

1907.
NEW ZEALAND.

TELEGRAPH CABLES AND WIRELESS TELEGRAPHY

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.—8A, presented on the 29th October, 1906.]

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

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EASTERN EXTENSION COMPANY'S CABLES.

AUSTRALIA—NEW ZEALAND.

No. 1.

The Hon. the PRIME MINISTER, Commonwealth of Australia, Melbourne, to the Hon. the PRIME MINISTER, Wellington.

Commonwealth of Australia, Prime Minister's Office,
Melbourne, 12th October, 1906.

SIR,—

Adverting to your letter of the 9th August last [not printed] relative to the request of the Eastern Extension Telegraph Company to be allowed to reopen an office in Melbourne, I have the honour to transmit herewith for your information a copy of a petition by certain manufacturers, merchants, &c., of Melbourne, on the subject, together with this Government's reply.

I have, &c.,

ALFRED DEAKIN.

The Hon. the Prime Minister of New Zealand, Wellington.

[E.E. Misc. 06/123.]

Enclosure in No. 1.

(MEMORIAL TO THE PRIME MINISTER, FROM CERTAIN USERS OF THE CABLES, AS TO THE PRESENT UNSATISFACTORY CONDITION OF THE SERVICE IN VICTORIA; AND REPLY OF THE POSTMASTER-GENERAL THERETO.)

Return to Order made by the Senate on 30th August, 1906—"That there be laid on the table of the Senate a copy of the petition, and the names of the signatories thereto, having reference to the Eastern Extension Company; also a copy of the Postmaster-General's reply to the said petition."—(Senator Higgs.)

Laid on the Table of the Senate, 24th September, 1906; ordered to be printed, 27th September, 1906.

Commonwealth of Australia, Postmaster-General's Department,
Melbourne, 9th August, 1906.

SIR,—

I have the honour to forward herewith—(1) The papers, No. P.M. 06/2907, which you returned to this office on the 7th ultimo, relative to a memorial addressed to the Prime Minister by certain firms, companies, and persons in Victoria, complaining of the alleged present unsatisfactory condition in Victoria of the cable service, and requesting that steps be taken to place it upon a better footing, &c.; also (2) the letter [not printed] addressed to the Hon. Wm. Knox, M.P., by Mr. Warren, Manager in Australasia of the Eastern Extension Company, which was handed in as a reply to the request to the memorialists to state what the facilities were of which they complained they had been deprived. With regard to this latter communication, the Postmaster-General desires me to say that it appears somewhat remarkable that the gentlemen who signed the memorial above referred to—asking that the Eastern Extension Company be allowed to reopen its office, and have the use of a private line between Melbourne and Adelaide, and who stated, as a reason why their application should be complied with, that the facilities allowed in the company's office while it existed were in startling contrast to those allowed by this Department—should not have been in a position to state, from their own knowledge, what those facilities were without having to obtain the information from the officers of the company.

2. It has, of course, been brought to the knowledge of the Department that certain facilities in connection with service repeats, which were not legitimate—being in contravention of the International Regulations by which both the company and the Department are bound—were afforded by the Eastern Extension Company to their clients while they had the use of a special wire between Melbourne and Adelaide.

3. Prior to the opening of the Pacific cable such facilities as have been legitimately offered by the Eastern Extension Company at its offices—which were opened for purely competitive purposes, *vide* the agreements between the company and the States concerned—were not afforded at the Department's offices, and were not asked for either by the company or by the public. However, in 1903 arrangements were made to give greater facilities to the public in connection with telegrams sent *via* Pacific, but it was not necessary to arrange for similar facilities in connection with telegrams *via* Eastern, as the Eastern Extension Company had its own offices.

4. After the closing of the Eastern Extension Company's offices in Melbourne instructions were issued that exactly the same facilities were to be afforded by the Department's officers to business

via Eastern as had been arranged for that *via Pacific*, and the users of both routes were placed upon the same footing. (See circular as to facilities "*Via Eastern*" herewith [not enclosed].)

5. It will be seen from the following categorical list showing the facilities given by the Department, as against those said to have been afforded by the Eastern Extension Company, that the most important among the latter so-called startling facilities, as well as minor ones, have been enjoyed by clients of the Department since the year 1903, and that the statements of Mr. Warren, purporting to indicate departmental methods in the various matters, are in many instances quite contrary to the facts:—

Cablegram forms have been supplied by the Department free of charge since September, 1903.

Cablegrams have been delivered by the Department in duplicate since September, 1903. The new cablegram form recently approved provides for a triplicate copy, and instructions were recently given for the latter to be retained by the Department.

The following arrangements have been in force since September, 1903: "The rectificatory messages under Regulation XVII of the International Telegraph Convention will be sent without prepayment on the person asking for the repeat signing and undertaking to pay in the event of the error not having occurred in the telegraph service." It has been reported to the Department that the Eastern Extension Company has not required payment for these messages when no error was made in the telegraph service, and when consequently the public should have been required to pay. Such action is contrary to the provisions of the International Regulations, by which both the Eastern Extension Company and the Department are bound.

(a.) The following arrangement has been in force since September, 1903: "Persons who desire to do so will be allowed to deposit a sum of money calculated to provide payment for cablegrams sent during one month; a monthly account of the amount due for such cablegrams will be rendered, and if promptly paid the deposit will not be drawn upon. The amount deposited, which must be equal to the credit given, will be held as a guarantee for payment." It was amplified as follows, when the Eastern Extension Company's office in Melbourne was closed: "However, well-established firms who use the '*via Eastern*' route may, at the discretion of the Deputy Postmaster-General, be granted daily credit accounts without cash deposits, the Eastern Extension Telegraph Company having guaranteed the Commonwealth in such cases. Cheques will be accepted if marked or guaranteed by a bank. This guarantee may be waived when asked for in the case of banks, insurance offices, and large public companies or corporations." Similar arrangements apply where the Pacific Cable Board has given a guarantee. (b.) No fee has been charged by the Department for receipts since 1904. (c.) Accounts are allowed, *vide* answer to (a).

Cablegrams can be telephoned in the same way as ordinary telegrams. It has been approved that in the case of cablegrams the nominal charge for telephoning be not made.

The following arrangement has been in force since September, 1903: "If requested in writing by any person who is a subscriber to the telephone exchange system, cablegrams will be telephoned free of any additional charge between such hours or on such days as may be arranged, and a copy of the cablegram will subsequently be sent by post without any unnecessary delay through the usual channel for postal delivery."

The following arrangements were made in September, 1903, for the delivery of insufficiently addressed telegrams: "In all cases where insufficiently addressed cablegrams have been accepted in the sending country at the sender's risk, reasonable diligence will be used in order, if possible, to effect delivery to the person for whom they are intended before reporting non-delivery, and such non-delivery reports will not be sent without the instruction of a superior officer, who must satisfy himself that proper care has been taken to effect delivery. However, in cases of doubtful address, the supposed addressee will be required, by written notice, to attend at the office, prove to the satisfaction of the officer in charge that the cablegram is intended for him, and accept delivery." It does not appear, in view of these arrangements, that advertising would be of any benefit to the petitioners, though it might be to some persons who have not complied with the regulations regarding the registration of code addresses.

This is covered by the arrangement referred to in answer to No. 9 [in circular referred to above, not enclosed].

No objection would be raised to compliance with any request to that effect.

A list of tariffs appears in the Postal Guide, and our offices are notified of changes, which are not frequent.

This is a matter of opinion, and as the opinion expressed is that of the Eastern Extension Company, and not of the petitioners, no remarks by the Department appear to be necessary.

6. I am to add that it is thought the memorialists should be informed as to these facts, and that as the Eastern Extension Company, without, so far as can be seen, any sufficient reasons, refused to complete its agreement with the Commonwealth Government after having had more than ample time for consideration, the Government cannot, under existing circumstances, comply with their request, but that all reasonable facilities will be afforded to the users of the Pacific and Eastern cables at all the Department's offices. Any suggestions for additional facilities that can be granted to users of both cables will be carefully and favourably considered.

I have, &c.,

JUSTINIAN OXENHAM, Acting-Secretary.

The Secretary, Department of External Affairs, Melbourne.

Sub-enclosure to Enclosure in No. 1.

MEMORIAL TO THE HON. ALFRED DEAKIN, M.P., PRIME MINISTER OF THE COMMONWEALTH, FROM CERTAIN MANUFACTURERS, MERCHANTS, TRADERS, BANKERS, AND OTHERS USING TELEGRAPHIC CABLES FOR TRANSMISSION OF MESSAGES TO PLACES OUTSIDE OF AUSTRALIA.

SIR,—

We, the firms, companies, and persons whose signatures are attached hereto, all being frequent users of telegraphic cables, respectfully desire to bring under your notice the present unsatisfactory condition in Victoria of the cable service, and to request that you will take into consideration the whole subject, with a view of placing the cable service upon a better footing than at present exists.

We are of opinion that the views and requirements of those persons who are the chief users of the cable service have not received that consideration to which they are entitled, and that matters of secondary importance have, in the negotiations and discussions which have taken place on the subject, received undue attention, to the neglect of the interests of trade and commerce which the cables are primarily designed to serve.

For the year 1904 the external trade of Victoria was valued at no less a sum than £44,497,970, and practically the whole of the business involved in this sum was dealt with by cable. This amount of trade represents great industrial activity throughout Victoria, while increasing attention is being paid to new markets. We append a list of the chief markets of the world with which direct trade has been established, showing in what manner Victoria is dependent for cable communication with them.

As business men we know from experience that the expansion of the trade of the State is closely connected with the cable question, as success in securing business depends largely upon the promptness with which negotiations are conducted. Owing to its great distance from the principal markets of the world, Victoria is placed at a serious disadvantage when competing with other nations. Hence the paramount necessity of the cable service being freed from red tape and circumlocution, and of the increase of facilities for its use in every possible direction.

We can testify that when the Eastern Extension Cable Company opened public offices in Melbourne, facilities were afforded to cable users in startling contrast to those previously provided by the Postal Department.

Experience of the company's methods demonstrated that the cable business should be in the hands of those who control the cables, and not have to filter through a second administration with local authority only; that the cable business should be in the hands of experienced officials dealing solely with such business, and who can exercise the discretion needful in dealing in a businesslike manner with cases out of the ordinary run arising from time to time, and requiring immediate attention. The cable company, having a telegraph wire from the cable at Adelaide to its office in Melbourne, and using the telephone system as an auxiliary, brought business firms in their offices into immediate contact with the cable system, and the gain in rapidity of communication and general despatch of business occasioned thereby was a very great aid to commercial transactions. It is difficult for us to overestimate the value of these and other advantages received while the Eastern Extension Company had a public office in Melbourne, and it is consequently a serious drawback to have these advantages withdrawn, and the old system reverted to.

Furthermore, it is only in Melbourne that this has been done, for in Sydney, Adelaide, and Perth the Eastern Extension Company continues to have public offices. In Sydney the Pacific cable will shortly commence to actively compete with the Eastern Extension cables, and the office which excels in promptitude and efficiency will undoubtedly capture the lion's share of the cable business. This competition, leading to a further improvement in the handling of cable business, will have a tendency to make large cable users constitute Sydney as the headquarters of their business. We feel that uniformity of treatment, which is regarded as one of the bases of the Commonwealth Constitution, should extend to cable facilities in the two cities, especially in view of the importance of such facilities to the trade and commerce of the State.

For these reasons we regard the settlement of the cable question as a pressing necessity, and respectfully urge that Melbourne be placed on an equality with Sydney by permitting both the Pacific Cable Board and the Eastern Extension Company to open public offices in Melbourne and compete for our business.

Places with which Direct Trade is established.

Name of Country.	Cable Communication.
Great Britain	Pacific and Eastern.
Europe	Eastern.
United States and Canada	Pacific.
South Africa	Eastern.
India	Eastern.
Straits Settlements and Java	Eastern.
China	Eastern.
Japan and Manchuria	Eastern.
Philippine Islands	Eastern.

We have, &c.,

THOMPSON, FRASER, RAMSAY PROPTY. (LTD.)

(R. RAMSAY, Director.)

ALFRED HARVEY AND Co.

(JAS. VENTLE, G. CARTE HYDE.)

[And 231 others.]

No. 2.

The Hon. the PRIME MINISTER, Wellington, to the Hon. the PRIME MINISTER, Commonwealth of Australia, Melbourne.

SIR,— Prime Minister's Office, Wellington, 11th December, 1906.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 12th October, transmitting copy of a memorial presented to you by certain manufacturers, merchants, and others in Melbourne on the subject of the cable service in Victoria, and of the reply of your Government thereto.

I have, &c.,

J. G. WARD, Prime Minister.

The Hon. the Prime Minister, Commonwealth of Australia, Melbourne.

[E.E. Misc. 06/134.]

PACIFIC CABLE.

BUILDINGS DEPOT, FINANCE, ETC.

No. 3.

The SUPERINTENDENT, Pacific Cable Station, Doubtless Bay, to the SECRETARY, General Post Office, Wellington.

SIR,— The Pacific Cable Board, Doubtless Bay Station, 5th September, 1906.

I respectfully beg to forward you the attached bill, being the Pacific Cable Board's claim against the New Zealand Government for its share of the cost of working the Doubtless Bay Station for the year ended 31st March, 1906.

The General Manager writes, "The total amount of capital expenditure was slightly increased by a small amount expended on instruments, but as the Government does not pay rent on instruments the figure on which 6 per cent. is calculated remains the same as last year."

Will you kindly cause £640 14s. to be placed to the Board's London account at the Bank of New Zealand, Auckland.

I am, &c.,

C. L. HERTSLET, Superintendent.

The Secretary, General Post Office, Wellington.

[P.C. Stns. 06/36.]

Enclosure 1 in No. 3.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W., 26th July, 1906.

The New Zealand Government, *Dr.* to the Pacific Cable Board.

	£	s.	d.
Rent for twelve months as per statement enclosed	244	0	8
Salaries of three operators for twelve months as per statement enclosed	396	13	4
	£640	14	0

FRED. J. ADYE, Accountant.

HUGH LATHAM, Secretary.

Enclosure 2 in No. 3.

THE PACIFIC CABLE BOARD.—Statement showing the Capital Expenditure on the Doubtless Bay Station on which the Amount payable by the New Zealand Government for Rent is calculated.

	£	s.	d.
Capital Expenditure to 31st March, 1905	10,518	13	11
Added during the year 1905-6	1	4	4
	£10,519	18	3
Less capital expenditure on cable instruments, &c.	2,385	8	11
	£8,134	9	4
6 per cent. on half the above figure from 1st April, 1905, to 31st March, 1906	£244	0	8

No. 4.

The SECRETARY OF STATE FOR THE COLONIES to His Excellency the GOVERNOR.

MY LORD,—

Downing Street, 14th September, 1906.

I have the honour to state, for the information of your Ministers, that a letter has been addressed to the High Commissioner for New Zealand requesting that the sum of £8,061 15s. 9d. may be paid over to the Imperial Government, that being the amount due from your Government in respect of the expenses of the Pacific cable for the year ended the 31st March, 1906.

2. A copy of the printed account of the Board as presented to Parliament is enclosed.

I have, &c.,

Governor the Right Hon. Lord Plunket, K.C.M.G., K.C.V.O., &c.

ELGIN.

[P.C. Fin. 06/25.]

Enclosure in No. 4.

PACIFIC CABLE ACT, 1901 (1 Edward VII, c. 31).—ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1906.

I.—STATEMENT showing the Sum issued out of the Consolidated Fund and the Expenditure.

—	Year in which issued.	Amount.	—	Amount.
Sum issued (out of an authorised issue of £2,000,000)	1901-2	£ 1,060,935 0 0	Expenditure in the period ended 31st March, 1905	£ 1,993,933 14 4
Sum issued (out of an authorised issue of £2,000,000)	1902-3	939,065 0 0	Expenditure in the year ended 31st March, 1906	3,774 4 2
			Balance in hand	1,997,707 18 6
		2,000,000 0 0		2,292 1 6
				2,000,000 0 0

II.—STATEMENT showing the Money borrowed and the Securities created.

—	Amount.	Money borrowed.	Securities created.
Sum issued as above	£ 2,000,000 0 0	In the period to 31st March, 1902 In the year to 31st March, 1903	£ 784,600 0 0 1,215,400 0 0
	2,000,000 0 0		2,000,000 0 0
			Annuity of £77,544 18s. First payment, 1st December, 1903. Last payment, 1st December, 1952.

III.—STATEMENT showing the Aggregate Amount of Capital Expenditure.

Details of Expenditure.	In the Period ended 31st March, 1905.	In the Year ended 31st March, 1906.	Total to 31st March, 1906.
(1.) Head office (furniture, &c.)	£ 411 6 10	£ 5 15 0	£ 417 1 10
(2.) Stations—			
Buildings	63,799 17 10	2,206 0 8	66,005 18 6
Accessories	17,581 17 3	874 7 11	18,456 5 2
(3.) Cable—			
Contract	1,790,687 15 6	..	1,790,687 15 6
Accessories	335 15 0	..	335 15 0
(4.) Instruments	28,100 4 3	688 0 7	28,788 4 10
(5.) Ship—			
Contract	65,910 0 0	..	65,910 0 0
Accessories	6,971 8 1	..	6,971 8 1
(6.) Engineers' fees and expenses	20,135 9 7	..	20,135 9 7
	1,993,933 14 4	3,774 4 2	1,997,707 18 6

IV.—STATEMENT showing the Expenses of the Cable in the Year ended 31st March, 1906.

Details of Receipts.	Parliamentary Grant.	Revenue.	Details of Expenditure.	Annuity for the Replacement of Capital.	Working-expenses.
	£ s. d.			£ s. d.	
Balance on 31st March, 1905	28,711 15 2		Third annuity payment ..	77,554 18 0	
Received from H.M. Treasury out of the parliamentary grant-in-aid	69,325 10 0		Head office (salaries and expenses)	..	4,916 11 4
Traffic receipts (less £2,642 0s. 7d. paid out to the Canadian Pacific Railway and the Atlantic Companies for the insertion of date and time and for duplicate copies)	..	91,814 8 11	Head office (advertising and canvassing, engineers' fees, royalties, and cost of remitting money Home)	..	1,400 2 3
Interest on money placed on deposit	..	138 4 4	Cable-stations (salaries and expenses)	..	29,697 18 3
			Cable-ship (salaries and expenses)	..	15,338 17 3
			Provident Fund—contribution to (Statement V)	..	1,359 5 5
			Transferred to Cable Repair—Reserve and General Renewal Fund (Statement VI)	..	34,000 0 0
			Expenses in connection with the opening of new offices in Australia	..	251 2 6
					86,963 17 0
					77,544 18 0
		91,952 13 3			164,508 15 0
		98,037 5 2	Balance on 31st March, 1906	..	25,481 3 5
		189,989 18 5			189,989 18 5

V.—STATEMENT showing (a) the Securities purchased and sold, and (b) the Sums received and expended on account of the Provident Fund in the Year ended 31st March, 1906.

	Securities purchased. (For Details see below.)	Cash Receipts.		Securities sold. (For Details see below.)	Cash Payments.
	£ s. d.	£ s. d.			£ s. d.
Balance on 31st March, 1904	5,000 0 0	1,655 6 5	Invested in securities, viz. :—	..	750 0 0
Transferred from the account of annual expenses (Statement IV)	..	1,359 5 5	£1,000 Canadian Northern Railway 3-per-cent. debenture stock (guaranteed by the Canadian Government) at 95, balance of amount due on allotment	..	1,122 19 8
Contribution of employees ..	..	1,359 5 5	£900 London, Brighton, and South Coast Railway 4-per-cent. debenture stock at 123½	..	1,365 18 6
Interest on securities ..	..	236 19 8	£1,400 Metropolitan Water Board 3-per-cent. B. stock at 97⅞	..	123 19 5
Securities purchased (as per contra)	3,300 0 0	..	Payment to employees on cessation of services	..	10 0 0
			Auditor's fee ..	..	..
			Balance on 31st March, 1906	8,300 0 0	3,372 17 7
				8,300 0 0	1,237 19 4
	8,300 0 0	4,610 16 11			4,610 16 11

Details of Securities.	Balance on 31st March, 1905.	Securities purchased during Period of Account.	Total.	Securities sold during Period of Account.	Balance on 31st March, 1906.	Value at Market Price on 31st March, 1906.
	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.
London County Council 3-per-cent. stock	4,100 0 0	..	4,100 0 0	..	4,100 0 0	99½ 4,069 5 0
London, Brighton, and South Coast Railway 4-per-cent. debenture stock	900 0 0	900 0 0	1,800 0 0	..	1,800 0 0	120 2,160 0 0
Canadian Northern Railway 3-per-cent. debenture stock (guaranteed by Canadian Government)	..	1,000 0 0	1,000 0 0	..	1,000 0 0	91 910 0 0
Metropolitan Water Board 3-per-cent. B. stock	..	1,400 0 0	1,400 0 0	..	1,400 0 0	96½ 1,351 0 0
	5,000 0 0	3,300 0 0	8,300 0 0	..	8,300 0 0	8,490 5 0

VI.—STATEMENT showing (a) the Securities purchased and sold, and (b) the Sums received and expended on account of the Cable Repair Reserve and General Renewal Fund for the Year ended 31st March, 1906.

	Securities purchased. (For Details see below.)		Cash Receipts.			Securities sold. (For Details see below.)		Cash Payments.	
	£	s. d.	£	s. d.				£	s. d.
Balance on 31st March, 1905	57,000	0 0	9,513	10 8	Invested in securities, viz. :—				
Transferred from the account of annual expenses (Statement IV)	..		34,000	0 0	Canadian Northern Railway 3-per-cent. debenture stock (guaranteed by the Canadian Government)—			5,610	1 0
Interest on securities	..		2,575	11 10	£6,000 at 93½ ..	..		4,906	6 0
Securities purchased (as per contra)	32,500	0 0	..		Canadian 3-per-cent. stock—	..		3,960	0 0
					£5,000 at 97½ ..	..		17,617	1 0
					New Zealand 3½-per-cent. stock—	..		2,228	3 6
					£4,000 at 99 ..	..		9,016	18 6
					Bank of England stock—	..			
					£6,000 at 293½ ..	..		43,338	10 0
					Queensland 3-per-cent. stock—	..		2,750	12 6
					£2,500 at 88½ ..	..		
					Local loans 3-per-cent. stock—	..			
					£9,000 at 100½ ..	..		
					Balance on 31st March, 1906	89,500	0 0		
								46,089	2 6
	89,500	0 0	46,089	2 6		89,500	0 0	46,089	2 6

Details of Securities.	Balance on 31st March, 1905.		Securities purchased during Period of Account.		Total.		Securities sold during Period of Account.		Balance on 31st March, 1906.		Value at Market Price on 31st March, 1906.	
	£	s. d.	£	s. d.	£	s. d.			£	s. d.	£	s. d.
Bank of England stock	5,500	0 0	6,000	0 0	11,500	0 0	..	11,500	0 0	295½	33,982	10 0
Victoria 3-per-cent. stock	4,000	0 0	..		4,000	0 0	..	4,000	0 0	90	3,600	0 0
Victoria 3½-per-cent. stock	1,000	0 0	..		1,000	0 0	..	1,000	0 0	100	1,000	0 0
New South Wales 3-per-cent. stock	5,000	0 0	..		5,000	0 0	..	5,000	0 0	89½	4,475	0 0
New South Wales 4-per-cent. Treasury bills	8,500	0 0	..		8,500	0 0	..	8,500	0 0	100	8,500	0 0
Queensland 3-per-cent. stock	5,000	0 0	2,500	0 0	7,500	0 0	..	7,500	0 0	88½	6,637	10 0
New Zealand 3-per-cent. stock	1,000	0 0	..		1,000	0 0	..	1,000	0 0	90	900	0 0
New Zealand 3½-per-cent. stock	..		4,000	0 0	4,000	0 0	..	4,000	0 0	102	4,080	0 0
New Zealand 4-per-cent. debenture stock	1,000	0 0	..		1,000	0 0	..	1,000	0 0	100	1,000	0 0
New Zealand 4-per-cent. Treasury bills	4,000	0 0	..		4,000	0 0	..	4,000	0 0	100	4,000	0 0
Canadian 3-per-cent. stock	15,000	0 0	5,000	0 0	20,000	0 0	..	20,000	0 0	98½	19,700	0 0
Canadian Northern Railway 3-per-cent. debenture stock (guaranteed by the Canadian Government)	..		6,000	0 0	6,000	0 0	..	6,000	0 0	91½	5,490	0 0
Metropolitan Water Board 3-per-cent. stock	2,000	0 0	..		2,000	0 0	..	2,000	0 0	96½	1,930	0 0
Local loans 3-per-cent. stock	5,000	0 0	9,000	0 0	14,000	0 0	..	14,000	0 0	99½	13,930	0 0
	57,000	0 0	32,500	0 0	89,500	0 0	..	89,500	0 0		109,225	0 0

S. WALPOLE, Chairman.

Examined and found correct.—G. H. HUNT, Auditor.
Pacific Cable Board, 27th June, 1906.

SIR,— The Pacific Cable Board, Queen Anne's Chambers, S.W., 27th June, 1906.

In transmitting to you the accounts of this Board showing (i) the sum issued out of the Consolidated Fund, and the expenditure of the Board on capital account; (ii) the money borrowed and the securities created; (iii) the aggregate amount of capital expenditure up to the 31st March, 1906; (iv) the expenses of the cable in the year ending 31st March, 1906; (v) the account of the Provident Fund; and (vi) the account of the Reserve and General Renewal Fund, I have the honour, on behalf of the Pacific Cable Board, to make the following observations:—

1. Throughout the year 1905-6 the cable was maintained and continued in efficient working-order. I am glad to be able to report that no interruption of any kind occurred on any of its sections. The Board's ship, buildings, electrical apparatus, and plant at all stations are also in good order.

2. The gross message revenue received during the year amounted to £94,456 9s. 6d., against £84,301 9s. 1d. in the previous year. From the gross revenue, however, £2,642 0s. 7d. has to be deducted on account of payments made to the Atlantic and Canadian Pacific Telegraph Companies for transmitting between Vancouver and Europe, or *vice versa*, the date and time of filing of all messages between Australasia and the United Kingdom, the Continent, &c., and for delivering messages in duplicate in London and some other large centres in the United Kingdom, these payments being necessary to give to the customers of the Pacific Cable the same facilities as are afforded by the Eastern Company's route. With this deduction the net message revenue amounted to £91,814 8s. 11d., against £82,188 1s. 5d., and, including a small sum received as interest on balances, the entire revenue reached £91,952 13s. 3d., against £87,446 10s. 8d. in the preceding year.

3. The message revenue during 1905-6 was increased from the decision of the Government of the Commonwealth of Australia to pay over to the Board the whole of the receipts in Australia up to 31st December, 1905. In previous years the Government had only transferred the receipts, before the close of the financial year, up to 30th November. The message revenue, therefore, for 1905-6 contains the receipts in Australia for thirteen months.

4. The actual expenditure of the Board on the service of the cable during the twelve months ending 31st March, 1906, including a sum of £34,000 set aside for the renewal account, amounted to £86,963 17s., against £85,751 11s. 2d. in the previous year, and subtracting this sum from the amount of the revenue, there remains a surplus of £4,988 16s. 3d. The Board, however, had to provide a sum of £77,544 18s. for interest and sinking fund. This sinking fund will extinguish in fifty years from its institution the entire capital expenditure. Adding this payment to the expenditure, the deficiency on the year's operations amounts to £72,556 1s. 9d., against £75,849 18s. 6d. in the previous year. This deficiency has to be made good by the contributing Governments.

The financial results of the year 1905-6 are set forth in the following statement:—

		<i>Receipts.</i>					
		£	s.	d.	£	s.	d.
Traffic receipts	...	94,456	9	6			
Less "date and time," &c., payments	...	2,642	0	7			
					91,814	8	11
Interest on deposits	...				138	4	4
Deficiency recoverable in the following proportions:—							
England	...	20,154	9	4			
Canada	...	20,154	9	5			
Australia	...	24,185	7	3			
New Zealand	...	8,061	15	9			
					72,556	1	9
					£164,508	15	0

		<i>Expenditure.</i>					
		£	s.	d.	£	s.	d.
Third annuity payment	...				77,544	18	0
Head office (salaries and expenses)	...				4,916	11	4
Head office (advertising, canvassing, engineers' fees, royalties, and cost of remitting money Home)	...				1,400	2	3
Stations (salaries and expenses)	...				29,697	18	3
Ship (salaries and expenses)	...				15,338	17	3
Provident Fund	...				1,359	5	5
Renewal Account	...				34,000	0	0
Expenses in connection with the opening of new offices in Australia	...				251	2	6
					£164,508	15	0

5. The total contributions to the Renewal Fund, including interest, amounted on the 31st March last to £125,158 3s. 1d., £12,500 of this sum being held in spare cable. The amount of £109,907 10s. 7d. was invested in Home and colonial securities as shown in Statement VI.

while a balance of £2,750 12s. 6d. was in hand, and has since been invested. All interest earned on the investments is added annually to the fund, and is not treated as part of the revenue of the year.

6. The Board's forecast of its probable revenue and expenditure during the year 1906-7, as submitted to their Lordships on the 30th December last, is as follows:—

Traffic revenue	£	88,600	Fourth annuity	£	77,545
Estimated deficit		87,006	Renewal fund		33,000
			Working-expenses (including £8,000 for expenses in connection with opening offices and competitive tactics in Australia)		65,061
		<hr/>			<hr/>
		£175,606			£175,606

7. The land-line services in Canada, Australia, and New Zealand in connection with the cable have been generally well maintained by the Governments concerned and by the Canadian Pacific Railway. The Atlantic companies have afforded uninterrupted cable-communication throughout the year, and a rapid and efficient service.

8. The Board is glad to be able to acknowledge the consistently good and loyal service rendered by their staff throughout the year. The health of the staff has been generally satisfactory, and the Board is glad to report that no serious illness has occurred.

9. Under Captain Sharp the efficiency of the Board's repairing vessel and the discipline of the ship's company have been well maintained. In deference to the wishes of the Governments of Australia and New Zealand, the Chinese stokers have been replaced by natives of Norfolk Island, who have so far given satisfaction.

10. In accordance with the recommendations contained in the report of the Conference of the various Governments concerned, which was issued in July last, and in consequence of the negotiations with the Eastern Extension Company having fallen through, the Board despatched their General Manager, Mr. Reynolds, to Australia to initiate active competition in that colony. The company having refused to accept the Commonwealth agreement as defined by the Conference, the Commonwealth Government at once withdrew the privileges provisionally extended to the company in Melbourne, and accorded to the Board facilities in Sydney similar to those enjoyed by the company under the New South Wales agreement. Advices from Mr. Reynolds indicate the early opening of the Board's offices in the latter city.

11. The attached statement may be of interest as showing the progress of the traffic since the opening of the cable.

NUMBER OF INTERNATIONAL MESSAGES AND WORDS.

Year.	Messages.				Words.				Remarks.
	Ordinary.	Government.	Press.	Total.	Ordinary.	Government.	Press.	Total.	
1902-3	18,494	915	35	19,444	202,313	24,210	1,831	228,354	Cable opened 8th December, 1902.
1903-4	64,595	3,128	890*	68,613	744,034	83,116	37,819*	864,969	* Cricket.
1904-5	67,677	3,018	387	71,082	781,028	71,575	19,110	871,713	
1905-6 (approximate).	..	..	..	81,130	..	..	..	917,281	

The Secretary, His Majesty's Treasury, Whitehall, S.W.

I have, &c.,
S. WALPOLE, Chairman.

No. 5.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

SIR,—

General Post Office, Wellington, 15th September, 1906.

I have the honour to acknowledge the receipt of your letter of the 5th instant, covering statement showing the amount due by this Government as its share of the cost of working the Doubtless Bay Station for the year ended the 31st March, 1906.

In reply, I have to inform you that the amount due—namely, £640 14s.—will, as desired, be paid into the Bank of New Zealand at Auckland to the credit of your Board's London account.

I have, &c.,
THOMAS ROSE,
for Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay.

No. 6.

The Hon. the PRIME MINISTER to the HIGH COMMISSIONER, London.

SIR,—

Prime Minister's Office, Wellington, 26th September, 1906.

I have the honour to inform you that the sum of £8,061 15s. 9d., the amount of New Zealand's contribution to the deficit on the Pacific cable for the year ended the 31st March, 1906, was remitted to you by cable message from the Treasury on the 20th instant.

I have, &c.,

J. G. WARD, Prime Minister.

The Hon. W. P. Reeves, High Commissioner for New Zealand, London.

[P.C. Fin. 06/21.]

No. 7.

The SUPERINTENDENT, Pacific Cable Station, Doubtless Bay, to the SECRETARY, General Post Office, Wellington.

SIR,—

The Pacific Cable Board, Doubtless Bay Station, 8th October, 1906.

Referring to my letter [No. 24, F.—8A, 1906] dated the 18th August *re* trans-Pacific longitudes, I beg to inform you that the pillars at the other observation-points bear the following inscriptions:—

Southport	Lat.	27° 58' 53" south.
	Long.	153° 24' 57" east.
Norfolk Island	Lat.	29° 0' 29" south.
	Long.	167° 55' 17" east.
Suva	Lat.	18° 8' 45" south.
	Long.	178° 25' 36" east.
Fanning Island	Lat.	3° 54' 38" north.
	Long.	159° 23' 27" west.

I am, &c.,

The Secretary, General Post Office, Wellington.

C. L. HERTSLET, Superintendent.

[P.C. Stns. 06/40.]

No. 8.

The UNDER-SECRETARY, Department of Lands and Survey, Wellington, to the SECRETARY, General Post Office, Wellington.

Department of Lands and Survey, Wellington, 13th November, 1906.

Site for Cable-station, Doubtless Bay, Auckland.

WITH reference to your memo. of the 22nd May last [No. 9, F.—8A, 1906], I have to inform you that section 2 of "The Reserves and other Lands Disposal and Public Bodies Empowering Act, 1906," contains the necessary authority to enable the desire of the Pacific Cable Board to be given effect to.

The Commissioner of Crown Lands, Auckland, has been requested to take the necessary action in the matter.

F. T. O'NEILL, for Under-Secretary.

The Secretary, General Post Office, Wellington.

[P.C. Stns. 06/41.]

No. 9.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

SIR,—

General Post Office, Wellington, 16th November, 1906.

In reference to my memorandum of the 1st June last [No. 12, F.—8A, 1906], advising that legislative authority was to be sought for the permanent alienation of the area of 15 acres 2 roods 16 perches reserved for the purposes of a cable-station at Doubtless Bay, I have now the honour to inform you that section 2 of "The Reserves and Other Lands Disposal and Public Bodies Empowering Act, 1906," contains the necessary authority to enable the land to be sold to your Board. The Commissioner of Crown Lands, Auckland, has been requested by his Head Office to take the necessary action in the matter.

I have, &c.,

D. ROBERTSON, for Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland.

No. 10.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

SIR,— General Post Office, Wellington, 27th November, 1906.

I have the honour to acknowledge the receipt of your letter of the 8th ultimo, notifying that pillars bearing inscriptions relating to the trans-Pacific latitudes and longitudes had been erected at Southport, Norfolk Island, Suva, and Fanning Island.

I have, &c.,

W. GRAY, Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland.

[P.C. Stns. 06/43.]

No. 11.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

SIR,— General Post Office, Wellington, 7th June, 1907.

I have the honour to forward herewith an account [not printed] for £98 5s. 3d., being the amount expended by this Department on behalf of your Board during the year ended the 31st March, 1907.

I have, &c.,

D. ROBERTSON, Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland.

[P.C. Fin. 07/13.]

FREE PRESS TELEGRAMS.

No. 12.

The SECRETARY, General Post Office, Wellington, to the ACTING-SECRETARY, Postmaster-General's Department, Melbourne.

SIR,— General Post Office, Wellington, 11th August, 1906.

I have the honour to request that you will be so good as to forward me four copies of *Hansard* No. 12 of the 21st ultimo, reporting the Senate debate on the question of free Press telegrams over the Pacific cable.

I should also like to have the same number of copies of the debates on the Cable question, and on the differences with the Eastern Company. The cost will be remitted on your informing me of the amount.

I have, &c.,

W. GRAY, Secretary.

The Acting-Secretary, Postmaster-General's Department, Melbourne.

[P.C. Press 06/7.]

No. 13.

The ACTING-SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, General Post Office, Wellington.

SIR,— Commonwealth of Australia, Postmaster-General's Department, Melbourne, 28th August, 1906.

With reference to your communication of the 11th instant, I have the honour to forward herewith four copies of *Hansard* No. 22, 24, and 25 of 1905, and No. 12 of 1906 [not printed], which contain the debates on the question of free Press telegrams over the Pacific cable, the cable question, and the difference with the Eastern Extension Telegraph Company.

I have, &c.,

J. OXENHAM, Acting-Secretary.

The Secretary, General Post Office, Wellington.

[P.C. Press 06/8.]

DIVERSION OF TRAFFIC.

No. 14.

The MANAGER IN AUSTRALASIA, Eastern Extension Company, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 10th August, 1906.

SIR,—

I have the honour to bring under your notice that a large portion of traffic from New Zealand to China, Japan, and India circulates over the Pacific cable "*via* Norfolk Island and Brisbane," and to point out that the normal and direct route for this traffic is "*via* Eastern," and should therefore transit this company's New Zealand cables. I beg to submit this for your consideration, as your Postal Guide simply shows the "*via* Eastern" tariffs to those places as "*via* direct," and senders are therefore unaware that it is necessary to indicate a route.

I have, &c.,

W. WARREN,
Manager in Australasia.

The Hon. the Postmaster-General, Wellington.

[E.E. Rates 06/33.]

No. 15.

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

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 7th September, 1906.

SIR,—

Adverting to my letter to the Hon. the Postmaster-General of 10th ultimo, I have the honour to inform you that for the week ending 24th August there were thirty-four messages from New Zealand sent "*via* Pacific" to Sydney, and handed over to our office there for transmission by this company's routes to the respective destinations, and with due deference to point out that when messages are addressed to countries within this company's system they should traverse it the whole way, and I trust this will appeal to you as being a fair and legitimate claim for me to make, and for your Department to comply with.

I have, &c.,

W. WARREN,
Manager in Australasia.

W. Gray, Esq., Secretary, Post and Telegraph Department, Wellington.

No. 16.

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

SIR,—

General Post Office, Wellington, 6th October, 1906.

I have the honour, by direction, to acknowledge the receipt of your letters of the 10th August last to the Postmaster-General, and of the 7th ultimo to myself, referring to the transmission of unrouted international traffic over the Pacific cable as far as Australia, for onward transmission to China, Japan, and India.

In reply, I am to point out that the present practice appears to be covered by Regulations XXV and XLI of the International Telegraph Convention of 1903, and under these circumstances the Department sees no reason to vary it.

I have, &c.,

W. GRAY, Secretary.

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

[E.E. Rates 06/56.]

No. 17.

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

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 12th October, 1906.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 6th instant, and to note that the Hon. the Postmaster-General thinks the present practice of routing and sending cablegrams for China, India, and Japan, &c., "*via* Pacific" to Sydney, where they are transferred to this company's route—" *via* Eastern"—is covered by Regulations XXV and XLI. I, however,

must respectfully beg to differ with him on this point, as the *normal route* is always recognised to be the *most direct one*, which "*via Eastern*" is for the above-mentioned countries, also for South Africa, &c.; therefore cablegrams from New Zealand to those countries should traverse that route ("*via Eastern*") the whole way.

I shall, however, ask our Head Office to obtain the Berne Bureau's opinion in the matter.

I have, &c.,

W. WARREN,

Manager in Australasia.

W. Gray, Esq., Secretary, General Post Office, Wellington.

[E.E. Rates 06/57.]

No. 18.

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

SIR,— General Post Office, Wellington, 25th October, 1906.

I have the honour to acknowledge the receipt of your letter of the 12th instant, again expressing the opinion that messages from this colony to China, India, and Japan should be sent over your company's cable all the way, and stating your intention to have the matter referred to the International Bureau at Berne.

I have, &c.,

W. GRAY, Secretary.

The Manager in Australasia, Eastern Extension Australasia and China
Telegraph Company (Limited), Melbourne.

No. 19.

The SUPERINTENDENT, Pacific Cable Station, Doubtless Bay, to the SECRETARY, General Post Office, Wellington.

SIR,— Pacific Cable Station, Doubtless Bay, 18th March, 1907.

The General Manager, Pacific Cable Board, London, has instructed me to forward you copies of the attached correspondence in respect of the allocation of charges on diverted traffic south of Norfolk Island.

There is a reference to my communication dated the 12th August, 1905; this letter embraced our telegraphic correspondence dated the 2nd to 12th August, 1905 [not printed].

I am, &c.,

C. L. HERTSLET,

Superintendent.

The Secretary, General Post Office, Wellington.

[P.C. Diversion 07/17A.]

Enclosure 1 in No. 19.

The GENERAL MANAGER, Pacific Cable Board, London, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster,

London, S.W., 28th January, 1907.

SIR,—

Your letter dated 4th December [not enclosed]. I send for your information copies of correspondence that has passed between Mr. Judd, myself, and the Commonwealth Government in respect to the allocation of charges of diverted traffic south of Norfolk Island, also copy of my letter, dated 8th January, to Mr. Milward.

You will notice that interruptions for the first twenty-four hours are, under the Convention, treated differently from interruptions lasting above twenty-four hours. You will also see how the Commonwealth decided to deal with the cases under twenty-four hours. For messages diverted when the interruption lasts for more than twenty-four hours, I refer you to your letter to me dated 12th August, 1905 [not enclosed]. In such cases the Board bears the loss consequent on the payment of the full charges to the Australian and New Zealand Governments and the Eastern Company's cable, in order to prevent the route *via Pacific and Eastern Extension Cable, La Perouse-Wakapuaka*, being more expensive than the normal route. It is important that the New Zealand Government should understand the case, and I shall be glad if you will communicate the papers to them.

I am, &c.,

C. H. REYNOLDS,

General Manager.

C. L. Hertslet, Esq., Superintendent, Pacific Cable Station, Doubtless Bay.

Enclosure 2 in No. 19.

The GENERAL MANAGER, Pacific Cable Board (at Melbourne), to the SECRETARY, Postmaster-General's Department, Melbourne.

SIR,— The Pacific Cable Board, Melbourne, 18th July, 1906.

I have the honour to invite your attention to paragraph 2 of your letter dated 29th March, 1905 [not enclosed], and to my letters dated 20th June, 1905 [not enclosed], and 28th November, 1905 [not enclosed], respectively, to the latter of which I have had no reply.

I have also to report that the New Zealand land-lines were interrupted on Thursday, the 11th July, 1906, requiring traffic to and from New Zealand *via* Pacific to be diverted *via* Australia and the Eastern extension lines. The Pacific Cable Board has provisionally accepted debits of 5d. Australian transit, 3d. Extension Company's charge, and 1d. New Zealand terminal charge on these diverted messages, as has been the case on some previous occasions. From inquiries made of the Brisbane office, it appears that they have no orders to accept any reduced *pro rata* charges during interruptions of the New Zealand land-lines involving diversion of New Zealand *via* Pacific traffic *via* Extension and Australia.

I shall be obliged if you will give the Brisbane office the necessary orders regarding the *pro rata* reductions.

I note that you are unable to give a special penny transit rate La Perouse and Southport during such diversions.

I have, &c.,

C. H. REYNOLDS, General Manager.

The Secretary, Postmaster-General's Department, Melbourne.

Enclosure 3 in No. 19.

The ACTING-SECRETARY, Postmaster-General's Department, Melbourne, to the GENERAL MANAGER, Pacific Cable Board (at Melbourne).

Commonwealth of Australia, Postmaster-General's Department,
Melbourne, 1st August, 1906.

SIR,—

With reference to your communication of the 18th ultimo, and previous correspondence on the subject of the diversion of Pacific-cable traffic during cable-interruptions, I have the honour to inform you the Deputy Postmasters-General, Sydney and Brisbane, have been instructed, by wire, that the same arrangements should be made as on former occasions, and as provided by the Convention.

I have, &c.,

J. OXENHAM, Acting-Secretary.

C. H. Reynolds, Esq., General Manager, Pacific Cable Board, Grand Hotel, Melbourne.

Enclosure 4 in No. 19.

The SUPERINTENDENT, Pacific Cable Station, Southport, to the GENERAL MANAGER, Pacific Cable Board (at Sydney).

(Telegram.)

Southport, 4th August, 1906.

A VERBAL communication was made me by Brisbane abstract clerk fortnight since that recent diverted work had been dealt with similar proportion to former occasions. Unable to check this till Monday, as Abstract Department closed at Brisbane since noon. Will report result inquiries Doubtless Bay.

Enclosure 5 in No. 19.

The SUPERINTENDENT, Pacific Cable Station, Southport, to the GENERAL MANAGER, Pacific Cable Board (at Doubtless Bay).

(Telegram.)

Southport, 14th August, 1906.

101. HAVE seen Abstract Department, Brisbane. They state that the communication from Melbourne *re* proportional rates for New Zealand diverted traffic too ambiguous to act upon, and application has been made for more explicit instructions. Up to present no reply has been received. I am asked to state the proportion Board accountants regard correct. Brisbane view is that of the threepence per word available after diverting point (Norfolk) should be apportioned five-elevenths Commonwealth, three-elevenths Eastern, and one-eleventh New Zealand (two-elevenths retained Pacific). Intercolonial one-seventh Commonwealth, three-sevenths Eastern, one-seventh New Zealand, two-sevenths Pacific Cable Board.

Enclosure 6 in No. 19.

The GENERAL MANAGER, Pacific Cable Board, to the SUPERINTENDENT, Pacific Cable Station, Southport.

(Telegram.)

[Undated.]

101. WILL answer from Norfolk. Read carefully Regulations 42/2, 76/5, and 76/7. These deal with diverted traffic. *Pro rata* reductions only apply for 24 hours. After 24 hours messages are not sent by more costly route than paid for by sender, but rather than lose traffic altogether, which has to be diverted *via* Australia or New Zealand, Board does not wish a higher rate charged to the public when a telegram for or from New Zealand has to be diverted *via* Southport, La Perouse, Wakapuaka, or in case of Australian messages *via* Wakapuaka and La Perouse. As Commonwealth refuse to allow any reduction in transit rate La Perouse-Southport, we have been paying all extra charge, including Extension Cable after the 24 hours. Explain this to Brisbane.

Enclosure 7 in No. 19.

The GENERAL MANAGER, Pacific Cable Board, to the SUPERINTENDENT, Pacific Cable Station, Southport.

(Telegram.)

Norfolk Island [undated].

YOUR 101. I think Brisbane proportions are correct and in accordance with Convention. Taking Pacific charge both for international and intercolonial as twopence from Norfolk to Southport or to Doubtless Bay, we get normal rate international Norfolk—Australia as sevenpence, Norfolk—New Zealand as threepence. Intercolonial rate to both Australia and New Zealand threepence. It is these normal rates which have to be divided during the first twenty-four hours in the proportions suggested by Brisbane. For the transit between Norfolk and Bamfield Pacific Cable Board charges therefore seventeen pence on Australian messages and twenty-one pence on New Zealand messages. Explain this carefully Brisbane and send Milward copy.

Enclosure 8 in No. 19.

The GENERAL MANAGER, Pacific Cable Board, London, to the CHIEF ELECTRICIAN, Sydney.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster,
London, S.W., 8th January, 1907.

SIR,—

Your letter dated 4th December [not enclosed]. I am pleased to hear that you diverted traffic *via* La Perouse and Doubtless Bay during the five hours of interruption of the Australian land-lines on the 3rd December. The adjustment of the charges was, I presume, carried out in accordance with my telegram to Mr. Judd from Norfolk Island in August last, a copy of which I told him to send you. The interruption having been for less than twenty-four hours, our loss was inappreciable. I send you copies of the telegrams, &c., which passed between Mr. Judd and myself and the Commonwealth Government, in case you have not got them for record.

Had the interruption lasted for more than twenty-four hours we should still have accepted traffic at ordinary rates from the public, but we should have had to pay the Australian Government 5d. terminal, the Extension Company 3d., and the New Zealand Government 1d., reducing our share to 1s. 3d.

I am, &c.,

C. H. REYNOLDS, General Manager.

J. Milward, Esq., Chief Electrician, Sydney, N.S.W.

No. 20.

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

Commonwealth of Australia, Postmaster-General's Department, General Post Office,

SIR,—

Sydney, 8th April, 1907.

In connection with the diversion, on the 2nd August, 1905, of a number of international and Fijian cablegrams from Pacific to Extension, I have the honour to intimate that your Government was credited 1d. per word on 369 words from international, and 1d. per word on forty-two words from Fiji, whereas the *pro rata* proportion only should have been allowed.

The Pacific Cable Board now requests that the charges on this "diverted" traffic be dealt with in accordance with the provisions of Convention Regulation LXXVI, paragraph 5, and I shall be glad if you will be good enough to cause the amounts overallowed in the settlement of accounts for August, 1905, to be recredited to the Department in this State.

The following are the particulars of the amounts credited in excess:—

Class.	Number of Words.	Amount originally credited.	<i>Pro rata</i> Proportions.	Amount to be recredited.
		£ s. d.	£ s. d.	£ s. d.
International	369	1 10 9	0 8 4 ⁷ / ₁₁	1 2 4 ⁴ / ₁₁
Fijian	42	0 3 6	0 1 6	0 2 0
	411	1 14 3	0 9 10 ⁷ / ₁₁	1 4 4 ⁴ / ₁₁

I have, &c.,

E. J. YOUNG,

Deputy Postmaster-General.

The Acting-Secretary, General Post Office, Wellington.

(P.C. Diversion, 07/21.)

No. 21.

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

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

SIR,—

Melbourne, 26th April, 1907.

I have the honour to inform you that I have received several letters from our Superintendent at Nelson inquiring as to the charge to be made for the transit over the company's New

Zealand cables of deviated messages, and I understand that these inquiries were made after learning the views of your Department from your officer at Wakapuaka.

As a considerable difference of opinion appears to exist, I beg to submit the company's views so far as its lines are affected, and which have been confirmed by an official interpretation of the Convention by the Berne Bureau.

The company's lines are affected by the following interruptions: (1) Norfolk Island-Doubtless Bay cable; (2) New Zealand land-lines to Doubtless Bay.

In the first case, the Pacific Cable Board could, during a period of twenty-four hours, divert by way of the company's cables and Southport all messages from New Zealand the rates for which are less by the Pacific route than any other. But where the rates are the same by several routes as for messages from New Zealand to Great Britain, the interruption of the Pacific route causes the special instructions for that route to no longer hold good, and your Department under Regulation XXI, paragraph 3, would divert such messages to the next route. Practically, therefore, the *pro rata* rates, so far as New Zealand is concerned, are limited to messages to places in North America and adjacent islands. In the case of messages to New Zealand, all messages arriving at Norfolk Island could be diverted *via* Southport and La Perouse at *pro rata* rates.

In the second case, no deviations can be made at *pro rata* rates because the tariff over the interrupted section is a terminal one of 1d., and the Convention provides in Regulation LXXVI, paragraph 6, that the tariff for *pro rata* division is the transit rates only, and in all cases where the deviated telegrams enter into international accounts the terminal taxes under the present Regulations are treated in full. Moreover, the Berne Office in a letter, copy of which was sent you with my letter of the 17th July, 1906, has given its view that a terminal Administration has no right to deviate when it is aware that the route indicated is interrupted. It is clear, therefore, in case No. 2 that, as there is nothing to divide and the terminal Administration has no rights of deviating, on all messages diverted to the company's cables owing to the interruption of the New Zealand land-lines, the company must be credited with 3d. per word, and I have instructed the Nelson Superintendent accordingly.

I have, &c.,

W. WARREN,

Manager in Australasia

The Secretary, General Post Office, Wellington.

[P.C. Diversion 07/38.]

No. 22.

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

SIR,—

General Post Office, Wellington, 4th June, 1907.

I have the honour to acknowledge the receipt of your letter of the 8th April last, about the allocation of charges on a number of international and Fijian cable messages for New Zealand diverted from the Pacific to the Extension route on the 2nd August, 1905.

In reply, I would point out that the statement of accounts was rendered on the basis of former diversions, and that no exception has previously been taken in the matter. I would also draw your attention to Convention Regulation LXXIX, paragraph 2, which reads as follows:—

“The verification of the accounts, as well as the notification of their acceptance and relative observations, takes place within a maximum delay of six months from the date on which they are sent. An Administration which does not receive any rectifying observation within that time is entitled to consider the account admitted. This regulation is also applicable to the observations made by one Administration on the accounts prepared by another.”

Paragraph 5 of the same regulation reads: “No question can be raised in the accounts respecting telegrams which are more than eight months' old.”

In the circumstances, and in view of the fact that this Department has on the occasions of interruptions to Australian land-lines transmitted such work free of charge, I regret that I am unable to see my way to approve of the desired adjustment of accounts being made.

I have, &c.,

D. ROBERTSON, Secretary.

The Deputy Postmaster-General, Sydney.

[P.C. Diversion 07/22A.]

No. 23.

The SECRETARY, General Post Office, Wellington, to the GENERAL MANAGER, Pacific Cable Board, London.

SIR,—

General Post Office, Wellington, 13th June, 1907.

I have the honour to refer to the letter of the 18th March last from your Board's Superintendent at Doubtless Bay, covering copy of correspondence between yourself and the Secretary, Postmaster-General's Department, Melbourne, and officers of your Board, in respect of the allocation of charges on diverted traffic south of Norfolk Island, and to inform you that a communication, of which I attach a copy [No. 21], has been received from the Manager in Australasia of the Eastern Extension Company as to the charge to be made for the transit over the company's New Zealand cables of diverted messages.

In the event of a protracted interruption to any section of the Pacific cable, no doubt a deadlock would occur as to the route to be shown on cable messages. The Eastern Extension Company would doubtless claim the right, already put forward, that messages once placed on their lines where the charges are equal must go by that route, irrespective of the wishes of the sender.

As regards the case put by the company to the Berne Office on which they base their claims (see your letter to this office of 7th July, 1905 [No. 2, F.—8, 1906], it is at once apparent that it is

not an apposite one, but one to which there could be only one possible answer, and that it leaves still unsettled the question of diverting messages from a direct route (in this case the Pacific route) to pass over a portion of a second direct route—that is, the Extension route—in order to connect with the route originally indicated by the sender. The point claimed by the company, that messages from New Zealand to Great Britain should, during interruption to the Pacific route south of Norfolk Island, be diverted to the Extension cable, is one that this Department has never recognised, as it is considered that the sender's right to have his messages forwarded as far as possible by the route he indicates should be strictly conserved.

By Regulation XLI, paragraph 3, of the International Telegraph Convention, it is not mandatory on this Administration to divert to the next route offering, whereas it is certainly obligatory on the Department to secure to the sender transmission as far as possible over the route he indicates in his message. During the recent interruption to the Wakapuaka-La Perouse section of the company's cable, international messages were frequently lodged marked "*Via Eastern*," and the wishes of the senders were conserved by the telegrams being sent "*via Pacific and Eastern*."

Regulation LXXVI, paragraph 5, referred to by Mr. Warren, expressly states that the *pro rata* rate must be divided among the Administrations employed in the transmission of the telegram, including the Administration which occasioned the diversion. Mr. Warren has apparently overlooked the underlined portion of the paragraph. This Administration considers it has the right to divert telegrams to the Eastern Extension and Southport routes or *via Pacific and Southport* at *pro rata* rates as occasion may demand, for the first twenty-four hours of any telegraphic interruption. After that period it was not clear that this Department could accept messages for a route known to be interrupted, and as the rate *via Extension and Southport* would be in excess of the rate *via Eastern*, the latter would become the normal route. I gather from the copy of correspondence forwarded by your Superintendent at Doubtless Bay that your Board is willing to bear the extra cost of the messages in such cases, so that the charge to the sender may be the same by both routes. I do not think, however, that this Department could justify its acceptance of such messages, the proportions of the cost of which would have to be credited forward at the higher rate and the difference debited against your Board. Would this difficulty in rates be overcome by your Board publishing the fact that it is willing to accept diverted messages from New Zealand for America, England, and Germany *via Extension and Southport* at the present charges for the direct route?

As your Board is chiefly interested in the matter, I would suggest that you put the position fully before the International Bureau in order that a final authoritative opinion may be obtained, and I shall be glad to hear from you when this has been done.

I have, &c.,

D. ROBERTSON, Secretary.

The General Manager, the Pacific Cable Board, Queen Anne's Chambers,
Tothill Street, Westminster, London, S.W.

P.C. Diversion 07/39.]

No. 24.

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

SIR,—

General Post Office, Wellington, 13th June, 1907.

I have the honour to refer to your letter of the 26th April last in respect of the charges to be made for the transit over your company's New Zealand cables of diverted telegrams.

I would point out that the case put by your company to the Berne Telegraphic Bureau is not an apposite one, and that it leaves unsettled the question of the diversion of messages from a direct route (in this case the Pacific route) to pass over a portion of a second direct route (*i.e.*, the Extension route) in order to connect with the route originally indicated. The claim made by your company that messages from New Zealand to Great Britain should, during interruptions to the Pacific route south of Norfolk Island, be diverted to your company's cable is one that this Department has never recognised, as it is considered that the sender's right to have his messages forwarded as far as possible by the route he indicated should be strictly conserved. Regulation XLI, paragraph 3, of the International Telegraph Convention is not mandatory on this Administration to divert messages to the next route offering, whereas it is certainly obligatory on the Department to secure to the sender transmission as far as practicable over the route he indicates in his message.

I would point out that during the interruption to your Wakapuaka-La Perouse cable in April, 1906, messages for Great Britain were accepted in New Zealand routed "*via Pacific and Eastern*" (see your letter of the 15th June [not printed] and my reply [No. 4, F.—8A, 1906], also your letter of the 13th July, 1906 [not printed]). In these you uphold the action of this Department in securing to the users of your route their right to send messages over your portion beyond the break, although the rates are the same by both routes. Your attitude in upholding to users during interruption to your cables the right of routing messages to Great Britain "*via Pacific and Eastern*," and denying to Pacific users the right to route "*via Eastern and Pacific*" is scarcely consistent. It is also illogical to construe the Convention Regulation to mean that the diverting is limited to certain countries. If it is irregular to divert our Pacific traffic for Great Britain to the Southport route, it is equally improper to forward American traffic that way, and in that case it would be obligatory on you to transmit this work *via Eastern and Atlantic* at Pacific rates.

I would draw your attention to the fact that Regulation LXXVI, paragraph 5, referred to by you expressly states that the *pro rata* rate must be divided among the Administrations employed in the transmission of the telegram, *including the Administration which occasioned the diversion*. Apparently the underlined portion of the paragraph has been overlooked by you. It is considered that this Administration certainly has the right to divert telegrams, during the first twenty-four hours of any telegraphic interruption, to the Eastern Extension and Southport route, or *via* Pacific and Southport at *pro rata* rates as occasion may demand.

I have, &c.,

D. ROBERTSON, Secretary.

The Manager in Australasia,
Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne.
[P.C. Diversion 07/43.]

WIRELESS TELEGRAPHY.

No. 25.

The SECRETARY, Lodge-Muirhead Syndicate, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Lodge-Muirhead Wireless and General Telegraphy Syndicate (Limited),
12 Carteret Street, Queen Anne's Gate, Westminster, S.W.,

DEAR SIR,—

30th August, 1906.

When we had the honour of showing you here something of our system of wireless telegraphy a few months ago, we understood you to say that it would be necessary for us to make a demonstration of it in New Zealand.

If you are still of this opinion we shall be glad to be informed what facilities will be afforded us, where it would be agreeable to you that we should place our installation, and whether power would be available for our use.

We wish to fall in with your wishes in every way, although it is not usual to require us to go to the expense of exhibiting locally. Our experience is that either in competition with others or more often upon the merits of the system itself we receive orders for the supply of the apparatus requisite for particular installations under prearranged conditions.

We may say that our system has attained a high state of efficiency, and the experience we have had of its successful working in several parts of the world and under varying conditions justify our confidence in recommending its adoption by New Zealand.

Yours, &c.,

For the Lodge-Muirhead Wireless and General Telegraphy Syndicate (Limited),
J. STONE BLOMFIELD, Secretary.

Sir Joseph Ward, K.C.M.G., Premier, Postmaster-General, &c., Wellington.
[Tel. 06/207(10).]

No. 26.

Mr. H. M. HOZIER, London, to the SECRETARY to His Excellency the Governor, Wellington.
SIR,— 26A North Audley Street, London, W., 12th September, 1906.

I have the honour to beg that you will be so good as to inform the Governor of New Zealand that my attention has been called to an announcement in the Press that tenders will be invited shortly for the establishment of stations equipped with wireless telegraph apparatus on behalf of the Government of New Zealand. If this announcement be correct I should be very much obliged if you would be so good as to move His Lordship to allow me to submit a tender for the establishment of the wireless-telegraph stations in question by the Hozier-Brown system, with which we appear to be getting more satisfactory results every day.

I am, &c.,

H. M. HOZIER.

The Secretary to the Right Hon. Lord Plunket, K.C.M.G., K.C.V.O.,
Governor of New Zealand, Wellington.

[Tel. 06/207(12).]

No. 27.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the PRIME MINISTER, Commonwealth of Australia, Melbourne.

SIR,—

General Post Office, Wellington, 15th September, 1906.

I have the honour to forward herewith copy of conditions which have been drafted here in connection with the proposal to call for tenders for wireless-telegraph installations between

Australia, Tasmania, and New Zealand, and between New Zealand and the Auckland Islands: and should be obliged if, after perusing the draft conditions, you would favour me with your opinion whether, as framed, they meet all requirements. I should also be glad to know the intentions of your Government in respect of the proposed installation between Australia and this colony, and at the same time to be advised of the experience of the experimental installation between Queenscliff and Devonport.

I send two copies of the draft conditions, and you will perhaps be so good as to return one copy with any suggestions which you may desire to offer. I understand that your intention is to call for tenders.

I have, &c.,

The Hon. the Prime Minister, Commonwealth of Australia, Melbourne. J. G. WARD.
[Tel. 06/207.]

Enclosure in No. 27.

DRAFT CONDITIONS FOR A PROPOSED WIRELESS TELEGRAPH SERVICE BETWEEN AUSTRALIA AND TASMANIA AND NEW ZEALAND, AND BETWEEN NEW ZEALAND AND THE AUCKLAND ISLANDS.

(1.) One high-power station to be established on the south coast of Australia and a low-power station on the northern side of Tasmania, and one high-power station on the south or south-west coast of New Zealand and a low-power station at the Auckland Islands.

(2.) The high-power stations in Australia and New Zealand to be able to communicate with each other, and the low-power stations in Tasmania and the Auckland Islands to be able to communicate with Australia and New Zealand respectively.

(3.) The exact sites for the stations to be determined upon between the respective Governments and the successful contractor; but to be not too distant—say, ten miles or thereabouts—from an existing telegraph-line.

(4.) Buildings: The contractor to supply the buildings, which should be substantial and well built of wood and iron, required for accommodating the power plant and apparatus generally and for offices.

(5.) Masts or Towers: These to be supplied by the contractor, and to be strong, durable, and, in the case of the masts, suitably guyed. They should be capable of withstanding a wind-velocity of ninety miles an hour, with a factor of safety of at least two.

(6.) The installations to be capable of working satisfactorily both day and night.

(7.) It will be absolutely necessary that the installations shall be fitted to communicate with any of His Majesty's ships of war provided with wireless-telegraph apparatus, and be in accordance with Admiralty requirements.

(8.) The installations to be worked and maintained for the Governments by the contractor at his own expense for a period of three months after having notified the Governments that all of the stations are complete, exchanging communications, and in good working-order. If at the termination of this period of three months everything be found satisfactory, the installations, after being inspected and passed by the respective Governments, shall be taken over from the contractor.

(9.) The Governments may take over the installations at any time after receiving notification of the completion referred to without waiting for the expiration of the three months.

(10.) If, on the expiry of the period of three months, the installations after inspection by the Governments are considered not to be satisfactory, a penalty of £ per day will be imposed for every day during which the installations remain unsatisfactory.

(11.) All materials, masts, or towers, and equipment generally shall be the best of their kind. The apparatus shall be of the latest and most approved type.

(12.) Full and complete specifications, with plans of the buildings, masts or towers, apparatus, and equipment shall be furnished with the tender.

(13.) The tenderer shall give a complete schedule showing separately the cost of buildings, masts or towers, apparatus, and other classes of equipment.

(14.) Tenderer to state the period of time from the date of acceptance of tender within which the installations will be completed, and shall name the speed of transmission that will be guaranteed to be maintained.

(15.) The contractor shall instruct at his own cost the officers of the Government fully in all the technicalities and other requirements of the system for three months after notification of the completion of all the installations, and for a further period if such be found necessary. Tenderer to state the cost per month for any further period of instruction necessary.

(16.) Arrangements shall be made at each station to enable the stations to communicate with ships fitted with any description of wireless-telegraph apparatus.

(17.) Every tender shall be accompanied with a marked cheque to the value of per cent. of the amount of tender, to be held as a deposit. The successful tenderer's deposit will be retained, without bearing interest, until the works have been begun.

(18.) Payment to be made when the whole of the work is completed to the satisfaction of the Governments concerned.

(19.) All dutiable materials that will be used in the installations or in connection with their erection that may have to be imported to be landed duty-free.

General Post Office, Wellington, 15th September, 1906.

No. 28.

The Hon. the POSTMASTER-GENERAL, Commonwealth of Australia, Melbourne, to the Hon. the PRIME MINISTER, Wellington.

Commonwealth of Australia, Postmaster-General's Department,
Melbourne, 18th September, 1906.

SIR,—

I forward herewith, for your information, a brief report regarding the demonstration given by Marconi's Wireless Telegraph Company (Limited), on 12th July last, at Queenscliff, Victoria, and Devonport, Tasmania, to illustrate the capacity of the company's system.

A copy of the Melbourne *Leader* of 21st July, 1906, referred to in that report, is being sent you under separate cover.

Yours, &c.,

AUSTIN CHAPMAN.

The Hon. Sir Joseph Ward, K.C.M.G., Premier of New Zealand, Wellington.

[Tel. 06/207(8).]

 Enclosure in No. 28.

THE Marconi Company having applied for and been granted a license under the Wireless Telegraphy Act to erect two stations, one near Queenscliff, Victoria, and one near Devonport, Tasmania, for the purpose of demonstrating the capacity of their system, these stations were erected by the company, and on the 12th July were officially inspected by the Governor-General, the State Governor, the Premier of the Commonwealth Parliament, the Postmaster-General, and many others.

The stations consist of one of the simplest forms of Marconi standard installations. The aerial is supported by two masts about 160 ft. high, and is of the form shown in the *Leader* of 21st July, 1906. The supply of electricity is obtained from an alternating current dynamo (oil-engine-driven) of about 2 k.w. capacity. The transmitter is of the Marconi standard type for a station of this range of signalling, and the detector is of the magnetic type with telephone receivers.

The speed of signalling depends upon the operator's capacity to read by sound, but has on occasional later trials reached twenty-five words a minute. There have been no difficulties experienced in the regular working of these stations, though atmospheric electricity sometimes affects the signals. This interference is, however, slight, and not in any way due to the system adopted.

No efforts have been made to apply any tuning or directive signalling devices to these stations, seeing that they were not likely to be subjected to any interference from other systems or stations.

 No. 29.

The Hon. the PRIME MINISTER, Commonwealth of Australia, Melbourne, to the Hon. the PRIME MINISTER, Wellington.

Commonwealth of Australia, Prime Minister's Office,
Melbourne, 24th September, 1906.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 15th instant, forwarding two copies of the draft conditions in connection with the proposal to call for tenders for wireless telegraph installations between Australia, Tasmania, and New Zealand, and between New Zealand and the Auckland Islands.

The matter will receive attention.

I have, &c.,

ALFRED DEAKIN.

The Hon. the Prime Minister of New Zealand, Wellington.

[Tel. 06/207.]

 No. 30.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, Lodge-Muirhead Syndicate, London.

SIR,—

General Post Office, Wellington, 25th October, 1906.

I have the honour to acknowledge the receipt of your letter of the 30th August last concerning your system of wireless telegraphy, and to inform you that it is not considered necessary for your syndicate to make any demonstration in New Zealand of the capabilities of the system or to incur any expense in the matter. This Government is satisfied that the Lodge-Muirhead wireless system, as well as others, is successfully worked in other parts of the world.

I have, &c.,

J. G. WARD, Postmaster-General.

The Secretary, Lodge-Muirhead Wireless and General Telegraphy Syndicate (Limited),

12 Carteret Street, Queen Anne's Gate, Westminster, London, S.W.

[Tel. 06/207(10).]

No. 31.

Mr. JNO. GELL, London, to the Hon. the PRIME MINISTER, Wellington.

The Gell Telegraphic Appliances Syndicate (Limited),
7 Wedmore Street, Holloway, London, N., 30th November, 1906.

DEAR SIR JOSEPH,— At the invitation of Lord Armstrong, I witnessed (with others) a demonstration of Mr. V. Poulsen's improvements in wireless telegraphy by the inventor.

It appears to me that a new era in radial telegraphy has begun, and that the Marconi, De Forest, Slaby-Arco, and other spark systems are obsolete.

The chief advantages of the new system are: Multiplex telegraphy over the same area to a very extended extent without interference; increased freedom from the effects of atmospheric electricity; and a great increase in efficiency—*e.g.*, day and night service Copenhagen to North Shields (530 miles), mast 100 ft. high, current power 1 kilowatt.

I am not interested in these companies, but knowing that you were moving in the matter of radial telegraphy, I deemed it only right to write to you.

I remain, &c.,
JNO. GELL.

The Hon. Sir J. G. Ward, K.C.M.G., Premier, New Zealand.

[Tel. 06/207.]

No. 32.

The SECRETARY, the Lodge-Muirhead Syndicate, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Lodge-Muirhead Wireless and General Telegraphy Syndicate (Limited),
12 Carteret Street, Queen Anne's Gate, Westminster, S.W.,

SIR,— 15th December, 1906.

We have the honour to acknowledge receipt of your letter dated the 25th October last, and we thank you for informing us that it is not necessary that we should make a demonstration of our system of wireless telegraphy in New Zealand.

We are, &c.,

For the Lodge-Muirhead Wireless and General Telegraphy Syndicate (Limited),
J. STONE BLOMFIELD,

Sir Joseph Ward, K.C.M.G., Postmaster-General, General Post Office, Wellington.

[Tel. 07/156.]

No. 33.

[TRANSLATION.]

The DIRECTOR, International Bureau of Telegraphic Administrations, Berne, to the SECRETARY, General Post Office, Wellington.

International Bureau of Telegraphic Administrations, Berne, 1st January, 1907.

SIR,—

Under the clauses of Art. XXXVII of the Service Regulations under the International Wireless Telegraph Convention held at Berlin on 3rd November, 1906, the International Telegraph Bureau has been intrusted, subject to the consent of the Government of the Swiss Confederation, and the approval of the Telegraph Union, with the duties of acting as the International Bureau as laid down in Art. 13 of the said Convention.

Moreover, the minutes of the ninth sitting (29th October) of the International Conference at Berlin on wireless telegraphy contain the following passage: "The President of the 'Regulations' Commission thinks that the German Administration might act as intermediary with the Swiss Government to obtain the consent of the International Telegraph Bureau to undertake at once the duties which the Wireless Telegraph Convention is disposed to confer on it. The expense, of course, resulting from the new service would be borne by the contracting Administrations after the new Convention comes into force. The International Bureau would have to communicate at once the Wireless Telegraph Convention to the various telegraph Administrations of the Union and to ask their adhesion to it. The Commission approves of this view, and the German delegation agrees to give effect to it. The assembly approves of the decision of the Commission."

By letter dated 4th December, 1906, the Imperial German Legation at Berne informed the Swiss Federal Council of the decision of the Berlin Conference, and asked it to agree to the International Telegraph Bureau acting in the new position conferred on it by the Wireless Telegraph Convention.

Finally, by a decision on the 8th December last, the Swiss Federal Council agreed to the proposal of the Berlin Conference.

As regards the International Telegraph Bureau, we feel greatly honoured at the high confidence placed in us by the Berlin Conference, and have been happy to accept, subject to the approval of the Telegraph Administrations of the Union, the new duties intrusted to us.

In accordance with the wishes above expressed by the Wireless Telegraph Conference at its sitting on 29th October, we have the honour to forward you herewith two copies [not printed] of the Wireless Telegraph Convention and the Service Regulations under it, dated 3rd November, 1906, and we have to ask you to be so good as to give your consent to the International Telegraph Bureau accepting the new position in accordance with Article 13 of the said Convention.

I have, &c.,
E. FREY, Director.

The Secretary, General Post Office, Wellington.

[Tel. 07/156(2).]

No. 34.

The Hon. the POSTMASTER-GENERAL, Wellington, to Mr. H. M. HOZIER, London.

SIR,—

General Post Office, Wellington, 10th January, 1907.

His Excellency the Governor has referred to me your letter of the 12th September last, asking for consideration of the Hozier-Brown system in any movement of this Government to instal wireless-telegraphic apparatus.

In reference thereto, I beg to say that your communication has been recorded for consideration as opportunity arises.

I have, &c.,

J. G. WARD, Postmaster-General.

H. M. Hozier, Esq., 26A North Audley Street, London, W.

[Tel. 06/207(12).]

No. 35.

The SECRETARY, General Post Office, Wellington, to Mr. JNO. GELL, London.

DEAR MR. GELL,—

General Post Office, Wellington, 17th January, 1907.

I am in receipt of your letter of the 30th November last [not printed], enclosing one for Sir Joseph Ward, respecting Mr. V. Poulsen's improvements in wireless telegraphy.

The Postmaster-General is exceedingly obliged to you for your letter, Sir Joseph will look into the question when he reaches London, and no doubt he will have the pleasure of meeting you.

Yours, &c.

Jno. Gell, Esq., 7 Wedmore Street, Holloway, London, N.

W. GRAY.

[Tel. 06/207.]

No. 36.

The Hon. the PRIME MINISTER, Commonwealth of Australia, Melbourne, to the Hon. the PRIME MINISTER, Wellington.

SIR,—

Commonwealth of Australia, Prime Minister's Office,
Melbourne, 17th January, 1907.

In continuation of my letter of the 21st September, acknowledging the receipt of yours of the 15th idem, with reference to the draft conditions in connection with the proposal to call for tenders for wireless-telegraph installations between Australia, Tasmania, and New Zealand, and between New Zealand and the Auckland Islands, I have the honour to forward herewith a copy of a communication received from the Commonwealth Postal Department dealing with this matter.

I have, &c.,

The Hon. the Prime Minister of New Zealand, Wellington.

ALFRED DEAKIN.

[Tel. 07/156.]

Enclosure in No. 36.

The SECRETARY, Postmaster-General's Department, Melbourne, to the SECRETARY, Department of External Affairs, Melbourne.

Commonwealth of Australia, Postmaster-General's Department.

SIR,—

Melbourne, 14th January, 1907.

With reference to the attached papers which you forwarded to this office on the 21st September last, relative to a letter addressed to the Prime Minister by the Prime Minister of New Zealand respecting the proposal to call for tenders for wireless-telegraph installations between Australia, Tasmania, and New Zealand, and between New Zealand and the Auckland Islands, I have the honour to inform you it is considered that the ordinary commercial requirements of communication between New Zealand and Australia are adequately met by cables laid on alternative routes, while the interests of all the partners in the Pacific cable would appear to demand that any proposal to adopt a system of wireless communication for ordinary commercial traffic between the above-mentioned places should be submitted to a close and general scrutiny. If it is not the intention to utilise the wireless method for ordinary commercial messages, but only for purposes of defence and communication with shipping, it is still not clear that the expenditure involved would be justifiable.

2. With regard to the question of the utility of such wireless-telegraphic communication for purposes of defence, I may state it would appear to be advisable that there should be a conference of the several Departments interested—viz., the Departments of Defence, Naval and Military, and the Postmaster-Generals' Departments of both New Zealand and the Commonwealth—with the Admiral of the Australian fleet, and that this conference should lay down clearly the necessity for any action which may be suggested; the suggested methods of giving effect to such a proposal; the sites and ranges of the high-power stations and the conditions to which they should conform; and how the cost of construction, maintenance, and operating should be allocated as between the respective Departments of the two Governments.

3. It should be remembered that the advantages of wireless telegraphy for communication with the ordinary shipping between New Zealand and Australia would be mainly for communica-

tions passing in one direction, until the ships trading in those waters were equipped with installations of such power as to enable them to communicate with one shore or the other during the whole of their voyage. Such installations are most unusual at the present time even on the largest of the Atlantic liners. Any contribution by the shipping companies towards the cost of establishing and working the shore stations would, it is assumed, be by payment at a rate per message or per word, but such rate or method of charging has not yet been considered.

4. Communications from Australia to New Zealand or from either shore to ships of the Imperial Navy may be obtained by the installation of stations by the Governments, but it does not yet appear to have been shown that the various shipping companies are prepared to second the action of the Government by installing wireless systems on their ships, or that the expenditure of the amounts necessary for the long-distance stations is likely to be justified by any considerations of the advantages for purposes of defence or the utility to the general merchant-shipping service.

5. In view of the foregoing considerations, and also of the reports that have appeared in the Press with respect to recent improvements in connection with wireless telegraphy, I may state that it is not the intention of this Department to invite tenders for such installations at the present time, and it would therefore not appear to be necessary to consider closely the adequacy of the draft specification submitted by the Prime Minister of New Zealand.

6. With reference to the request for advice as to the experience with the experimental installations between Queenscliff and Devonport, I may state that this pair of stations was installed in July, 1906, since which date they have been utilised for occasional transmissions of messages for purposes of demonstration. No official tests have, however, been made to show the performance of these stations under normal working-conditions, and no general report on this point can therefore be given.

I have, &c.,

ROBERT T. SCOTT, Secretary.

The Secretary, Department of External Affairs, Melbourne.

No. 37.

The SECRETARY, General Post Office, Wellington, to the DIRECTOR, International Bureau of Telegraphic Administrations, Berne.

SIR,—

General Post Office, Wellington, 18th February, 1907.

I have the honour to acknowledge the receipt of your letter of the 1st ultimo, forwarding two copies of the International Wireless-telegraph Convention of Berlin, and notifying that, subject to the approval of the Telegraphic Administrations of the Union, your Bureau had been entrusted with the duty of acting as International Bureau as laid down in Article XIII of the said Convention.

I have, &c.,

W. GRAY, Secretary.

The Director, International Bureau of Telegraphic Administration, Berne.

[Tel. 07/156(2).]

MISCELLANEOUS.

EMPIRE CABLES, ETC.

No. 38.

The SECRETARY, the Board of Trade of the City of Ottawa, Canada, to the PRIME MINISTER of New Zealand.

SIR,—

Ottawa, Ontario, 27th December, 1906.

I have the honour to forward, for your information, a copy of an address to the "Eighty Club" by Sir Sandford Fleming, and other documents on the subject of an Imperial Intelligence Service in connection with a system of Empire cables.

It is understood that the Canadian Government takes a favourable view of the proposal advocated, and regards it as a proper subject for consideration at the Conference to assemble in London next April.

I have, &c.,

CECIL BETHUNE, Secretary.

The Hon. Sir Joseph Ward, K.C.M.G., Premier of New Zealand, Wellington.

[Tel. 07/327.]

Enclosure 1 in No. 38.

THE "Eighty Club" was originally formed in the year 1880 with the object of promoting Liberal education. To-day the Prime Minister, the Rt. Hon. Sir H. Campbell-Bannerman, is a member, and no less than eighteen Cabinet offices are filled by members of the club. It may therefore very properly be regarded as an association of the greatest political influence.

A few months ago the "Eighty Club" invited Sir Sandford Fleming, a member of the Ottawa Board of Trade, to address a club house dinner on the subject referred to. His address, with other documents, is now issued with the compliments of the committee of the club. This in itself indicates progress in the movement. Possibly it may open up the prospect of the Liberal party now in power in the United Kingdom recognising the proposal as in absolute harmony with its Imperial policy.

CECIL BETHUNE.

Board of Trade, Ottawa, 26th December, 1906.

Enclosure 2 in No. 38.

THE EMPIRE CABLES AND A GREAT INTELLIGENCE UNION.

THE accompanying documents, issued in England under the auspices of the "Eighty Club," afford much satisfaction to the Board of Trade of the City of Ottawa.

This Board, in common with other commercial bodies, has for some years taken an active interest in the proposal to establish a chain of State-owned cable telegraphs encircling the globe as a distinct means of promoting the commercial prosperity and political unity of the Empire. In 1903, 1904, and 1905 this Board opened communications by letter with every known organized body representing the interests of British trade in all parts of the world, and by this means obtained a general expression of opinion, affirming the necessity of an Imperial system of cables, to remove as far as possible all restrictions on free intercourse.

The Ottawa Board of Trade therefore cordially welcomes so great an ally as the "Eighty Club" in the furtherance of a cause of so much general importance.

Sub-enclosure to Enclosure 2 in No. 38.

THE ESTABLISHMENT OF A GREAT IMPERIAL INTELLIGENCE UNION AS A MEANS OF PROMOTING THE CONSOLIDATION OF THE EMPIRE.

(An Address delivered by Sir Sandford Fleming before the "Eighty Club" on 20th July, 1906.)

Lord Lucas and Members of the "Eighty Club,"—

It is a high gratification for me to be present here this evening as the guest of this influential club, and to be asked to express my views on a subject which I have long earnestly considered; a subject which I venture to think is of the greatest interest to every British community.

The proposal which I am privileged to explain, as briefly as possible, to the "Eighty Club," is not altogether new; but, heretofore, efforts have been confined largely to the circulation of letters and documents designed to educate the public mind on what may be regarded as a new subject. It is not a party question. No Government has, as yet, been definitely committed to it in its entirety. The attempts made to educate have, in some parts of the Empire, and especially in Canada, met with a measure of success. I hold in my hand a sessional paper which, within the last two or three weeks, has been issued by the Canadian Parliament. In this parliamentary return much detailed information is set forth: it contains sixty-three pages, which I would greatly wish to condense into a few sentences, in order that I might bring the matter to your attention this evening.

Unlike previous proposals which have been made, such as those for creating an Imperial Council or an Advisory Council, schemes of Imperial Federation, or other great schemes for the organization of the Empire, the present modest suggestion is very simple and very practical, and, if I may venture to say so, I think it has also the merit of being characterized by a measure of common-sense. This much can be said of it: that it is entirely non-party and non-jingo; and, while quite humble and unobjectionable in its pretensions, a little consideration will satisfy you that it must eventually come to be regarded as far-reaching in its aims, and that it cannot fail in the long run to bring about results of the very highest importance.

Already many persons have formed the opinion that the documents issued by the Canadian Parliament furnish evidence that the proposal is far better calculated to promote the commercial interests and advance the unity of the whole British people than any other scheme yet promulgated. It is made perfectly obvious from such evidence that the time is not ripe for more ambitious proposals, that premature attempts to put them in force might do great harm, and that no cut-and-dried scheme for the organization of the Empire will be found acceptable to large masses of those mutually concerned; that the very first step is to adopt some effective means by and through which the several communities of British people around the globe shall become better acquainted with each other and more familiar with matters relating to their mutual well-being. Organization to be enduring must be based on mutual sympathy and confidence, which, again, must spring from mutual knowledge.

What is really required is a comprehensive means of dispelling ignorance and establishing mutual relationship. The first requisite is an adequate service for disseminating useful knowledge throughout the Empire, a well-designed service for the mutual enlightenment and mutual advantage of all classes in each separate British community.

An occasional speech at a social or other gathering in London, or in any other city, is entirely inadequate in view of the immensely important purposes to be achieved. The Imperial penny post is undoubtedly an inestimable boon, but, valuable as it is as a means of drawing our people around the world closer to each other, it is quite inadequate as a speedy means of communication between countries separated by the earth's semi-circumference, or any considerable portion thereof. What the circumstances require and demand to-day is a fully organized public service, having at command a complete system of connected cables girdling the globe; an electric circle forming an instantaneous means of communication by which the millions may be reached daily, or at least frequently, in each and every self-governing British community in both hemispheres; obviously such a service would exert an enormous influence in advancing the interests and in unifying the aims and aspirations of each of those communities.

I have indicated in these few words the ideal means of mutual information which it is desirable to secure. It has, for want of a better name, been designated an "Imperial Intelligence Service." The question before us is, Can such a service be attained?

The Canadian Parliament has furnished the reply in the documents printed and issued by the King's Printer.* One of these documents is a letter to the Earl of Elgin, in which will be found suggestions respecting the creation of an Imperial Intelligence Department, established in the common interests and especially for the benefit of the many, a widespread organization, co-extensive with the Empire, dedicated to the acquisition, collection, transmission by cable, and publication in a free-handed manner, of intelligence on any subject of general interest, for the information and education of the British people of every class in every quarter of the globe.

If you will permit me, I shall read a few sentences from this letter to Lord Elgin on the free exchange of Empire news (page 9):—

"In addition to a Central Board in the British metropolis, there should be local Boards and agencies in each self-governing community, where desired information would be acquired. It would be the duty of each Board to take proper means to arrange and edit the information for free transmission by cable to the other Boards, and by them made available for simultaneous publication in the daily or weekly journals in all the great cities of the Empire.

"By this means the people of the whole Empire would be brought into continuous touch. Each person, on opening his daily newspaper, would look into the column or columns under the heading 'Empire Cable News' for the Imperial intelligence of the day, and would there find a trustworthy record of the matters of most vital importance and interest to every British community.

"No argument is needed to point out the advantages which would spring from such an agency. It is impossible to conceive any other means which would so speedily and so effectively enlighten the masses of British people on all matters which concern their common welfare. By the term 'British people' I do not mean the inhabitants of the United Kingdom alone; I include the British people in other portions of the globe—in India, and in the several self-governing communities steadily growing into populous and prosperous States. Even small portions of such Empire news regularly furnished daily in the local newspapers would be a thousand times better than the almost entire absence of such intelligence which now generally obtains. It undoubtedly would have a powerful educative influence, and the high political effect would be to foster a broad Imperial patriotism. It would open to the intelligence of all our people within the circle of the 'Empire cables' wider issues connected with the advancement and development of the Imperial fabric; we are warranted in believing that it would stimulate the sense of common citizenship, and in time lead to a reciprocal affinity eventually approaching a general unity of ideas.

"The machinery of a fully equipped Intelligence Department once provided, we may then with confidence assume that the better union and the collective prosperity of the British Empire 'may be wisely left to develop in accordance with circumstances, and, as it were, of their own accord.'

"I share very fully with every one with whom I have conferred the opinion that satisfactory results must reasonably be expected to follow the establishment of a wisely arranged Intelligence Department. The Imperial Press service suggested would tell its story and perform its functions, not once, not intermittently, but daily throughout every year. It would, like the continual dropping of water, produce effective results. By means of this perennial flow we may confidently hope to have the spirit and principles of the British Constitution in course of time pervading, invigorating, vivifying the whole Empire, and it is this spirit and these principles, inherited from the centuries, which would beget that sympathy and affection which, although as light as the air we breathe, would constitute the cohesive forces to bind together the Empire under the one flag and sovereign as with bonds of steel."

The proposed Imperial Intelligence Service, uniting the several British possessions mentioned, requires as a necessity the nationalisation of (1) a land telegraph-line through Canada, (2) and (3) of cables traversing the Atlantic and the Indian Oceans, all of which, together with the already established Pacific cable, would form an electric girdle around the globe touching only British soil and wholly State-owned. This is an indispensable preliminary to the great scheme of an Imperial Intelligence Service, the name of which does not really convey its full meaning and in some respects is misleading; but, whatever the name, the proposed organization is believed to be a movement of the very first importance and full of promise. It would cost an estimated £5,000,000—a sum which, when divided into equitable proportions between the United Kingdom, Canada, New Zealand, Australia, South Africa, the East and West Indies, would prove but a light burden on each. Moreover, it is contemplated that all working-expenses would be fully met by earnings derived from "paying traffic." A few hours in each twenty-four would suffice for the

*To be obtained, free of charge, on application to the Secretary of the "Eighty Club," 3 Hare Court, Temple, London, E.C.

free transmission daily of such news as the Intelligence Department would desire to send on ordinary occasions.

In the letters from some fifty of the foremost men in Canada, extracts from which are furnished in the parliamentary return to which I have referred, it will be found that the majority of the writers are of opinion that an Intelligence Department such as outlined should take precedence of everything else. Indeed, some of our far-seeing men incline to the opinion that, if such a department be organized, very little more will be required, and that the further development of the Empire may wisely be left to circumstances as they arise. A well-known Canadian authority on political science, Professor Adam Short, of Queen's University, writes, "The central idea I entirely agree with and have often expressed. Indeed, I am so fully convinced of the transcendent importance of getting the British peoples into touch with each other, not on one line only, but on all possible lines, that I quite expect, when this is reasonably well accomplished, they will find the need for any special or formal machinery, such as an Imperial Council, &c., quite unnecessary, having then, as a matter of fact, secured something as far superior to it as the broad, flexible, and ever up-to-date British Constitution is superior to any possible written constitution."

I may mention that I have received convincing evidence of the favourable views held, not in Canada alone, but likewise in the United Kingdom, India, New Zealand, Australia, and South Africa, with respect to the policy of establishing an Imperial Intelligence Service such as I have endeavoured to portray. This evidence points to the possibility of such a service proving to be the fundamental basis and source from which all development along Imperial lines must proceed. The utilisation of the girdle of Empire cables in conjunction with the daily Press in every British capital and in every great centre of commerce is regarded as of the utmost importance. The daily Press is read by the millions. It is one of the ordinary educators of modern times, and in co-operation with the Empire cables may be placed in the position of a great uplifting power. By whatever name the combination may be known, the arrangement proposed may be regarded as essentially the main desideratum needed to dispel the ignorance which prevails in so many parts of the Empire respecting other parts, and to mould the minds of the British people everywhere to their mutual advantage.

I cannot be wrong in my belief that a movement to inaugurate such an Imperial organization as I have endeavoured to indicate is in entire harmony with the precedents and practice of the powerful political party which this club represents. Has not the principle of the Empire-cable system been settled by the construction of the Pacific cable through six Governments in partnership? and may not the Liberal party worthily identify itself with the completion of the enlarged system now proposed, in the interests of Imperial unity? The colonies already owe to the great Liberal party a debt in practical sympathy and co-operation which is gladly recognised. Is it not to the political ideas represented by this club that they are so largely indebted for the gift of self-government? And is not the permanence of the Empire assured by that spontaneous gift—a gift bestowed freely and fully without a single reservation—a proceeding the wisdom of which is now acknowledged by all parties, and which has found justification in the position of the colonies to-day? Whatever they were in the past, do we not find them becoming great powerful States, with an ever-deepening loyalty under the one flag, and co-operating with the Mother-country in working out a common destiny?

Before resuming my seat I ask you to bear with me while I read a few lines from two of the best known and wisest men in the outer Empire—one of Dutch origin in South Africa, the other of Irish origin in Canada. If they are far removed from each other in a physical sense, they are very near each other in spirit. I select these letters from many others recently received; they are private letters, but the extracts I shall read are in reference to an exceedingly important public subject, and the words are inspiring.

Mr. J. Hoffmeyer, South Africa, writes: "Only this much I will say in connection with the matter of cable-communication between the various parts of the British Empire: that, if the political men of light and leading in the Empire were alive to its true welfare, they would not only aim at the acquisition by the State of all existing British cables and the filling-up of all gaps in the existing cable system, but follow up the Imperial penny postage with a scheme of a-penny-a-word-cablegrams (with a minimum rate per message of 1s.) between Great Britain and all the colonies, as well as between the colonies mutually. If I were still a young man with the same optimistic feelings as those of 1887, I would make the adoption of such a scheme the main object of my life, and carry it too."

Senator Sir James Gowan (commonly known as Judge Gowan) wrote a few days before I left Canada: "The undertaking is grand in conception, practical and patriotic. It cannot fail to prove a potent factor in hastening the consolidation of the Empire. Oneness of the Empire is no wild or visionary hope, but a rational and feasible proposition—I am with you up to the hilt."

Having now submitted very briefly some views which are held on the subject of an Imperial Intelligence Service, I wish to express very cordially my thanks to the committee of the "Eighty Club" for inviting me to address you, and for the patient hearing you have so kindly extended to me.

II. LETTER FROM SIR SANDFORD FLEMING, HAVING SPECIAL REFERENCE TO THE DIFFICULTIES RAISED DURING THE DISCUSSION WHICH FOLLOWED THE ADDRESS.

SIR,—

Edinburgh, 8th August, 1906.

Referring to the scheme which I had the honour to submit to the consideration of the "Eighty Club" on 20th July, I understand it is desired by the committee that I should, before returning to Canada, express my views at some greater length, and especially on the questions raised by the several speakers on the occasion referred to.

The chief claim made for the proposal is not so much that it may be regarded as a substitute for other schemes heretofore advanced having for their object the unification of the Empire, but that if any substantial progress is to be made in that direction, as it seems to me, the policy suggested must take precedence of any such schemes; that if it be pre-eminently necessary to have freer intercourse, with fuller and closer political, commercial, and social relations between the different States which go to make up the Empire, there is no conceivable means by which these objects can more easily and more naturally be achieved.

The proposal is not solely in the interests of these islands, vastly important as they are; it is not for the benefit of any one class, or of any one section of the British people; it is projected in the interest of the entire Empire, and its object is to advance the concrete well-being of the British people throughout the world. It is designed for the benefit of every Britain beyond the seas equally with the mother of them all. I cannot therefore be wrong in the conviction that it appeals with special force to the principles, the sympathies, and the traditions of the "Eighty Club."

Discussion and Criticism.

In the discussion which followed my address on the 20th ultimo, some difficulties were raised which in themselves indicated that an interest was awakened in the subject which I had the honour to submit. All the speakers were agreed as to the urgency, in the interests of Imperial unity, for freer and fuller intercourse between each of the oversea British communities and all of them and the United Kingdom. The practical value of the underlying idea of a system of State-owned globe-girdling cables as a means of consummating this object was admitted. It was fully recognised that facilities should be provided for the systematic distribution over the Empire of information on every subject of Imperial interest. Moreover, some of the speakers attached so much importance to the regular and full dissemination of such information that they regarded the cost of accomplishing that purpose as entirely secondary.

The Policy suggested.

The burden of the criticisms by the speakers was the fear that in practice it would be no easy matter to arrange for the selection and transmission of news to be cabled from day to day or from week to week so as to give general satisfaction. As this matter presents itself to my mind, the first thing necessary is the appointment of a proper controlling authority and impartial tribunal. In my view the first consideration is an efficient and responsible Board of Control with headquarters in London, assisted by branch Boards in the several oversea communities which have been referred to. I am satisfied that there would be no difficulty in each Government selecting a sufficient number of representative, independent, public-spirited, moderate-minded men to act in an honorary capacity as members of an Imperial Intelligence Board in each capital city.

The chief duty of these Boards would be to direct the policy to be followed, and to appoint a staff of paid officers, including a chief and assistant editors, to carry out that policy efficiently. The staff would be responsible to each respective Board. The number of such paid officers would depend upon the plan adopted, and this I shall presently allude to. Whatever the number, it would be no more difficult for the Boards of Control to obtain on satisfactory business terms men equally able, equally faithful to their duties, as the editorial staffs employed by the great public journals, and we all know how well the world is served through the Press in this respect.

As the proposal is not an ordinary dividend-seeking project, but a great intelligence union with high Imperial aims, it is undesirable and it is quite unnecessary to maintain high rates for the transmission of messages. Cheap cable telegraphy must be recognised to be a powerful, indeed an indispensable, aid to Imperial consolidation; it is therefore felt that the policy should be adopted of reducing progressively the charges on messages transmitted by the circle of Empire cables to rates which, while still leaving the service self-supporting, would be the lowest possible. It is capable of proof that if this policy be adopted, two results will follow after providing for actual working-expenses. (1.) For several hours daily the Board of Control will be enabled to transmit free Press messages for simultaneous publication in the United Kingdom, Canada, New Zealand, Australia, India, South Africa, and elsewhere. (2.) The charges on ordinary paying traffic will steadily be lowered and will gradually approach a minimum. Under this policy we would have public messages transmitted free or at a mere nominal rate, and if we apply the principle of a uniform charge for all distances (as in Imperial penny postage), there are the best reasons for anticipating a wonderful reduction in the rate for the transmission of ordinary paying messages by the route of the great girdle of Imperial cables. I can see no reason why the charge should not eventually be reduced to the uniform rate of 1d. per letter, or 6d. per word, between the Mother-country and each of the countries named, as well as reciprocally between any two of them. The immense advantage of such a possible reduction will be readily appreciated when it is remembered that the present charge between Great Britain and Australia is 3s. per word, and at the time of the Colonial Conference of 1887, when the Pacific cable was first earnestly considered, the common charge was 9s. a word.

The possibility of these results will be made apparent by reference to page 35 and other pages of the papers appended to my letter to Lord Elgin.*

Plans proposed.

With respect to the course to be followed by the controlling Boards in carrying on the intelligence service, omitting details, two general plans suggest themselves for consideration.

* See Canadian parliamentary return (Nos. 67 and 67A, 1906), to be obtained, free of charge, on application to the Secretary of the "Eighty Club," 3 Hare Court, Temple, London, E.C.

The first plan: Each Board to take means through an efficient staff of paid officers to collect information of general interest desirable to be made known in distant parts. Such information, after being arranged and properly edited for publication, to be regularly transmitted by telegraph and made available for the Press throughout the Empire free of charge.

The second or alternative plan is to leave the question of the supply of news within the Empire in the hands of the Press, as at present, and to encourage and secure the transmission of a copious supply of desirable information by lowering the Press charge to a merely nominal rate. I am reminded that this principle is already adopted in the United Kingdom, where the Press rate is reduced to less than $\frac{1}{2}$ d. per word (1s. for 100 words) for any distance. This reduction is made purely in the interest of the general public, and it seems to me that the same principle may with inestimable advantage be applied to the infinitely larger area of the British Empire by means of the globe-girdling Imperial-cable system.

The second plan, if not so comprehensive as the first, would, if adopted, indefinitely widen the present most restricted and meagre scope of the Press cable service throughout the Empire. It would leave the question of selection of news in the hands of those well fitted for the duty. By promoting emulation among representatives of the Press, it would pave the way for a daily review, in many instances, of the progress of events and occurrences in the sisterhood of British States, which would do more than any other agency to foster an intelligent intimacy, mould a broad public opinion, promote mutual sympathy, and present the Empire as a living reality to all.

The two plans have each distinct merits. While the first would best meet the needs of much of the outer Empire, the second would probably better suit London and the populous colonial capitals; it would likewise, as it appears to me, remove every difficulty raised by the various speakers on the 20th ultimo in respect to the selection of matter to be transmitted for publication. I incline to the opinion that the merits of both suggestions should be secured by a combination of the two plans, but this is a point which can be determined by a joint committee duly appointed, or by the Boards of Control when they come to be constituted.

Empire Cables and Cable Companies.

A girdle of State cables, to knit together great regions under the British flag which are separated by the oceans of the globe, cannot be established without affecting to some extent the operation of cables laid by private companies. In a case such as that of the cable now laid between Australia and South Africa, where the route of the State cable would be parallel, the interference may be serious to the company. In this case the company should be dealt with in the most liberal spirit, and their cables available for that portion of the globe-encircling chain should be purchased at their full value for the use of the State. The remaining cables of the company would remain to be utilised in the mutual interchange of traffic under arrangements to be agreed upon. In respect to this question it will always be borne in mind that the object of the Empire cables is not competitive; that the primary object is the solution of a great Imperial problem; and that many far-seeing men are of opinion that a solution will not be achieved by any other means.

If, as in the case of the Pacific Cable Board and the Eastern Extension Company, there be some clashing of public and private interests, the incident is unavoidable, and in the end the interests of the Empire must prevail. The Pacific cable should be regarded as the initial link of the globe-girdling chain, and it can never be forgotten that its establishment was determined on by six British Governments, that the deed of State partnership was executed on the last day of the century, and that this inheritance from the Victorian era is pregnant with beneficent consequences to coming generations.

In my letter to Lord Elgin, which I have already mentioned, the matter is referred to. The whole subject is also exhaustively dealt with in a little book ("The All-Red Line") recently published by Edward Stanford, Long Acre, London. In chapter IX Dr. Morse specially considers "Imperial Partnership in a Cable System." The Canadian parliamentary returns, Nos. 67 and 67A, issued a few weeks ago, contain a number of documents in which the subject is discussed; on page 34 will be found a paper on State cables and cheap telegraphy as aids to Imperial consolidation, and much information will be found on pages 41 to 50, embracing the papers circulated over the world by the Ottawa Board of Trade. Again, the subject is considered in a memorandum included with the proceedings of the Conference of Premiers in 1902 (page 146), presented to the Imperial Parliament by command of His Majesty.

To all these I would wish to direct attention in order to make plain the position of the companies and their relation to the present proposal respecting the establishment of the Empire cables.

Estimate of Cost.

The capital required to establish the globe-encircling Imperial-telegraph system now proposed is estimated to be within £5,000,000. This sum does not include the Pacific cable (which may be regarded as a section of the whole system), extending from Canada to New Zealand and Australia, already established. As pointed out in my letter to Lord Elgin, the sum named includes a national cable across the Atlantic and a nationalised land line through Canada. These, together with the Pacific cable, will connect London with Australasia by a continuous line of telegraph directly under State control. The estimate includes an expenditure of £1,750,000 to establish Empire cables in the Indian Ocean as the means of connecting India and South Africa with Australia and the Pacific cable. It includes also £2,250,000 to establish cables in the Atlantic Ocean for the purpose of connecting South Africa with England by way of the West Indies and Bermuda, thus completing the Empire-girdling State-owned telegraph system.

Since my arrival in London I have had the estimate examined by capable experts, whose calculations go to show that £5,000,000 is ample.

Cables in Time of War.

With respect to the cutting of cables in time of war. During the last two great wars we have had little evidence of cables having been destroyed. Though this may be true, no one can predict what may or may not be done in the future. This much may be affirmed, the tendency of the Empire cables would be to prevent wars. But even if no such tendency should result, as the Empire cables would be supplementary, we could not by any possibility be worse off in war-time with them than without them.

It is needless to say that care would be taken to lay the Empire cables in the least vulnerable positions. Moreover, let us not forget that the complete circle of the Empire cables would have an advantage peculiar to itself. If cut at any point on one side of the globe, there would remain the possibility of maintaining communication by the arc of the circle around the other side of the globe.

The Imperial scheme of cables is designed for peace. Its highest purpose is to weld together and build up a great commercial oceanic Empire. War does not frequently occur. There may be no war for thirty or many more years. Would we be justified in refusing to take advantage of the tremendous value of State-owned cables in consolidating the Empire, on the ground that it would be possible to cut them should war break out in the remote future?

Conclusion.

I trust I have satisfactorily met the criticisms which have been made. I am greatly encouraged to think that the political party represented by the "Eighty Club," which, in the words of Lord Coleridge, "laid the foundation of our modern policy of a self-governing Empire," will perceive how helpful the scheme I have endeavoured to explain may become; unlike fiscal or kindred proposals it involves no political difficulties, its essential feature is to make for that knowledge without which attempts to organize the Empire may be fruitful of disaster if they in any way interfere with that complete local autonomy so jealously prized. I apprehend it will be obvious to all that the scheme submitted embraces the principle of inter-Imperial co-operation, and is designed to form in a very practical manner a complete bond of union between the old land and all the new lands; that it is an instrument to enable us to ascertain what to avoid and what to accept; that its tendency must be to reconcile the interests of the whole with the interests of each part, and to foster a oneness of sentiment, a unity of sympathy pre-eminently necessary to bring home the feeling to our people the world over that they are part of a great political organism whose chief mission is progress and peace.

I venture to think that every patriotic man will recognise in such a co-operative bond of union and friendship, embracing the widest geographical range, a powerful and peaceful means of giving shape and growth and solidarity to the modern Empire.

I have, &c.,
SANDFORD FLEMING.

R. C. Hawkin, Esq., Secretary of the "Eighty Club," London.

III. ADDENDUM.—AN IMPERIAL INTELLIGENCE UNION AS A MEANS OF PROMOTING THE CONSOLIDATION OF THE EMPIRE.

By the Very Reverend DANIEL M. GORDON, Principal of Queen's University, Canada.

(From *Queen's Quarterly* for October, 1906.)

There has lately been issued by order of Parliament a sessional paper on the establishment of an Imperial Intelligence Service and a system of Empire cables.* The subject with which this paper deals should be of interest to all lovers of our Empire, as it contemplates the establishment of a globe-encircling system of State-owned cables, together with an Imperial Intelligence Department, as a means of advancing the consolidation of the Empire.

For some years we have had a good deal of writing and talking about Imperial consolidation, with suggestions more or less definite for the formation of an Imperial Council or other representative assembly, which might take special cognisance of those interests that affect the Empire at large, and in whose deliberations the views of each part of the Empire might be heard. In order, however, to prepare the way for any forward movement in this direction, it is absolutely necessary that the different parts of the Empire, both the Mother-country and the Greater Britain beyond the seas, should possess a fuller and more accurate knowledge of each other than they have yet attained. No doubt such information is spreading. Australia, Canada, and South Africa are better known in England and to each other to-day than they were even a few years ago. But there is still so much to be desired in this respect that it seems utterly vain to talk of the closer consolidation of the Empire until its various component parts become more fully acquainted with each other. The information at present given by the Press of these several countries concerning each of them, from day to day and from week to week, is as slight as if the countries were in no-wise connected. If the newspapers throughout the lands that float the Union Jack could give their readers as full information regarding the different parts of the Empire as the papers of the United States give regarding the outgoings of the several States, it would bring the British people into such close touch with each other that the problems connected with Imperial consolidation would soon become easy of solution. Mutual knowledge would lead to closer friendship and to unity of

* Parliamentary return embracing a communication to the Right Hon. the Earl of Elgin, Secretary of State for the Colonies, from Sir Sandford Fleming, with other documents appended thereto. Dominion of Canada Sessional Papers, Nos. 67 and 67A, 1906. (See footnote, page 26.)

sentiment and of purpose, so that wise and well-considered action could be taken towards more intimate relations in trade and government.

The proposal set forth in this lately published State Paper is "that all the self-governing British communities in both hemispheres be brought into direct electric touch with each other and all with the Mother-country; that cable telegraphs should connect each adjacent or proximate community in such a manner as to constitute with the connecting land-lines a continuous chain of telegraph around the globe, and thus admit of messages being sent in either direction from any one British State to any other British State. This globe-encircling chain of telegraph cables would extend from England to Canada, and thence to New Zealand, Australia, India, South Africa, and the West Indies, returning to England by way of Bermuda, with a branch to Nova Scotia or Newfoundland. That this system of connecting lines may be of the highest Imperial advantage it is essential that it be wholly State-owned and State-controlled." The estimates go to show that the cost of the whole circle of cable telegraph proposed would not exceed £5,000,000.

If such a system of cables were once established it might be used daily for the transmission of general intelligence during the hours when the cables were not required for commercial service. This intelligence might be furnished by a department to be formed for the purpose, which might act in harmony with those who supply information for the Press, and which might secure in the different countries interested the publication of intelligence regarding matters of leading importance. In one of the documents in this State Paper it is suggested that the headquarters of such an intelligence department would naturally find its proper place in England. "Besides the Imperial Board of Intelligence in London, possibly branch Boards would be desirable in Canada, New Zealand, Australia, India, Africa, the West Indies, and elsewhere. All the Boards should consist of representative and independent public men, whose duty it would be to obtain for dissemination over the Empire accurate information and unbiassed opinions on all subjects of general interest; the information so obtained would be cabled daily or weekly as might be determined to the London Board and to all the branch Boards for publication. Some such organization would become a most potent Imperial agency. It would prove to be an invaluable means of educating our people everywhere respecting the life, opinions, and aspirations of all our fellow-subjects in the several parts of the Empire. It would directly place before each section of the British world the views formed or forming in all other sections. Two hours a day would easily admit of ten or twelve thousand words being transmitted each week. This full volume of news published simultaneously in the chief centres of the Empire would have a wonderful influence. The good to result from a mutual interchange of information and sentiment is beyond calculation. Obviously it would steadily have a unifying tendency if every day in the year the pulsations of the great heart of the Motherland could be felt by kith and kin beyond the seas, and if also every man within as well as without the central kingdom could read in his morning paper the same sympathetic evidences of interest in the common welfare, and all fresh from his fellow-subjects in all quarters of the globe."

Whatever diversity of opinion may be developed as to the best way of managing such a service and of preparing the statements that may be issued from day to day or from week to week for the information of the various parts of the British Empire, there could be no doubt as to the desirability of some such department as is here proposed. The system of cables would be of the greatest value in connection with the extension of commerce between the countries thus related, and even from this point of view would seemingly prove a profitable investment, as, according to evidence submitted in the parliamentary return, the charges for oversea messages by the great circle of Empire cables would be greatly reduced. In addition to the commercial value of the scheme it would serve, as has been said, to make the different parts of the Empire more intimately acquainted with each other, so that with increasing mutual knowledge there might come increased confidence, closer correspondence of national ideals, with growing unity of purpose and of life.

The testimony on this point that is given in the paper before us is really surprising. The proposal has received the indorsement of Chambers of Commerce and of many prominent representative men. At the Fifth Congress of the Chambers of Commerce of the Empire held at Montreal in August, 1903, it was unanimously approved, and it was recognised that such an inter-Imperial line of communication "would constitute the most effective means by which the several governmental units of the Empire may hold communion with each other whenever they desire, and that while it would be of the highest importance to the commercial and social interests of the British people around the world, it would, by the subtle force of electricity, at once promote the consolidation of the Empire and prove an indispensable factor in Imperial unity." This view was again confirmed at the Sixth Congress of Chambers of Commerce recently held in London.

But while the resolutions of Chambers of Commerce may fitly represent the opinions of manufacturers, merchants, and other business men, more surprising even than their testimony is that of over fifty representative Canadians from very different departments and connections in life, whose letters on the subject are here presented, men who are outside the sphere of commercial life and who agree in regarding the scheme as thoroughly practicable and of the greatest importance.

The writers are all well-known men of prominent position, and they appear to have been selected for the reason that they are removed from the active politics of the day. The evidence furnished is presented in this valuable parliamentary paper in four groups, embracing—A, statesmen; B, judges; C, heads of universities and colleges; and D, prominent clergymen. Group A contains the views of three lieutenant-governors: (1) His Honour Sir Henry G. Joly de Lotbiniere, Lieutenant-Governor of British Columbia; (2) His Honour the late Alfred G. Jones, Lieutenant-Governor of Nova Scotia; (3) His Honour Wm. Mortimer Clark, Lieutenant-Governor of Ontario. To these may now be added His Honour D. C. Fraser, Lieutenant-Governor of Nova Scotia, whose views appear in Group A as a Supreme Court Judge of Nova Scotia. There are four French-Canadians in this group, embracing M. H. A. A. Brault, President de la Chambre de Commerce du district de Montreal; M. J. George Garneau, present Mayor of Quebec; Very Rev.

Monsignor Laflamme, of Laval University; and Benjamin Sulte, ex-President of the Royal Society of Canada. We find also in this group the names of Sir William C. Macdonald and Dean Bovey, of McGill University; Sir William P. Howland, P.C., and Colonel Denison, of Toronto; Professor Adam Shortt, of Queen's University; and the late Sir Robert Thorburn, formerly Premier of Newfoundland.

It is interesting to note, by way of illustration, the views expressed by some of these gentlemen. Their testimony on such a matter is too valuable to be confined to a parliamentary blue-book. Thus, His Honour the Lieutenant-Governor of Ontario writes: "The dissemination of more information regarding each other among the colonies than at present prevails is a condition precedent to any successful effort being made for a closer Imperial union. I may venture to say that the people of the Motherland require to be educated regarding this subject quite as much as do the colonies; the ignorant indifference of apparently intelligent persons in Britain regarding the vast interests involved in the unification of our Empire is lamentable. The plan you advocate for the telegraphic transmission of intelligence among our various dependencies must commend itself as one which will do much to prepare the minds of the people for at some future time adopting some plan for carrying out a closer union between the numerous nationalities which form our great Empire."

Monsignor Laflamme writes: "You are right in saying that before trying to unite the various national elements of the Empire it is prudent and even necessary to make these elements acquainted with each other. I imagine that by going too fast we might reach the opposite extreme. A solid public opinion, the only kind on which one can safely count, is not a thing that can be improvised; still less can it be imposed. It can only be reached by long and patient effort. Evidently the first step to take is to circulate abundantly all information calculated to spread knowledge throughout the Empire and make known the mind of the various populations. Then only we may be able to say what scheme is fit for realisation, and in what measure. Allow me to say that the Province of Quebec would be specially glad of the creating of such a bureau of information."

M. J. G. Garneau writes: "I believe that it is in the common interest of England and her colonies to draw as closely as possible the ties of commercial relationship, which give a practical basis for that feeling of interdependence and solidarity which is the best safeguard of the common weal. As the glorious Constitution under which we live was gradually evolved from the teachings of experience, so must the idea of Imperial unity be arrived at by the aspiration of the component elements, united by the comprehension of their common interests. In order to arrive at this comprehension it is essential that ignorance and prejudice be dispelled, and any means tending to this end must be a step in the right direction. The British Empire embraces many races and languages, and the spirit of loyalty to a common Crown and Government must be fostered by a broad and just tolerance of the individual characteristics and legitimate aspirations of its component races. An Imperial Intelligence Department, such as suggested, to centralise and distribute reliable information, cannot but do much good, and your idea about the chain of Empire cables seems a very practical step towards the realisation of that object."

Sir William C. Macdonald writes: "I can find only words of commendation for what you have written, especially the point you make of laying as speedily as practicable a chain of State-owned cables and telegraphs to link together the Mother-country and all her outlying colonies. This is really the first step to be taken, binding together with cords of steel and affording time for reflection as to what should follow next. These cables will be to the Empire what the nerves are to the human body."

M. Benjamin Sulte writes: "The great question of the day is the unification of the Empire—the more perfect union of all the parts. But the parts do not know one another. So long as this ignorance of one State or Province in regard to another remains, with all the prejudices it engenders, so long will it be perfectly impossible to accomplish anything practical and lasting. Let us commence by getting to know one another. It is too early for a Council; it is just the time for an Intelligence Department, together with a cable service linking the principal groups of the colonies to the Mother-country. This first step being taken and some knowledge acquired thereby, we will see how to proceed further in the direction of mutual arrangements, if then found possible."

Group B consists wholly of Judges, headed by Chancellor Sir John Boyd, President of the High Court of Justice of Ontario, and it includes distinguished jurists from the Provinces of Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, and Saskatchewan, and also from Newfoundland. Chancellor Sir J. A. Boyd expresses more or less closely the sentiments of the other ten Judges who are included in this group when he says, "I favour any method or movement which will bring or tend to bring the Mother-country and her outlying members into closer and more sympathetic relations. The scheme suggested by you of a system of telegraphic ocean cables whereby intercommunication may be had amongst all parts of the Empire with the maximum of speed and the minimum of expense recommends itself as furthering greatly this end of bringing all parts into closer touch with the centre, and the centre with all the parts. Besides this, let all other means be used to dispel the common ignorance of each other now so greatly prevailing, and to bring in mutual knowledge and confidence which will follow better acquaintanceship. Care being taken on all sides to avoid any revolutionary jar, the future appears full of promise for the steady growth of a closer and more intelligent union between England and the English-speaking colonies, which shall shape for itself that outward form best fitting and expressing the living political organism which it embodies."

The Hon. Justice Landry, of the Supreme Court of New Brunswick, writes, "I have no hesitation in arriving at the conclusion that the scheme is in the best interests of the Empire, if the details can be worked out. The subject is very important. My best wishes are with you and its promoters for its success."

The Hon. Justice Russell, of the Supreme Court of Nova Scotia, writes: "I have read your letters, and hasten to say that I am in entire accord with every word in them, and thank you sincerely for giving me the opportunity to read them."

The Hon. Chief Justice Sullivan, of the Supreme Court of P. E. Island, writes: "I have read your letters with much interest, and I desire to say that I fully share your views with regard to the advantage which the Empire would derive from the operations of such an Intelligence Department."

In group C are given exclusively the views of the principals of twelve Canadian seats of learning. Extracts from the letters of a few of these may illustrate the opinions generally expressed.

The Rev. Dr. Bland, of Wesley College, Winnipeg: "The first thing to be secured for the development and strengthening of Imperial unity is that the various parts of the Empire should be brought to know each other better. Out of that will come a deeper sympathy. That sympathy is the essential thing whether it give birth to an Imperial Council or find a better organ in consultation among the Premiers. But that is a question which one need not precipitately settle. The first need is fuller and closer intimacy, and to this probably nothing would contribute so effectively as a free Press cable service around the world."

Principal Falconer, Presbyterian College, Halifax: "I think there can be no doubt that while we hope strongly for a larger Imperial unity in the not very distant future, at present the only safe and really effective method of promoting it is to increase our knowledge of, and friendship for, one another throughout the Empire, that it will ere long be seen by the various parts of His Majesty's dominion that a closer union of some sort is supremely reasonable. We may allow time, perhaps almost unconsciously, to work out the comprehensive plan."

President Ian C. Hannah, King's College, Windsor, N.S.: "I am enthusiastically in agreement with the views you express. In South Africa, Canada, and other parts of the Empire where I have resided I have been much impressed by the purely local character of most of the contents of the newspapers. Newspaper men are unanimous in telling me it is a question of money; it costs so much more to get distant telegrams than to publish local gossip. On all grounds I feel the value of the suggestion of free Press news within the limits of the Empire, and devoutly hope the scheme may be realised in no distant future."

Principal MacLaren, Knox College, Toronto: "I am glad to find myself largely in accord with the views set forth in your letter. The Imperial question is forcing itself on the attention of all thoughtful subjects of the British Crown. Not very long ago the attempt to unite more closely by political bonds the scattered portions of the British Empire seemed scarcely within the range of practical statesmanship. But the modern applications of steam and electricity are drawing the distant parts of the earth so closely together that what was formerly impracticable seems daily to grow more feasible. In matters of this kind, however, it is especially necessary not to outrun public opinion. To bring all parts of the Empire into intelligent and sympathetic touch with each other should certainly be the first step towards closer political relations, and your proposal for an Imperial Intelligence Department and a free Press cable service seems eminently fitted to prepare the way for those closer political relations to which we should look."

Monsignor O. E. Mathieu, C.M.G., Rector of Laval University, Quebec: "Allow me to offer you my most sincere congratulations on the right ideas you express in regard to the prudence required in dealing with an enlightenment of public opinion, especially when we consider the state of ignorance which exists throughout our vast Empire concerning each of its different parts. To dispel this ignorance is an excellent work."

Principal Patrick, of Manitoba College, Winnipeg: "I am a profound believer in the unity of the Empire, and I desire to further that unity in all possible ways, but I am convinced that the people of the Empire are not ripe even for the formation of an Imperial Council, and that anything in the shape of a constitution interfering with the free action of the different nationalities would do harm rather than good. The Constitution of the Empire must be a growth arising out of the needs and interests of the times. It will come naturally, so to speak, when the people are educated for it. If it is to come soon, if the unity which all desire is to be more than a name and an aspiration, the dissemination of sound and full information touching the views, habits, products, and needs of the different peoples will be of essential service. Hence I look with the greatest favour on the suggestion of an Imperial Intelligence Department, believing that such a department wisely officered and administered would do much to unite the different portions of the Empire by furnishing them with the truths and facts which would form the basis for common conclusions and common action. To the forces thus generated I attach a higher value than to anything which may be advised in the shape of an experimental constitution."

The late Principal Sheraton, Wycliffe College, Toronto: "Imperial unity, however, must be a growth. Whatever form it takes, it must be the expression of the inner life and conviction of the country. You cannot secure it merely by legislation. There must be a community of sentiment and conviction, and this can only be promoted by a more intimate knowledge and by getting the different parts of the Empire into closer touch with one another. . . . Whatever form the political development assumes, nothing can be done without mutual knowledge, and whatever helps to promote that mutual knowledge and to bring the various provinces and dependencies of the Empire into closer touch with one another is not only most desirable, but it is essential to any advance in the right direction. The establishment of an Imperial Intelligence Department would be a splendid step in the right direction. What we want to do is to dissipate ignorance and to bring all these races and dependencies into touch with one another."

Group D gives the opinions of sixteen of the leading clergymen of Canada. Two of these are Roman Catholic Archbishops, seven are Church of England Bishops, and the remainder are Methodists and Presbyterians, including four ex-Moderators of the Presbyterian Church. The

views expressed by these can best be given in a few extracts from their letters. The Bishop of Algoma says, "Nothing in my judgment is more needed or better calculated to promote the cause of Imperial unity and progress than the proposal you have laid before me in your letters. And I am firmly convinced that you are right in saying that, for the present, what we should seek first and above all else is a better knowledge of each other as the true basis upon which Imperial institutions may be built securely when the time is ripe."

Rev. Dr. Armstrong, of Ottawa: "I hail with patriotic delight anything that will tend to bring the various parts of our great Empire into closer and more sympathetic union. It seems to me you have put the first things first when you advocate an Imperial Intelligence Department. It is certainly in the line of progress, and pre-eminently safe. The opportune time will come for something more, but unions on paper without carrying the intelligence are unsafe and often hurtful."

Rev. Dr. Barclay, St. Paul's Church, Montreal: "My sympathies are entirely and enthusiastically with you in your wise and practical proposals."

Rev. Dr. Milligan, Toronto: "I think the Greater Britain must be a growth, like its predecessor, in order to be healthy and strong. Men are too ready to intermeddle with Providence. He that believeth in a great British future will not make haste. The spread of knowledge in the way you indicate and the assimilations which time alone can effect are the surest means of giving us an Empire, which I trust God will use as a mighty instrument in the promotion of peace and prosperity in the world."

The late Archbishop O'Brien, of Halifax: "It seems to me your proposal in your letters addressed to the Canadian Club is practicable, and would be a first step towards unity of the Empire."

The Bishop of Nova Scotia: "Your proposals are fully in accord with my own views. The strangely vague ideas which residents in different parts of the Empire have of each other and their various resources and capabilities would readily give place to a definite conception of the possibilities of all. Your proposals are both sensible and practical."

The Bishop of Niagara: "I am in hearty agreement with your views. . . . There is no doubt that the Imperial Intelligence Department must precede the formation of an Imperial Council, and in fact lead up to it. The former can be entered upon immediately, and with small expense. It will be the forerunner of the latter. I am sure that on this point the largest possible consensus of opinion will be with you."

The Bishop of Ottawa: "There can be no doubt that free and frequent intercourse between the people in all parts of the Empire must promote that nearer acquaintance which produces and promotes mutual confidence and which will bring us all in one; and the intelligent, powerful union of the British Empire means a great deal not only for the English-speaking people, but for the nations of the world generally."

Rev. Dr. Potts, Toronto: "There is no doubt that this movement is growing and is tending more and more to the unity of the Empire. Imperial unity is not a thing to be hurried too fast, but nothing will tend to draw the various parts of the Empire together as much as information."

From these extracts, which are more or less fully indorsed in the other letters referred to, it seems clear that men who may fairly be regarded as representing the educated opinion of Canada are in remarkable agreement upon this subject. It might, indeed, be difficult to find any other subject on which all these writers would be so cordially and emphatically agreed. This fact may in no small measure affect the views of thoughtful men in other parts of the British Empire. For ourselves, we hope that those who have been most actively engaged in bringing this important matter before the notice of Canadians may find it attract the lively and sympathetic interest of British subjects everywhere. To quote once more from one of the documents in this State paper regarding the expressions of opinion already referred to: "The views expressed by these gentlemen may fairly be regarded as the voice of Canada. They are in substantial agreement with the recorded opinions of the commercial men of the Empire, and it can scarcely be doubted that they will be found in accord with prevailing opinions in the United Kingdom, in New Zealand, in Australia, and in South Africa. All heard from are substantially of one mind as to the establishment of a great channel of communication, linking together in an electric girdle the self-governing British communities. They appear to think that it is of transcendent importance to inaugurate an Imperial-cable service, which, while satisfying in the highest degree the needs of commerce, would at the same time perform the functions of a continuous spinal cord encircling the globe, by and through which would freely flow every national aspiration, every sympathetic impulse of the British people in every longitude and latitude."

With all of which we heartily agree.

[Here follows a chart [not printed] of system of Empire cables.]

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