post Office, Wellington, 16th June, 1899.

I have the honour to acknowledge the receipt of your letter of the 26th ultimo, embodying copy of telegram received from the Agent-General for your colony in London in connection with the Pacific cable.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Post and Telegraph Department, General Post Office, Hobart.

No. 61.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 20th June, 1899.

I have the honour to acknowledge the receipt of your letter of the 21st April last, forwarding copy of a joint letter addressed to the Colonial Office by the Agents-General for Victoria,

Queensland, and Tasmania, and yourself, with reference to the Pacific cable, together with a copy of the reply.

I have, &c.,

W. C. WALKER, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 62.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 20th June, 1899.

I have the honour to acknowledge the receipt of your letter of the 3rd ultimo, transmitting copy of a letter from the Colonial Office conveying the decision of the Imperial Government regarding the form and extent of the assistance it is prepared to give to the Pacific-cable scheme; also copy of cablegrams you addressed to me with reference to the decision.

I have, &c.,

W. C. WALKER, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 63.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 30th June, 1899.

I have the honour to forward hereunder copy of a cablegram from the Agent-General for Tasmania to the Postmaster-General of that colony, forwarded by the Secretary, General Post Office, Hobart, to the Secretary, General Post Office, here.

I have, &c.,

R. J. SEDDON, Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 64.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 3rd July, 1899.

I have the honour to acknowledge the receipt of your letter of the 12th May last, enclosing copy of a joint letter from the High Commissioner for Canada and the Agents-General of the colonies interested, to the Secretary of State for the Colonies, with respect to the form and extent of the assistance which the Imperial Government is prepared to give to the scheme for connecting Canada with the Australasian Colonies by direct cable.

I have, &c.,

R. J. SEDDON, Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 65.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 3rd July, 1899.

I have the honour to acknowledge the receipt of your letter of the 19th May last, enclosing copy of a further joint letter addressed by the High Commissioner for Canada and the Agents-General of the colonies concerned, to the Secretary of State for the Colonies, on the subject of the Pacific cable; also copy of my cablegram of the 16th idem, and of your reply the same day.

I have, &c.,

R. J. SEDDON, Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 66.

The Hon. the PREMIER, Sydney, to the Hon. the PREMIER, Wellington.

(Telegram.)

Sydney, 10th July, 1899.

FOLLOWING two cables were received from Agent-General on the seventh instant, and delayed through my absence from Sydney: "Pacific cable meeting, Tuesday, Secretary of State for the Colonies, and Chancellor of the Exchequer, with High Commissioner for Canada, and Agents-General for New South Wales, Victoria, New Zealand, and Queensland. Imperial Government now offer to co-operate fully with colonies in raising capital for cable and in construction and management. Proposes this should be carried out by Board of Commissioners, located in London, selected by contributing Governments as follows: The United Kingdom, three members; Canada, two; Australia and New Zealand together, three. England asks for this proportion of representatives, as proposes virtually provide the capital, any annual deficiency for interest, and perhaps sinking fund, being met in proportion already agreed upon. Imperial Government suggest preliminary steps should be taken by Provisional Board thus appointed to invite tenders, arrange scheme of management, settle rates and other preliminaries with a view to preparing for legislation. Imperial Government suggests that rates should be unanimously agreed to at outset, subsequent changes to be authorised by fixed majority of Board. If you generally agree to scheme thus provisionally outlined, desirable that members of Board be notified promptly, and should be capable business men. This message to be communicated by you to the three colonies interested." Second cable reads as follows: "Pacific cable: Message cabled to-day previously seen by Secretary of State for the Colonies and cabled by High Commissioner to Canada. It was agreed, at suggestion of Secretary of State, that should be left to Australia and New Zealand Governments to decide whether one of three Australian delegates should be specially representative of New Zealand. Please inform other Governments interested." From a cable received Saturday afternoon, above suggestion *re* representatives was made by Agent-General for New Zealand, not by Secretary of State.

No. 67.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 12th July, 1899.

Re Pacific cable: New Zealand Government agrees to suggestion Imperial Government that Provisional Board should be appointed for purpose of inviting tenders, arranging scheme of management, settling rates and preliminaries, that rates should be unanimously agreed to at outset, and that subsequent changes be authorised by fixed majority of Permanent Board. It would be a graceful act on the part of Australian Colonies, and be much appreciated, if they would agree to one of the three representatives on the Board specially representing New Zealand.

[Telegram in same terms on same date to the Hons. the Premiers, Melbourne and Brisbane.]

No. 68.

The Hon. the PREMIER, Brisbane, to the Hon. the PREMIER, Wellington.

(Telegram.)

Brisbane, 13th July, 1899.

Re your telegram yesterday, Pacific cable: Am strongly of opinion that each contributing colony on proposed Board, whether provisional or permanent, should have separate representative with proportionally increased representation for the other contributories. I have urged this view on Government of New South Wales and have advised our Agent-General to same effect.

No. 69.

The AGENT-GENERAL, to the Hon. the PREMIER.

(Telegram.)

London, 18th July, 1899.

PACIFIC cable: Canada cables scheme favourably received. Nominating Board of representatives during the next few days. Promptness nominating Australian delegates desirable.

No. 70.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Brisbane.

(Telegram.)

Wellington, 22nd July, 1899.

CONCUR with your views that contributing colony should have separate representation on Board. If this not obtainable, do you favour New Zealand having representation?

No. 71.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 21st July, 1899.

Re Pacific cable: I should be glad to have reply to my telegram of twelfth instant. Agent-General cables that promptness in nominating Australian delegates is desirable.

No. 72.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 22nd July, 1899.

PACIFIC cable: House of Representatives considers question Tuesday basis agreement contained Agents-Generals cable sent through Premier, New South Wales, New Zealand to have representative on Board. What is position your end? Have urged New South Wales to determine forthwith question representation. Telegraph probable increased cost cable owing rise price copper, guttapercha.

No. 73.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 22nd July, 1899.

PACIFIC cable increased £175,000. . . . No further action here. *Times* yesterday strongly supported scheme.

No. 74.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 22nd July, 1899.

I INTEND asking House of Representatives next week to authorise the Government to proceed with Pacific-cable question on basis of agreement indicated in Agents-General's telegrams sent through you. Our share of cost to be as set out in our Committee's report of last year, which assumed that colonies' share would be four-ninths, New Zealand's not to exceed one-eighth of whole cost. I shall be much obliged if you will advise other Premiers. Kindly inform me what you and other Premiers intend doing.

Approximate Cost of Paper.—Preparation, not given; printing (1,410 copies), £18 1s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1899.