

I venture to put the above statement of the position before you with the view of inquiring whether your Government, which is financially interested in the maintenance of the Pacific cable, can see its way to grant a subsidy or advance to the proposal, say, of fifteen hundred (£1,500) a year for two or three years, by which time a number of the tied papers would be at liberty to take and effectively maintain the new service. In soliciting this assistance for the proposal, I beg to point out that the establishment of the service will increase the earnings of the Pacific cable by over £2,000 a year, and tend to make it permanently self-supporting, and reduce the contribution which the Empire countries—yours among the number—annually contribute to the loss.

As an alternative to the subsidy it would doubtless be preferable to you, as well as myself and those who are associated with me, if your Government could see its way to participate in the service, and take the 800 words a day forwarded direct from Norfolk Island, without touching Australia in any part, and distribute and dispose of the news as you deemed fit. Assuming that the extra charge from Norfolk Island will not exceed for the period of this special arrangement the extra halfpenny at present charged over and above the Australian Press rate, we could supply you with this service, averaging 4,800 words per week, landed in New Zealand, exclusive of any landing-charge, for £2,000 a year—any less number of words to be adjusted on a *pro rata* basis; this arrangement to cease as soon as the New Zealand papers were in a position to take on the independent service.

I would further point out that, using a non-congested cable, such as the Pacific, as compared with the Eastern Extension, and transmitting direct without wasting any time in Australia, we should be able to hand you European and, specially, Canadian and United States news many hours in advance of the service your New Zealand papers are at present receiving.

Trusting you will favour me with an early reply, and be so good as to cable it. My cable code address is "Indecab, Sydney."

I have, &c.,

The Right Hon. Sir Joseph Ward, Prime Minister, New Zealand.

THOS. TEMPERLEY.

[P.C. Press 10/26.]

#### No. 21.

Mr. TEMPERLEY, Sydney, to the Right Hon. the PRIME MINISTER, Wellington.

(Telegram.)

Sydney, 11th January, 1910.

FIND it necessary to decide immediately whether proposed Pacific Press cable service shall start February fourteenth. Kindly cable reply my letter December fourth.

[P.C. Press 10/28.]

#### No. 22.

The Right Hon. the PRIME MINISTER, Wellington, to Mr. TEMPERLEY, Sydney.

(Telegram.)

Wellington, 18th January, 1910.

YOURS fourth December, regret cannot do anything at present.

#### No. 23.

The MANAGER, Independent Press Cable Association, Sydney, to the Right Hon. the PRIME MINISTER, Wellington.

Independent Press Cable Association of Australasia (Limited),

SIR,—

17 Castlereagh Street, Sydney, 22nd January, 1910.

I do myself the honour to acknowledge the receipt of your cablegram of the 18th instant.

In reply, I beg to state that since writing you my letter of the 4th December I received more accurate information regarding the contract under which the associated papers of New Zealand are tied to the Australian Press Association, and I realised more fully what an insuperable difficulty there was in your Government handling or disposing of the cable service I offered them. I may add that many of the newspaper-proprietors in Australia are in a similar position—that is, in full sympathy with the proposal for a new service, but unable to take it on. Meanwhile, my association have sent an editor to Vancouver to establish an office there, and have contracted to start the service and supply 4,800 words a week on and after the 14th of next month.

Feeling assured of your sympathy for the Press in general of New Zealand and Australia in the position in which they are bound, I venture to ask your assistance in another direction. You are aware that the loss in the earnings of the Pacific Cable Company totals fifty or sixty thousand pounds each year. Last year it was £59,000 pounds, and this deficiency has to be met by your Dominion in conjunction with England, Canada, and Australia. The service which my Association is about to establish will increase the earnings of the cable company by £2,000 a year, and reduce the losses by that amount. Considering the unique position in which we are placed, I maintain it is a reasonable proposal to ask the contributing Governments to undertake to refund the amount which the new service will save them in their annual payment for at least this initial year. Your quota of the amount would be £222,