

SESSION II.
1912.
NEW ZEALAND.

TELEGRAPH CABLES

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.—8, presented on the 13th October, 1911.]

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

INDEX.

PACIFIC CABLE:—

	No.	Page
Finance, Rates, &c.	2-9
Accounts, 1910-11—Capital Account		
Provident Fund		
Receipts and Expenditure	..	1
Reserve and General Renewal Fund		
Securities		

AUSTRALIA - NEW ZEALAND CABLE

	9-15
Imperial Parliament approves	2-4, 17
Resolution of House of Representatives	5, 8-10, 15
Resolution of Dunedin Chamber of Commerce regarding Route	6, 7, 11, 12, 16
Route and Landing-places, Choice of	13, 14, 16, 18
Tender, Acceptance of	19

DEFERRED CABLE MESSAGES:—

Ordinary	16-24
Date of Commencement of Service	20, 21, 25, 31, 33, 43-45
Rates and Terminal Charges	22-25, 28, 31
Conditions of Acceptance	34, 42
Proposed Adoption between New Zealand and Australia	25-30, 32, 35, 40
Extension to other Dominions and Foreign Countries	36-39
New Zealand and United States of America <i>via</i> Pacific, Messages between	41, 43-45
Press	24-26
Rates and Terminal Charges	46-48, 52
Date of Commencement of Service	46, 48, 50, 52
Speech by British Postmaster-General	51

PROPOSED ATLANTIC CABLE, PROPOSED CANADIAN LAND LINE, and REDUCTION IN CABLE RATES

	26-35
Great Britain: Views	53
Imperial Conference: Resolutions	54
"Atlantic Cable Position and its Moral": Address by Mr. Charles Bright	55

PACIFIC CABLE.

FINANCE, RATES, TRAFFIC, ETC.

No. 1.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

SIR,— Westminster Chambers, 13 Victoria Street, London S.W., 11th October, 1911.

Referring to my letter of the 16th September, 1910 [No. 3, F.—8, 1911], I have the honour to enclose herein copy of a letter from the Colonial Office covering a communication from the Imperial Treasury, showing the amounts recoverable from the Colonial Governments in respect to the deficit on the working of the cable, for the year ended 31st March, 1911, and asking that arrangements might be made for payment to the Imperial Treasury of the sum of £5,356 14s. 8d., being the amount due from the Government of New Zealand.

* * * * *
Payment has been made to the Imperial Treasury.

The payment will appear in the next accounts forwarded to the Treasury

I have, &c.,

The Right Hon. the Prime Minister, Wellington.

WM. HALL-JONES.

[P.C. Fin. and Constr. 11/163.]

Enclosure in No. 1.

The ASSISTANT UNDER-SECRETARY OF STATE, Colonial Office, to the HIGH COMMISSIONER.

SIR,— Colonial Office, 20th September, 1911.

I am directed by Mr. Secretary Harcourt to transmit to you, for the information of the High Commissioner, the accompanying copy of a letter from the Treasury on the subject of the expenses incurred in connection with the Pacific Cable Board for the year 1910–11, and to inquire whether he can arrange to pay to the Imperial Treasury the sum of £5,356 14s. 8d., being the amount due from the Government of the Dominion.

2. I am to add that copies of the papers enclosed in this letter have been forwarded to the Governor of New Zealand.

I have, &c.,

The Secretary to the High Commissioner for New Zealand.

C. P. LUCAS.

Sub-enclosure 1 in No. 1.

The ASSISTANT SECRETARY TO THE TREASURY to the UNDER-SECRETARY OF STATE, Colonial Office.

SIR,— Treasury Chambers, 7th September, 1911.

I am directed by the Lord Commissioners of His Majesty's Treasury to acquaint you, for the information of Mr. Secretary Harcourt, that the Pacific Cable Board's account of the expenses of the cable for the year ended 31st March last has now been audited. A copy of the auditor's report is enclosed herewith, from which it will be seen that the deficit on the working of the cable for the year in question amounted to £48,210 11s. 9d., and the sums recoverable from the Colonial Governments are as follows:—

	£	s.	d.
Australia (six-eighteenths)	16,070	3	11
Canada (five-eighteenths)	13,391	16	7
New Zealand (two-eighteenths)	5,356	14	8
	£34,818	15	2

I am accordingly to request that you will move the Secretary of State for the Colonies to communicate with the colonial Governments concerned in order that these amounts may be paid as soon as practicable to the credit of the account of the vote for telegraph subsidies and Pacific cable. A copy of the printed account as presented to Parliament is also enclosed.

I have, &c.,

The Under-Secretary of State, Colonial Office.

T. L. HEATH.

Sub-enclosure 2 in No. 1.

The ACCOUNTANT TO THE TREASURY, London, to the SECRETARY TO THE TREASURY, London.

SIR,— Treasury Chambers, Whitehall, S.W., 15th August, 1911.

I have the honour to report that I have audited the accounts of the Pacific Cable Board for the year ended 31st March, 1911, in accordance with the instructions conveyed in their Lordships' minute of the 17th April, 1902, and have found them correct.

The annual expenses of the cable, as defined in section 3 (2) of the Pacific Cable Act, 1901, as far as they were not met out of the receipts arising in connection with the cable, amounted in the year ended 31st March to £48,210 11s. 9d., and a sum of £34,818 15s. 2d., representing thirteen-eightieths of the net expenditure, is therefore recoverable from the contributing Governments, viz. :—

	£	s.	d.
Australia (six-eightieths)	16,070	3	11
Canada (five-eightieths)	13,391	16	7
New Zealand (two-eightieths)	5,356	14	8
	<u>£34,818</u>	<u>15</u>	<u>2</u>

I beg to submit that the accompanying account, which has been duly certified, be presented to Parliament in compliance with section 7 of the Pacific Cable Act, 1901.

The Secretary to the Treasury.

I have, &c.,

G. H. HUNT, Auditor.

Enclosure to Sub-enclosure 2 in No. 1.

The CHAIRMAN, Pacific Cable Board, London, to the SECRETARY TO THE TREASURY, London.

SIR,— Queen Anne's Chambers, London S.W., 10th August, 1911.

I have the honour, on behalf of the Pacific Cable Board, to submit, in the form hitherto adopted, the following accounts :—

- (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, 1911.
- (IV.) The expenses of the cable in the year ending 31st March, 1911.
- (V.) The account of the Provident Fund; and
- (VI.) The account of the Reserve and General Renewal Fund.

2. The results of the year's working are set forth in the following statement :—

		<i>Receipts.</i>					
		£	s.	d.	£	s.	d.
Traffic receipts	...	140,313	2	5			
Less Atlantic Companies' charge for conveying date and time, and for delivering duplicate copies in London and other large centres in United Kingdom	...	4,170	6	7			
					136,142	15	10
Interest on deposits	...				225	10	2
Refund tolls and dues	...				202	16	3
Charter of "Iris"	...				2,106	12	3
					<u>£138,677</u>	<u>14</u>	<u>6</u>

Expenditure.

		£	s.	d.
Head office (salaries and expenses, canvassing, engineers' fees, and royalties)	...	7,114	8	11
Cable-stations (salaries and expenses)	...	57,308	8	0
Ship's salaries and expenses	...	13,035	14	8
Provident Fund	...	1,884	16	8
Renewal Account	...	30,000	0	0
Excess of receipts over expenditure	...	29,334	6	3
		<u>£138,677</u>	<u>14</u>	<u>6</u>

3. The sum of £29,334 was thus available towards meeting the annuity of £77,544 payable to the National Debt Commissioners in respect of interest and sinking fund on the sum of £2,000,000 advanced by them for the purpose of providing the capital required for laying and equipping the Pacific cable. This is £11,378 more than was available in the year 1909-10, and reduces by an equal amount the sum to be provided by vote of the Imperial and Dominion Parliaments, which will be £48,210 for the year under review.

4. The increase of £24,677 shown in the net traffic receipts is due to three causes: (1) the delayed transfer of £2,211 by the Australian Government, mentioned in paragraph 4 of my report for 1909–10; (2) increase of business; and (3) the receipts from the new source of revenue in the tolls on traffic between Montreal and Bamfield, over the line leased by the Board from the Canadian Pacific Railway Company, under the arrangement described in paragraph 10 of my report of last year.

The increase may be apportioned between the several causes as follows:—

Delayed transfer (<i>i.e.</i> , £2,211 by which receipt of 1909–10 was reduced, and that of 1910–11 increased)	£	4,422
Increase of business	£	12,220
Canadian tolls	£	8,035
		£24,677

The revenue of the year was further augmented by the sum of £2,106 received from the Eastern Extension Telegraph Company on account of the chartering of the Board's repairing-ship "Iris" for a fortnight in July, 1910. Now that the ship's complement is not maintained at its full strength when the vessel is not on active service, the loan of her to another Administration entails considerable extra expenditure in wages and victualling over and above the increased outlay on coal. Nevertheless, the charge that the Board make to the charterers leaves a substantial profit on current account, which is greater or less according to the length of the charter.

In February and March, 1911, the "Iris" was again chartered for a month by the Compagnie Francaise des Cables Telegraphiques for repair of the New Caledonia cable, and the extra expenditure on that occasion fell on the account for 1910–11, although the payment from the company was not received within that year. Thus the extra receipt of £2,106 was fully counter-balanced in the account for the year by increases on the expenditure side of the account.

In the opinion of the Board it is not desirable to treat as current revenue the whole of the extra receipts derived from the chartering of the "Iris" on occasions of this kind. They are in the nature of fortuitous windfalls, and on some occasions may be of substantial amount. Therefore to employ the whole of them as ordinary revenue tends to introduce into our accounts an element that may seriously disturb the comparison between the results of the working of the undertaking in successive years, and to create an undesirable uncertainty and irregularity in the demands that the Board may have to make on the Exchequers of the contributing Governments. For these reasons we propose, subject to the concurrence of the contributing Governments, to balance so much of any extra receipt as represents profit on a charter of the "Iris" by adding in the year affected a corresponding sum to the fixed sum of £30,000 that we now carry annually to Reserve Account. We shall be glad to receive in due course an intimation of their Lordships' views on this suggestion.

5. Expenditure shows an increase of £15,576 for the year. This is almost wholly accounted for by the cost of the new Canadian land-line service, and the extra charges in connection with the hirings of the "Iris" referred to above. But additional charges have also been incurred in respect of the annual increments to salaries, and of sundry requirements incidental to an expanding service.

At the same time the working-expenses, while showing an advance of over £15,000 on those of last year, fell short of the estimate by some £5,000. This was due to the fact that the actual taking-over of the Canadian service was delayed to a later date than the Board had anticipated, and in consequence the charge for the year under that head was less than the provision made in the estimate. It included a sum of more than £5,000 for initial expenses (provision of instruments, passage-money of staff, &c.), which will not recur, so that, notwithstanding that the permanent charges in 1910–11 for rent of wire covered a period of only six months, and those for new establishment a period of from seven to eight months, the estimate of working-expenses for 1911–12 does not exceed the figures of actual expenditure in 1910–11 by more than about £1,600.

6. The preliminary forecast of revenue and expenditure for the year ending 31st March, 1912, prepared on 7th December, 1910, was as follows:—

Traffic revenue	£	141,000	Renewal Fund	£	30,000
			Working-expenses	£	80,975
			Excess	£	30,025
		£141,000			£141,000

7. It will be seen that the Renewal Fund stood at £264,236 on 31st March, 1911. The balance of cash at that date to the credit of this account was £21,498, and this is now in course of investment. Credit is given to the Renewal Fund for all interest earned by investments on this account, and as the annual interest now amounts to over £8,000, while the appropriation from the revenue for this purpose is now £30,000, the present growth of the fund is at the rate of over £38,000 a year. In addition to this cash reserve there is in hand cable, &c., of the value of £15,945.

Condition of the Cable-station, &c.

8. No interruption of communication occurred on the Board's system during the year. The several sections of the cable, the depots, instruments, and plant generally have been maintained in a high state of efficiency, with the single exception of the electrical condensers. These have

shown somewhat serious deterioration, due to climatic influences, and it has been found necessary to undertake repairs and renewals on a comprehensive and systematic scale. The process is an expensive one, and during the next year or two, during which the old condensers will be renewed or replaced, an extra expenditure of some £250 per annum will be entailed.

Land Lines.

9. *Canada.*—The arrangements for transferring to the Board's management the service over the section of the Canadian land lines between Montreal and Bamfield were completed in September last, and from 1st October were brought into full operation. The results have been entirely satisfactory. As regards times of transmission, the records show that in the three months October to December of last year the average time per message between the United Kingdom and Sydney was reduced by fifteen minutes, as compared with the three months June to August, and between the United Kingdom and Melbourne by eighteen minutes. In the matter of accuracy there has also been a marked improvement. Excluding Government and Press messages, which are mainly in plain language and therefore less liable to error, the applications for repetition of words on account of mistakes of all kinds (mistakes made by the senders as well as mistakes made in transmission) in "ordinary" or public messages represented 1 in every 196 words signalled during the three months immediately following the transfer of the service, as against 1 in every 144 words in the three months preceding the transfer. These figures are significant of a very distinct improvement in the service by the Pacific cable. But they are drawn from a short period of time, during which the staff employed was new to the special features of the work, and many of the arrangements were necessarily more or less tentative and experimental. There is, therefore, every reason to expect that longer experience will show even more satisfactory results.

10. *Australia.*—The service on the Australian section of the system showed some improvement during the year, as the result of additional facilities provided by the Commonwealth Government. Since the close of the year the exclusive use of a copper wire, to which reference was made in my report of last year, has been conceded to the Board.

11. *New Zealand.*—Overland communication in New Zealand between Doubtless Bay and Auckland has continued, as in previous years, to be satisfactorily maintained.

Repairing-ship "Iris."

12. The ship has been maintained in first-class order, and the discipline and efficiency of the permanent officers and crew has left nothing to be desired.

In addition to the two special repairing voyages mentioned in paragraph 4, the "Iris" undertook a voyage of inspection to Norfolk Island, Fiji, and Fanning Island during the months of September and October, during which her behaviour at sea, and the working of her machinery, were altogether satisfactory. The voyage was, however, marked by one untoward incident in the illness (Bright's disease) and death of Mr. Young, who had held the office of purser from the time when the ship was first commissioned. He had discharged the duties of the post with high integrity and marked efficiency, and his loss is deeply deplored by the Board.

It will be noticed that on three separate occasions during the year the "Iris" had to be ordered to sea. On no one of these was there found to be any difficulty or undue delay in completing her complement, or in getting her ready for sea; and the experience of the year has fully satisfied the Board as to the policy of maintaining only a skeleton crew during the times when the vessel is not actively engaged.

Staff.

13. The health of the staff during the year has given no cause for anxiety, and the zeal and efficiency which have from the first characterized their service have been fully maintained. The additional house for a married officer at Bamfield, to which reference was made in my report of 1910, has been provided by the purchase of a cottage that the Board was able to obtain at a price much less than it would have cost to erect a new one.

During the year some minor alterations have been made in the conditions of service, particularly in the matter of granting some relaxation of the restraints on marriage.

Rates.

14. Following the reductions in Press rates to which reference was made in paragraph 16 of my last year's report the Board authorized a reduction from 3½d. per word to 2¾d. per word in the rate for Press messages between Bamfield and Fiji. At the same time they reduced from 1d. to ¾d. per word the charge on Press messages to Australia that are "dropped" at Fiji. These changes came into operation on the 1st September last, and constituted the only actual change made in rates during the year. But a prospective change of general and great importance—viz., the establishment of a system of allowing messages not of immediate urgency to be sent at reduced rates—has been the subject of prolonged consideration and negotiation, which now gives every promise of producing a satisfactory outcome.

The subject is one that has for long engaged the attention of the Board, and in May, 1910, they drew up a scheme for giving effect to this principle in the case of traffic passing over the Pacific cable. The Postmaster-General, on being communicated with as regards the adoption of the principle in the service between the United Kingdom and Australasia, considered that the advantages of the proposal were such as to make it desirable to secure its adoption throughout the cable service of the Empire, and, so far as might be possible, in the extra-European services between the British dominions and external States. In order to facilitate this it was thought

advisable to secure beforehand the co-operation of the cable administrations throughout the world. For this purpose the Postmaster-General discussed the proposals with the British and American cable companies, and after obtaining their approval of them, entered into negotiations with foreign Governments. As a result, such a measure of general agreement has been reached that there is every prospect that within the next few months it will be possible for messages in plain language to be sent at half the existing rates of charge, subject only to the condition that the transmission of them must await, for a period not exceeding twenty-four hours, an interval during which the cable is not in use for traffic at the ordinary rates. It is hoped that the concession will confer an appreciable boon upon the general public who may desire to communicate with friends at a distance, without incurring on the one side the great expense of a cable message at full rates, or on the other the long delay involved by use of the post.

15. The following statement shows the progress of the international traffic since the opening of the cable:—

Number of Messages and Words dealt with.—International.

Year.	Messages.				Words.			
	Ordinary.	Government.	Press.	Total.	Ordinary.	Government.	Press.	Total.
*1902-3	18,494	915	35	19,444	202,313	24,210	1,831	228,354
1903-4	64,595	3,128	890	68,613	744,034	83,116	†37,819	864,969
1904-5	67,677	3,018	387	71,082	781,028	71,575	19,110	871,713
1905-6	77,331	3,109	259	80,699	834,778	74,763	13,225	922,766
1906-7	93,533	3,983	302	97,818	1,010,133	101,307	17,222	†1,128,662
1907-8	98,964	4,292	1,918	105,174	1,041,433	105,519	†84,940	1,231,892
1908-9	98,186	4,617	1,009	103,812	1,012,998	116,847	§95,203	1,225,048
1909-10	109,384	4,841	1,438	115,663	1,109,639	120,415	||126,081	1,356,135
1910-11	117,770	6,413	4,971	129,154	1,215,306	166,812	467,495	1,849,613

* Cable opened for international traffic, 8th December, 1902. † English cricket team in Australia. ‡ Sydney office opened. § American fleet visit to Australasian waters. || Reduced Press rate and new Canadian service.

In addition to the above, a very considerable intercolonial traffic is carried between Australia, New Zealand, and the Fijis, keeping the southern sections of the cable fully occupied during business hours.

I have, &c.,

H. W. PRIMROSE, Chairman.

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

PACIFIC CABLE BOARD (1 EDWARD VII c. 31).—ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1911.

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

—	Year in which issued.	Amount.		—	Amount.	
		£	s. d.		£	s. d.
Sum issued (out of an authorized issue of £2,000,000)	1901-2	1,060,935	0 0	Expenditure in the period ended 31st March, 1910	1,999,127	1 10
Sum issued (out of an authorized issue of £2,000,000)	1902-3	939,065	0 0	Expenditure in the period ended 31st March, 1911	Cr. 1,551	6 9
				Balance in hand	1,997,575	15 1
					2,424	4 11
		2,000,000	0 0		2,000,000	0 0

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

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

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

Details of Expenditure.	In the Period ending 31st March, 1910.	In the Year ended 31st March, 1911.	Total to 31st March, 1911.
	£ s. d.	£ s. d.	£ s. d.
(1.) Head office (furniture and fittings) ..	429 7 8	..	429 7 8
(2.) Stations,—			
Buildings	66,878 18 3	..	66,878 18 3
Accessories	18,828 18 11	..	18,828 18 11
(3.) Cable,—			
Contract	1,790,642 15 6	Cr. 1,551 6 9	1,789,091 8 9
Accessories	335 15 0	..	335 15 0
(4.) Instruments	28,804 8 10	..	28,804 8 10
(5.) Ship,—			
Contract	65,910 0 0	..	65,910 0 0
Accessories	7,161 8 1	..	7,161 8 1
(6.) Engineers' fees and expenses	20,135 9 7	..	20,135 9 7
	1,999,127 1 10	Cr. 1,551 6 9	1,997,575 15 1

IV.—STATEMENT showing the Expenses of the Cable in the Year ended 31st March, 1911.

Details of Receipts.	Parliamentary Grant.	Revenue.	Details of Expenditure.	Annuity for the Replacement of Capital.	Working- expenses.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Balance on 31st March, 1910	14,915 15 10	..	Eighth annuity payment ..	77,544 18 0	..
Received from H.M. Treasury out of the parliamentary grant-in-aid	59,358 0 3	..	Head office (salaries and expenses)	..	5,829 15 5
Traffic receipts (less £4,170 6s. 7d. paid out for the insertion of date and time and for duplicate copies of messages)	..	136,142 15 10	Head office (advertising and canvassing, engineers' fees, and royalties)	..	1,284 13 6
Bank interest .. .. .	..	225 10 2	Cable-stations (salaries and expenses)	..	57,308 8 0
Refund of tolls and dues .. .. .	..	202 16 3	Cable-ship (salaries and expenses)	..	13,035 14 8
Charter of Board's cable-ship "Iris"	..	2,106 12 3	Provident Fund—contribution to (Statement V)	..	1,884 16 8
		138,677 14 6	Transferred to Cable Repair—Reserve and General Renewal Fund (Statement VI)	..	30,000 0 0
		74,273 16 1			109,343 8 3
					77,544 18 0
			Balance on 31st March, 1911	..	186,888 6 3
		212,951 10 7			26,063 4 4
					212,951 10 7

V.—STATEMENT showing (a) the Sums received and expended, and (b) the Securities purchased and sold on account of the Provident Fund in the Year ended 31st March, 1911.

	Securities purchased. (For Details see below.)	Cash Receipts.		Securities sold or redeemed. (For Details see below.)	Cash Payments.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
Balance on 31st March, 1910	19,948 0 0	1,911 1 0	Invested in securities, viz. :—	..	1,254 13 0
Transferred from the account of annual expenses (Statement IV)	..	1,884 16 8	£1,300 New Zealand 3½-per-cent. stock at 96½	..	1,719 0 0
Contribution of employees .. .. .	..	1,884 16 8	£1,800 Straits Settlements 3½-per-cent. stock at 95½	..	480 0 0
Interest on securities .. .. .	..	729 15 1	£500 India 3½-per-cent. stock at 96	..	542 2 11
Securities purchased (as per contra)	3,600 0 0	..	Payments to employees on cessation of services	..	10 0 0
			Auditor's fee .. .. .	..	4,005 15 11
			Balance on 31st March, 1911	23,548 0 0	2,404 13 6
	23,548 0 0	6,410 9 5		23,548 0 0	6,410 9 5

V.—STATEMENT, ETC.—*continued.*

Details of Securities.	Balance on 31st March, 1910.		Securities purchased during Period of Account.		Total.	Securities sold or redeemed during Period of Account.	Balance on 31st March, 1911.		Value at Market Price on 31st March, 1911.			
	£	s. d.	£	s. d.			£	s. d.	£	s. d.		
London County Council 3-per-cent. stock	4,700	0 0	..	..	4,700	0 0	..	4,700	0 0	88	4,136	0 0
London, Brighton, and South Coast 4-per-cent. debenture stock	1,800	0 0	..	..	1,800	0 0	..	1,800	0 0	107	1,926	0 0
Canadian Northern Railway 3-per-cent. debenture stock (guaranteed by the Canadian Government)	2,048	0 0	..	..	2,048	0 0	..	2,048	0 0	85	1,740	16 0
Canada 4-per-cent. debenture bonds	800	0 0	..	..	800	0 0	..	800	0 0	102	816	0 0
Canada 3½-per-cent. stock ..	1,000	0 0	..	..	1,000	0 0	..	1,000	0 0	100½	1,005	0 0
Metropolitan Water Board 3-per-cent. B stock	2,200	0 0	..	..	2,200	0 0	..	2,200	0 0	87	1,914	0 0
North-eastern Railway 3-per-cent. debenture stock	1,700	0 0	..	..	1,700	0 0	..	1,700	0 0	82½	1,402	10 0
Straits Settlements 3½-per-cent. stock	1,900	0 0	1,800	0 0	3,700	0 0	..	3,700	0 0	97	3,589	0 0
New South Wales 3-per-cent. stock	1,000	0 0	..	..	1,000	0 0	..	1,000	0 0	87	870	0 0
New South Wales 3½-per-cent. stock	1,000	0 0	..	..	1,000	0 0	..	1,000	0 0	98½	985	0 0
Queensland 3½-per-cent. stock	1,800	0 0	..	..	1,800	0 0	..	1,800	0 0	98	1,764	0 0
New Zealand 3½-per-cent. stock	..	..	1,300	0 0	1,300	0 0	..	1,300	0 0	97½	1,267	10 0
India 3½-per-cent. stock ..	..	..	500	0 0	500	0 0	..	500	0 0	96½	481	5 0
	19,948	0 0	3,600	0 0	23,548	0 0	..	23,548	0 0	..	21,897	1 0

VI.—STATEMENT showing (a) the Sums received and expended, and (b) the Securities purchased and sold on account of the Cable Repair—Reserve and General Renewal Fund in the Year ended 31st March, 1911.

—	Securities purchased (For Details see below.)		Cash Receipts.		—	Securities sold or redeemed. (For Details see below.)		Cash Payments.	
	£	s. d.	£	s. d.		£	s. d.	£	s. d.
Balance on 31st March 1910	214,015	2 10	27,072	0 0	Invested in securities, viz. :—	..	..	3,967	16 0
Transferred from the account of annual expenses (Statement IV)	..	..	30,000	0 0	£4,000 Victoria 3½-per-cent. stock at 99 ¹ / ₁₆	..	..	1,947	14 0
Interest on securities	..	..	8,200	5 11	£2,000 Victoria 3½-per-cent. stock at 97½	..	..	2,936	11 0
Securities purchased (as per contra)	5,038	0 0	..	..	£3,000 Victoria 3½-per-cent. stock at 97½	..	..	4,893	16 0
£5,115 2s. 10d. war stock, 2½ per cent., redeemed	..	..	5,115	2 10	£5,000 New South Wales 3½-per-cent. stock at 97½	..	..	2,955	6 0
					£3,000 New South Wales 3½-per-cent. stock at 98½	..	..	3,900	6 0
					£4,000 Queensland 3½-per-cent. stock at 97½	..	..	8,865	0 0
					£9,180 New Zealand 3½-per-cent. stock at 96 ³ / ₁₆	..	..	7,017	18 0
					£7,000 Canada 3½-per-cent. stock at 101½	..	..	6,067	18 0
					£6,000 Canada 3½-per-cent. stock at 101	..	..	3,280	6 0
					£4,000 Grand Trunk Pacific Railway Company 3-per-cent. 1st-mortgage sterling bonds (guaranteed by the Canadian Government) at 81½	..	..	3,056	0 0
					£3,200 Straits Settlements 3½-per-cent. stock at 95½	..	..	..	..
					£5,115 2s. 10d. war stock, 2½ per cent., redeemed	5,115	2 10	48,888	11 0
						259,280	0 0	21,498	17 9
	264,395	2 10	70,387	8 9		264,395	2 10	70,387	8 9

VI.—STATEMENT, ETC.—continued.

Details of Securities.	Balance on 31st March, 1910.			Securities purchased during Period of Account.			Total.			Securities sold or redeemed during Period of Account.			Balance on 31st March, 1911.			Value at Market Price on 31st March, 1911.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
Bank of England stock ..	11,500	0	0	..	..	..	11,500	0	0	..	..	..	11,500	0	0	255	29,325	0	0
Victoria 3-per-cent. stock ..	10,750	0	0	..	..	..	10,750	0	0	..	..	..	10,750	0	0	85	9,137	10	0
Victoria 3½-per-cent. stock ..	7,000	0	0	9,000	0	0	16,000	0	0	..	..	..	16,000	0	0	98	15,680	0	0
New South Wales 3-per-cent. stock	12,000	0	0	..	..	..	12,000	0	0	..	..	..	12,000	0	0	87	10,440	0	0
New South Wales 3½-per-cent. stock	12,150	0	0	8,000	0	0	20,150	0	0	..	..	..	20,150	0	0	98½	19,847	15	0
Queensland 3-per-cent. stock ..	7,500	0	0	..	..	..	7,500	0	0	..	..	..	7,500	0	0	85½	6,412	10	0
Queensland 3½-per-cent. stock	8,000	0	0	4,000	0	0	12,000	0	0	..	..	..	12,000	0	0	98	11,760	0	0
New Zealand 3-per-cent. stock	1,000	0	0	..	..	..	1,000	0	0	..	..	..	1,000	0	0	86	860	0	0
New Zealand 3½-per-cent. stock	4,000	0	0	9,180	0	0	13,180	0	0	..	..	..	13,180	0	0	97½	12,850	10	0
New Zealand 4-per-cent. debenture stock	14,000	0	0	..	..	..	14,000	0	0	..	..	..	14,000	0	0	101	14,140	0	0
Bank of New Zealand 4-per-cent. guaranteed stock	1,500	0	0	..	..	..	1,500	0	0	..	..	..	1,500	0	0	101	1,515	0	0
Canada 3-per-cent. stock ..	20,000	0	0	..	..	..	20,000	0	0	..	..	..	20,000	0	0	92	18,400	0	0
Canada 3½-per-cent. stock ..	21,400	0	0	13,000	0	0	34,400	0	0	..	..	..	34,400	0	0	100½	34,572	0	0
Canada 4-per-cent. debenture bonds	9,000	0	0	..	..	..	9,000	0	0	..	..	..	9,000	0	0	102	9,180	0	0
Canadian Northern Railway 3-per-cent. debenture bonds (guaranteed by the Canadian Government)	6,000	0	0	..	..	..	6,000	0	0	..	..	..	6,000	0	0	85	5,100	0	0
Grand Trunk Pacific Railway Company 3-per-cent. 1st-mortgage sterling bonds (guaranteed by the Canadian Government)	4,000	0	0	4,000	0	0	8,000	0	0	..	..	..	8,000	0	0	82½	6,600	0	0
Metropolitan Water Board 3-per-cent. B stock	4,000	0	0	..	..	..	4,000	0	0	..	..	..	4,000	0	0	87	3,480	0	0
Local Loans 3-per-cent. stock	14,000	0	0	..	..	..	14,000	0	0	..	..	..	14,000	0	0	94½	13,195	0	0
Guaranteed 2½-per-cent. stock	1,100	0	0	..	..	..	1,100	0	0	..	..	..	1,100	0	0	84½	926	15	0
India 3-per-cent. stock ..	12,000	0	0	..	..	..	12,000	0	0	..	..	..	12,000	0	0	83½	10,050	0	0
India 3½-per-cent. stock ..	8,000	0	0	..	..	..	8,000	0	0	..	..	..	8,000	0	0	96½	7,700	0	0
South Australia 4-per-cent. stock	16,000	0	0	..	..	..	16,000	0	0	..	..	..	16,000	0	0	100½	16,080	0	0
Straits Settlements 3½-per-cent. stock	4,000	0	0	3,200	0	0	7,200	0	0	..	..	..	7,200	0	0	97	6,984	0	0
War stock, 2½ per cent. ..	5,115	2	10	..	..	..	5,115	2	10	5,115	2	10	..	..	..	..	..	..	..
	214,015	2	10	50,380	0	0	264,395	2	10	5,115	2	10	259,280	0	0	..	264,236	0	0

Examined and found correct.—G. H. HUNT, Auditor.
Pacific Cable Board, 10th August, 1911.

H. W. PRIMROSE, Chairman.

AUSTRALIA - NEW ZEALAND CABLE.

No. 2.

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

MY LORD,—

Downing Street, 17th August, 1911.

I have the honour to request you to draw the attention of your Ministers to pages 289–90 of the Proceedings of the Imperial Conference, 1911 [A.-4, 1911], with reference to the proposed laying of a new cable between Australia and New Zealand.

2. In accordance with the undertaking given on behalf of His Majesty's Government, this question has received further consideration, and I enclose, for communication to your Ministers, the draft of a Bill [not printed] which has been introduced into the Imperial Parliament to enable the Pacific Cable Board to apply moneys out of their reserve fund, subject to certain conditions, to the construction of the cable in question, and to other extensions, &c., which, in the opinion of the contributing Governments, are necessary or expedient for the improvement of their undertaking.

I have, &c.,

L. HARCOURT.

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.
[P.C. Fin. and Constr. 11/90.]

No. 3.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 13th September, 1911.

WHAT is position in regard duplicate cable New Zealand Sydney? Has Imperial Government taken necessary action?

[P.C. Fin. and Constr. 11/124.]

No. 4.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 13th September, 1911.

WITH reference your telegram 13th September, Cable Bill authorized, not yet passed Imperial Parliament.

[P.C. Fin. and Constr. 11/125.]

No. 5.

[Extract from the Journals of the House of Representatives, Wednesday, the 11th day of October, 1911.]

PACIFIC CABLE DEVIATION.

Resolved, That, whereas, by resolution of this House, dated the 28th day of September, 1910 [No. 8, F.—8, 1911], approval was given of the construction and laying by the Pacific Cable Board of a cable to be used in the transmission of messages between New Zealand and Australia in place, if required, of a portion of the Pacific cable at present used for that purpose: And whereas this House is informed that a Bill to extend the Imperial Pacific Cable Act, 1901, has been introduced into the Imperial House of Commons providing that—

The Pacific Cable Board may, with the approval of the Imperial Treasury, apply out of their reserve fund such sums as may be required for the purpose of any works authorized under the extending Act:

Provided that the sums standing to the credit of that reserve fund are not at any time thereby reduced below the sum of one hundred thousand pounds; and that the Pacific Cable Board shall pay to the reserve fund as part of the annual expenses of the Pacific cable in each year, in accordance with regulations approved by the Imperial Treasury, such sums as may be sufficient to repay any moneys so applied in thirty-five years, with interest at the rate of three and a half per cent. per annum.

The works to be authorized by the Act are a submarine cable between Australia and New Zealand, as already sanctioned by the contributing Governments, and any other extensions, connections, or rearrangements in or near the Pacific Ocean which, in the opinion of all the contributing Governments, are necessary or expedient for the improvement of the Pacific Cable Board's undertaking.

The "reserve fund" is to mean in the Act the reserve fund established under the authority of the Treasury by the Pacific Cable Board.

The "contributing Governments" are to mean in the Act the Governments represented on the Pacific Cable Board—namely, His Majesty's Government, the Government of Canada, the Government of the Commonwealth of Australia, and the Government of New Zealand:

THIS House, in pursuance of the provisions of section one hundred and sixty-six of the Post and Telegraph Act, 1908, and of the resolution first hereinbefore mentioned, approves of the Pacific Cable Board constructing and laying a cable, on the terms and for the purpose mentioned, between Doubtless Bay, or any more convenient point, and Australia, either direct or partly by means of a subterranean cable across the North Island.—(On the motion of the Right Hon. Sir J. G. Ward, Bart.)

[A similar resolution was passed by the Legislative Council on the motion of the Hon. Sir J. Findlay, 19th October, 1911.]

No. 6.

The SECRETARY, Chamber of Commerce, Dunedin, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Dunedin, 12th October, 1911.

I AM instructed to forward for your favourable consideration the following resolution adopted at a special meeting held this morning, namely:—

"It being announced through the Press that the Pacific Cable Board proposes to provide a second cable between Australia and New Zealand, the Dunedin Chamber of Commerce urge upon the Government the desirability of laying such second cable from Melbourne to the Bluff, for the following reasons: (1.) It would give the southern parts of the Dominion equally ready access to the main Pacific cable as is enjoyed at present by the northern districts. (2.) It would minimize the risk of the southern part of the Dominion being cut off from the cable when communication with the North Island is interrupted, as occasionally occurs, resulting in grievous delay to southern messages; indeed, our communication with the whole world is cut off when both North Island and Wakapuaka are isolated. (3.) The adoption of a new route for the new connection would give a greatly increased insurance against the total interruption of communication with the

main Pacific cable, and would therefore be a sound measure of public policy. (4.) The route now proposed is presumably free from risks that arise from possible seismic disturbances. It would also give a triple service from the north, the centre, and the south of the Dominion, and to three points on the Australian Continent."

[P.C. Fin. and Constr. 11/130.]

No. 7.

The SECRETARY, Chamber of Commerce, Dunedin, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Dunedin, 21st October, 1911.

THANKS for wire [not printed] *re* new cable. Committee trusts you will pass on Chamber's representations to Cable Board, supported by Government's approval.

[P.C. Fin. and Constr. 11/131.]

No. 8.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 24th October, 1911.

RESOLUTION passed both Houses Parliament approving Pacific Cable Board constructing and laying cable between Doubtless Bay or any more convenient point and Australia either direct or partly by means of subterranean cable across North Island. This resolution necessary in addition to that of last year to give Cable Board free hand as to route. Advise Board and Imperial Post Office.

[P.C. Fin. and Constr. 11/111.]

No. 9.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

26th October, 1911.

SIR,—

I have the honour to acknowledge the receipt of your cablegram of the 24th instant.

I have accordingly communicated the contents of this message to the Pacific Cable Board and to the Imperial Post Office, as well as to the Colonial Office.

* * * * *

I have, &c.,

WM. HALL-JONES.

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

[P.C. Stns. 11/113.]

No. 10.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 3rd November, 1911.

I have the honour to forward herewith six copies of the resolution of each House of Parliament in this Dominion, October, 1911, approving of the Pacific cable deviation.

I have, &c.,

J. CARROLL, for Prime Minister.

The Hon. Sir Wm. Hall-Jones, K.C.M.G., High Commissioner for New Zealand, London.

[P.C. Fin. and Constr. 11/147.]

[Copies of the resolutions were also forwarded to the Secretary, General Post Office, London; the Deputy Postmaster-General, Ottawa; the Secretary, Postmaster-General's Department, Melbourne; the Chairman, Pacific Cable Board, London; the Manager in the Pacific, Pacific Cable Board, Sydney.]

No. 11.

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

SIR,—

General Post Office, Wellington, 3rd November, 1911.

In reference to your telegram of the 12th ultimo, relating to the route of the proposed new cable between Australia and New Zealand, I have the honour, by direction, to inform you that the matter is under the control of the Pacific Cable Board, and that a copy of your telegram will be forwarded to the Board's representative in Australasia.

I have, &c.,

W. R. MORRIS, for Secretary.

The Secretary, Dunedin Chamber of Commerce, Dunedin.

[P.C. Fin. and Constr. 11/133.]

No. 12.

The SECRETARY, General Post Office, Wellington, to the MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney.

SIR,—

General Post Office, Wellington, 8th November, 1911.

I have the honour to forward herewith copy of a telegram dated the 12th ultimo from the Dunedin Chamber of Commerce relating to the route of the proposed new cable between Australia and New Zealand. The Chamber has been informed that the matter is under the control of your Board, and that a copy of its telegram will be forwarded to you.

I have, &c.,

D. ROBERTSON, Secretary.

J. Milward, Esq., Pacific Cable Board, 64 Pitt Street, Sydney.

[P.C. Fin. and Constr. 11/134.]

No. 13.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

SIR,—

Dixon's Buildings, 64 Pitt Street, Sydney, 10th November, 1911.

With reference to the matter of landing-places for the proposed direct New Zealand-Australia cable, I have the honour to inform you that, as a result of the survey and investigation made in the vicinity of Auckland, and after the consultation with the Prime Minister and yourself, I am recommending the Board to adopt Auckland as our New Zealand station, in preference to continuing at Doubtless Bay. The survey has proved that no unsurmountable engineering difficulties exist, and the estimated cost for connecting the main cable-ends on the west and east coasts and the Auckland Post-office is not prohibitive.

The landing-place selected on the west coast for the Sydney cable is Rangira Beach, just north of Oaia Island, and opposite Muriwai Creek. The distance from this spot to the new Auckland Post-office is approximately twenty-two miles. For the first two miles from the beach the connecting cable can be laid in the Muriwai Creek, then ten miles trenching over easy undulating country, the subsoil of which is clay, with no hard ground or rocks, to Harking's Point, from where the cable can be safely laid down the Waitemata Harbour, and land on the same spot as the cables laid by your Department to connect the northern suburbs of Auckland with your main system of telegraphs and telephones. From the landing-place at Ponsonby I have intimated to my Board that your Department will possibly be able to allow us the use of a spare telephone-cable conduit for our cables.

As regards the east coast landing-place for the Doubtless Bay connection, a very suitable place is available on Takapuna Beach, and if the cable is laid as close in-shore as possible after passing Tiritiri Island no danger from ships' anchors, trawling, or other causes need be anticipated. From the proposed landing-place to the Post-office the distance is approximately 5.5 miles, made up of half a mile easy road trenching between the cable hut and the harbour, three miles across the harbour to the same landing-place at Ponsonby as for the west coast cable, and two miles from Ponsonby to the Post-office. For the latter length the same trench or conduit can be utilized as for the west coast cable.

From a purely engineering point of view, it will thus be seen that no real objections can be advanced against the scheme.

As regards the other aspects of the matter, the following is a verbatim copy of my report to the Board:—

For the Proposal.—(a.) All intercolonial traffic (*i.e.*, messages between Australia and New Zealand in both directions) will be subject to one less transmission, which must result in less delay and increased accuracy; also a reduction in the total cost of handling this traffic. (b.) It will place the Board's route in an unassailable position as regards ability to successfully compete for this traffic. (c.) Loss of revenue and prestige caused by diversion of traffic through interruptions to the Auckland-Doubtless Bay land line will be avoided. (d.) Office accommodation to be provided by the New Zealand Government in the new Auckland Post-office free of charge.

Against the Proposal.—Additional capital outlay and sinking fund on cost of Doubtless Bay-Auckland cable, plus (as an outside estimate) £1,000 additional cost for trenching cables between the west and east coast landing-places and Auckland. Against this sum must be placed (say) £3,500 as the cost of additions and alterations to the present buildings if Doubtless Bay is selected. After carefully considering the matter from all points of view, I have no hesitation in recommending the Board to adopt the Auckland scheme. I am satisfied the extra expenditure to be incurred would be justified by the obvious advantages gained in handling the traffic, and the almost certain extra revenue derivable from increased business. It should, I think, be remembered that the policy of cable companies nowadays is to bring the ends of their cables right into the heart of traffic centres. A moderate expenditure of capital, which admits of the traffic being handled with a smaller number of transmissions (and therefore with less cost), must, I think, be justified, especially when it is remembered that the tendency in the future is towards a reduction of rates."

With regard to the question raised by me in my interview with the Prime Minister and yourself concerning a proportion of the staff expenses at present incurred by your Department for manning the Doubtless Bay-Auckland wire being handed over to the Board in the event of the cables being brought to Auckland, I have informed my Board that nothing definite was decided on between us, but that some arrangement might result from negotiations on this point whereby the present annual payment made to the Board for staffing the Doubtless Bay end of the wire

might be continued. I have further advised my Board in terms of our conversation regarding a transit rate on international traffic to and from Australia passing over the new cable, informing them that it is not the intention of your Administration to ask for this.

Might I suggest, with a view to curtailing possible correspondence between my Board and your Department, which might possibly delay a decision being arrived at, that you will be good enough to communicate with the New Zealand representative on the Pacific Cable Board, confirming—(a.) That your Administration will provide the necessary office accommodation in the new post-office in Auckland free of cost to the Board. (b.) That, if possible, a spare conduit for the underground cables between Ponsonby and Auckland will be placed at the Board's disposal. (c.) That it is not the intention of your Administration to charge a "transit rate" on international traffic to and from Australia which may be handled over the new cable, and if you would kindly put forward the views of your Government on the matter generally it would, I am confident, materially assist my Board in coming to an early decision.

In conclusion, I would respectfully tender my best thanks to the Prime Minister, Sir Joseph Ward, yourself, and the officers of your Department for the courtesy and assistance rendered me in carrying out my work whilst in New Zealand.

I have, &c.,

J. MILWARD,

Manager in the Pacific.

The Secretary, General Post Office, Wellington.

[P.C. Fin. and Constr. 11/136-40.]

No. 14.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 23rd December, 1911.

Referring to the proposal that the Pacific Cable Board should lay a new cable between New Zealand and Australia, I have the honour to inform you that Mr. Milward, Manager in the Pacific for the Board, recently visited New Zealand, and made the necessary survey, as the result of which he has favourably reported to the Board that the cable should be extended from Doubtless Bay to Auckland, thence by subterranean cable to the west coast, and on by submarine cable to Australia. Mr. Milward asks that, with a view to curtailing possible correspondence, you might be advised that I have confirmed the following arrangements, which I now do: (a.) That this Administration will provide the necessary office accommodation in the new Post-office building in Auckland free of cost to the Board. (b.) That, if possible, a spare conduit for the underground cables between Ponsonby and Auckland will be placed at the Board's disposal. (c.) That it is not the intention of this Administration to charge a transit rate on international traffic to and from Australia which may be handled over the new cable.

I might add that I strongly support the proposal to bring the cable to Auckland, as I have no doubt whatever that the saving of transmissions and the cutting-out of the land line between Southport and Sydney will result in a large accession of business to the Board. I note that in his report Mr. Milward has not shown the full saving in transmissions. While it is literally correct that the traffic between Australia and New Zealand will be subject to one less transmission, it must be remembered that very little business is done with any point in Australia north of Sydney, and that the laying of a cable connected by subterranean lines with the Auckland and Sydney Post-offices will save two transmissions on all messages for Sydney and points in Australia south and west of Sydney, which should result in a material increase of traffic.

* * * * *

I have, &c.,

J. A. MILLAR,

For Prime Minister.

The Hon. Sir Wm. Hall-Jones, K.C.M.G., High Commissioner for New Zealand, London.

[P.C. Fin. and Constr. 11/169-70.]

No. 15.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

29th December, 1911.

SIR,—

I have the honour to acknowledge the receipt of your letters of the 27th October last [not printed] and 3rd ultimo, enclosing copies of the resolution passed by both Houses of the Dominion Parliament in October, approving of the Pacific cable deviation. I am forwarding copies of the resolution to the Pacific Cable Board and to the Colonial Office for the information of that Department and the General Post Office.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Fin. and Constr. 11/196.]

No. 16.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 5th January, 1912.

FOLLOWING from Pacific Cable Board to-day: "Board decided adopt Sydney-Auckland route for new cable. Disposal of Doubtless Bay buildings must remain in abeyance till scheme completed. New Zealand terminus in South Island discussed, but considered open to prohibitive physical objections apart from other disadvantages." Will communicate latter part message to Dunedin Chamber of Commerce by mail.

[P.C. Fin. and Constr. 11/190.]

[Acknowledged, 13th January, 1912.]

No. 17.

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

MY LORD,—

Downing Street, 12th January, 1912.

With reference to my despatch of the 17th August, I have the honour to transmit to your Lordship, for communication to your Ministers, the accompanying copies of the Pacific Cable Act, 1911, of the Imperial Parliament.

I have, &c.,

L. HARCOURT.

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

[P.C. Fin. and Constr. 12/51.]

Enclosure in No. 17.

(1 & 2 Geo. 5.) PACIFIC CABLE ACT, 1911. (Ch. 36.)

Chapter 36.

An Act to extend the Pacific Cable Act, 1901. (16th December, 1911.)

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1. (1.) The Pacific Cable Board may, with the approval of the Treasury, apply out of their reserve fund such sums as may be required for the purpose of any works authorized under this Act:

Provided that the sums standing to the credit of that reserve fund are not at any time thereby reduced below the sum of one hundred thousand pounds; and that the Pacific Cable Board shall pay to the reserve fund as part of the annual expenses of the Pacific cable in each year, in accordance with regulations approved by the Treasury, such sums as may be sufficient to repay any moneys so applied in thirty-five years, with interest at the rate of three and a half per cent. per annum.

(2.) Sections three to seven of the Pacific Cable Act, 1901, shall be read as if references to the Pacific cable included references to any works authorized under this Act, and as if references to the payment of annuities created under that Act included references to payments to the reserve fund required under this Act.

2. (1.) The works authorized under this Act are a submarine cable between Australia and New Zealand, as already sanctioned by the contributing Governments, and any other extensions, connections, or rearrangements in or near the Pacific Ocean which, in the opinion of all the contributing Governments, are necessary or expedient for the improvement of the Pacific Cable Board's undertaking.

(2.) The reserve fund means in this Act the reserve fund established under the authority of the Treasury by the Pacific Cable Board.

(3.) The contributing Governments mean in this Act the Governments represented on the Pacific Cable Board, namely: His Majesty's Government, the Government of Canada, the Government of the Commonwealth of Australia, and the Government of New Zealand.

3. This Act may be cited as the Pacific Cable Act, 1911.

No. 18.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

SIR,—

Westminster Chambers, 13 Victoria Street, London S.W., 16th February, 1912.

I have the honour to acknowledge the receipt of your letter of the 23rd December last, giving particulars of the arrangements confirmed by you with Mr. Milward with regard to the new cable between New Zealand and Australia. I have accordingly informed the Chairman of the Pacific Cable Board of these arrangements, and have directed his attention to your observations with reference to the need of urgency in the matter. Tenders are due on the 26th instant.

* * * * *

I take this opportunity of enclosing two copies of the Pacific Cable Act, 1911 (ch. 36), of the Imperial Parliament, authorizing the construction of the new cable.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Fin. and Constr. 12/61.]

No. 19.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

SIR,—

Westminster Chambers, 13 Victoria Street, London S.W., 5th March, 1912.

Referring to my letters of the 2nd ultimo [not printed] and 16th ultimo, I have now the honour to enclose copy of a letter from the London Manager and Secretary of the Pacific Cable Board, giving, for your information, particulars with regard to the letting of the contract for the supply and laying of the Auckland-Sydney and the Doubtless Bay - Auckland cables.

It will be seen that the successful tenderers were the Indiarubber and Guttapercha Company (Limited), Silvertown, their tender being the lowest.

I have, &c.,

WM. HALL-JONES.

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

[P. C. Fin. and Constr. 12/90.]

[Acknowledged, 29th April, 1912.]

Enclosure in No. 19.

The LONDON MANAGER AND SECRETARY, Pacific Cable Board, London, to the HIGH COMMISSIONER FOR NEW ZEALAND, London.

The Pacific Cable Board, Queen Anne's Chambers, London S.W.,
1st March, 1912.

SIR,—

I am directed to acquaint you, for the information of your Government, with the following facts in connection with the award of the contract for the supply and laying of the Auckland-Sydney and the Doubtless Bay - Auckland cables:—

The following tenders were received and opened in the presence of a subcommittee of the Board:—

Messrs. Siemens Bros. and Co. (Limited)—	£
Sydney-Auckland	135,600
Doubtless Bay - Auckland	19,400
	<hr/>
	155,000
The Indiarubber and Guttapercha Company (Limited)—	
Sydney-Auckland	133,220
Doubtless Bay - Auckland	19,200
	<hr/>
	152,420
The Telegraph Construction and Maintenance Company (Limited)—	
Sydney-Auckland	141,000
Doubtless Bay - Auckland	19,000
	<hr/>
	£160,000

The samples of the cores accompanying the tenders were sent to the Board's consulting engineers, after labels bearing only a number had been substituted for the labels bearing the contractors' names.

The engineer's report is attached. The numbers quoted refer to the samples of the contractors as follows:—

No. 1. 130/130 core ...	The Indiarubber and Guttapercha Company (Limited).
No. 2. 180/160 " ...	" "
No. 3. 180/160 " ...	Messrs. Siemens Bros. and Co. (Limited).
No. 4. 130/130 " ...	" "
No. 5. 130/130 " ...	The Telegraph Construction and Maintenance Company.
No. 6. 180/160 " ...	" "

In view of the statement that the Board's engineers regard all of the samples as fully equal to the average quality of modern guttapercha coverings, and that the sample of the core (No. 2) to be supplied by the Indiarubber and Guttapercha Company for the Sydney-Auckland cable behaved satisfactorily under tests, the Board accepted the tender of this company.

It may be mentioned that the successful tenderers—who are generally known as "Silvertown"—have manufactured and laid an enormous quantity of submarine cable, and bear a very high reputation.

I am, &c.,

A. S. BAXENDALE,
London Manager and Secretary.

The High Commissioner for New Zealand, London.

Sub-enclosure⁷ in No. 19.

Messrs. CLARK, FORDE, AND TAYLOR, London, to the LONDON MANAGER AND SECRETARY, Pacific Cable Board, London.

SIR,—

4 Great Winchester Street, London E.C., 27th February, 1912.

We yesterday received six samples of core numbered respectively 1 to 6; two samples had been furnished by each of the three contractors tendering for the above cable.

Though none of these samples were definitely marked with the contractor's name, we were able, with fair certainty, to distinguish each contractor's manufacture.

Our attention, and such examination that has been possible in the short time at our disposal, has been directed to the behaviour of the 180/160 core at different temperatures. Of the three specimens treated, those numbered 2 and 6 behaved similarly, whilst No. 3 had a tendency to soften at a lower temperature than those cores previously mentioned.

A very approximate analysis of all the specimens indicates that Nos. 1, 2, 3, and 4 are similar in composition. The result of testing Nos. 5 and 6 in the same manner goes to show that the guttapercha on these two cores is probably of a more expensive quality than that on the other four specimens.

We are not prepared, however, to take exception to any of the cores sent to us, as we regard all of them as fully equal to the average quality of modern guttapercha coverings.

The mechanical properties of all of them appear satisfactory, and it only remains for us to say that the contractor whose tender is accepted should abide by article 2 of the contract.

Yours, &c.,

CLARK, FORDE, AND TAYLOR.

A. S. Baxendale, Esq., Pacific Cable Board, London S.W.

DEFERRED CABLE MESSAGES.

ORDINARY.

[Read here Enclosure 3 in No. 53.]

No. 20.

The Hon. the ACTING PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 28th June, 1911.

I AM advised date of introduction of deferred-cable rate not yet fixed, and unlikely that arrangements will be made in near future. What is now causing hitch? Understood all difficulties had been overcome.

[P.C. Rates 11/166.]

No. 21.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 29th June, 1911.

WITH reference to your telegram of the 28th June, deferred cables: arrangements should permit introduction shortly. Will advise later.

[P.C. Rates 11/168.]

No. 22.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 3rd August, 1911.

WITH reference to proposed 1s. 6d. per word deferred cables between United Kingdom and New Zealand, do you agree terminal charge for New Zealand being half present rate for deferred cables only?

[P.C. Rates 11/201.]

No. 23.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 5th August, 1911

NEW ZEALAND agrees terminal charge deferred messages being half present rate.

[P.C. Rates 11/205.]

No. 24.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

SIR,—

Westminster Chambers, 13 Victoria Street, London S.W.,
11th August, 1911.

In continuation of my letter of the 3rd instant [not printed], I have the honour to state that on the 5th instant I received, in reply to my message of the 3rd idem, the following cablegram from you [No. 23].

I have accordingly conveyed to the Board this concurrence of the Government in a letter of which a copy is annexed.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Rates 11/230.]

Enclosure in No. 24.

The SECRETARY TO THE HIGH COMMISSIONER'S DEPARTMENT, London, to the LONDON MANAGER AND SECRETARY, Pacific Cable Board, London.

SIR,—

13 Victoria Street, London S.W., 10th August, 1911.

In reply to your letter of the 24th ultimo [not printed], on the subject of deferred cable messages at reduced rates between the United Kingdom and New Zealand, and your Board's desire to receive on behalf of the New Zealand Government an assurance that the modifications

made in the scheme will not affect their acceptance of the same, I am directed by the High Commissioner to state that he is of opinion that the abolition of the fixed period of delay and the minimum-number charge per message are improvements upon the original proposals of the Board, and on behalf of the Government he concurs in the proposal that the terminal charge in New Zealand shall be reduced to one-half the present rate. It is equally assumed that the co-partners agree to a similar reduction.

I have, &c.,

C. WRAY PALLISER,

Secretary to the Department.

The London Manager and Secretary, Pacific Cable Board,
Queen Anne's Chambers, Westminster, S.W.

No. 25.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 27th October, 1911.

ANTICIPATE that deferred-rate telegrams Britain—New Zealand will come into operation from 1st January next. Proposed at same date to introduce similar deferred rate of 2½d. word plain-language messages between New Zealand and Australia, Pacific Cable Board receiving 1½d., New Zealand, Australia ½d. each. Do you approve?

[P.C. Rates 11/232.]

No. 26.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

27th October, 1911.

SIR,—

I have the honour to enclose herein copy of a letter I have received from the Chairman of the Pacific Cable Board with regard to the question of a proposed extension to the traffic between Australia and New Zealand of the concession in regard to deferred messages in plain language that is to be applied to international traffic. As the Board suggests that, if the proposal is approved by the Governments of Australia and New Zealand, it should come into operation on the 1st January next, when the international agreement will also come into operation, I cabled to you this day on the subject, and I give hereunder a copy of the message I sent to you, and to which I now await your reply.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Rates 11/280.]

Enclosure in No. 26.

The CHAIRMAN, Pacific Cable Board, to the HIGH COMMISSIONER.

The Pacific Cable Board, Queen Anne's Chambers, London S.W.,

26th October, 1911.

SIR,—

I have the honour to inform you that at the meeting of the Board on the 24th instant the question was considered of an extension to the traffic between Australia and New Zealand of the concession in regard to deferred messages in plain language that is to be applied to international traffic under the agreement, supplementary to the regulations of the International Telegraph Convention, recently negotiated by the British Postmaster-General.

As you are aware, the application of that agreement is obligatory only in respect of messages for which the rate charged is not less than 1 franc a word. But by special arrangement between the Governments concerned the benefit of it, with or without modification, may be extended to systems on which a lower rate is chargeable, and the Board came to the conclusion that, subject to the concurrence of the Governments of Australia and New Zealand, it would be right to allow to the public of these countries advantages similar to those which the new international agreement will confer elsewhere.

It was accordingly decided to propose to these Governments that, subject to the several conditions of the said international agreement, deferred messages in plain language should be allowed to be sent between Australia and New Zealand at the reduced charge of 2½d. per word (instead of at the ordinary rate of 4½d. per word), and that the 2½d. should be divided as follows:—

To the Pacific Cable Board...	...	...	...	...	1½d.
To the Australian Government	...	...	...	...	½d.
To the New Zealand Government	...	...	...	...	½d.
Total	...	...	...	...	2½d.

It would not be desirable to fix a rate for the public which included a lower fraction of a penny than one-half; and, as regards the distribution, it appeared to the Board that, in view of the low terminal charge in New Zealand on ordinary messages, it would be equitable to allow to that country the extra ½d. that is charged over and above the actual half of the ordinary rate.

I have to request that you will be so good as to submit this proposal to your Government; and should both Governments concur, the Board would further suggest that the new arrangement should come into force on 1st January, 1912, at which date it is expected that the international agreement will also be brought into operation.

I have, &c.,

H. W. PRIMROSE, Chairman.

Sir William Hall-Jones, K.C.M.G., High Commissioner for New Zealand,
13 Victoria Street, S.W.

No. 27.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 30th October, 1911.

In reply to your telegram of 27th October, approve deferred-rate telegrams.
[P.C. Rates 11/232.]

No. 28.

The SECRETARY, General Post Office, Wellington, to the MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney.

(Telegram.)

Wellington, 15th November, 1911.

DEFERRED cables: Allocation Pacific cable one penny halfpenny, New Zealand and Australia halfpenny each. We advised High Commissioner 30th October that New Zealand approved. Has Commonwealth approved, or is it necessary for us to write Postmaster-General's Department?

[P.C. Rates 11/238.]

No. 29.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 15th November, 1911.

NEGOTIATIONS *re* deferred rates evidently being carried on direct between London administrations concerned. Am asking Board by telegraph if Commonwealth accepted, or whether necessary you write Postmaster-General's Department, Melbourne.

No. 30.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 30th November, 1911.

PROPOSED deferred-cable rates between Australia and New Zealand. Australia declines to accept halfpenny word because less than ordinary rate. This blocks proposal. Suggest you arrange solution with Australia.

[P.C. Rates 11/275.]

No. 31.

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

(Telegram.)

London, 4th December, 1911.

WITH reference to proposal of Postmaster-General for reduction in cable rates (see pages 285, 286 of Proceedings of Imperial Conference), he has arranged scheme for accepting extra-European plain-language telegrams at half present rates on condition that they might be deferred if necessary for not more than twenty-four hours. This scheme has been accepted by British cable companies, and will come into force, it is hoped, on 1st January in service with those British possessions and foreign countries which desire to accept it, and which will reduce charge made by them in respect to such telegrams by one-half. Despatch follows by mail with details. Please telegraph as soon as possible whether your Ministers accept this proposal, and will introduce similar rates from 1st January next for telegrams to the United Kingdom.

[P.C. Rates 11/282.]

No. 32.

The Right Hon. the PRIME MINISTER, Wellington, to the Right Hon. the PRIME MINISTER OF THE COMMONWEALTH, Melbourne.

SIR,—

Prime Minister's Office, Wellington, 6th December, 1911.

I have the honour to refer to the proposal which I made to you in my letter of the 9th February last [No. 24, F.—8, 1911] for the introduction of an experimental system of deferred plain-language cable messages *via* the Pacific cable between New Zealand and Australia. I was gratified to learn recently that the Pacific Cable Board agreed to the establishing of the system;

but I now regret to learn that your Government is reported to decline to accept the proposed allocation of the rate of 2½d. a word, under which you would receive ½d. I should be glad if you could see your way to reconsider the proposal. In my opinion, it is desirable that the system be given a trial; and, as the proposed allocation of rates does not appear to meet with your approval, I shall be glad to have your own proposals on that point.

I have, &c.,

J. G. WARD, Prime Minister.

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

[P.C. Rates 11/277.]

No. 33.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 6th December, 1911.

BOARD advise to-day deferred plain-language scheme at half existing rates will come into force on 1st January. This applies to all international traffic, but not between Australia and New Zealand, or between Australia and Norfolk Island and Fiji. Am posting copy rules and regulations under which these messages accepted.

[P.C. Rates 11/285.]

No. 34.

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

MY LORD,—

Downing Street, 7th December, 1911.

With reference to my telegram of the 4th December, I have the honour to transmit to you, for the information of your Ministers, the accompanying copy of the conditions of the proposed service of deferred plain-language telegrams at reduced rates.

I have, &c.,

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

L. HARCOURT.

[P.C. Rates 11/266.]

Enclosure in No. 34.

DEFERRED TELEGRAMS AT REDUCED RATES.

1. The sender of a private telegram in the extra-European service may obtain the benefit of a reduction of 50 per cent. in the charge on condition that the telegram is written in plain language, as defined hereafter, and that it is not transmitted until after telegrams charged for at the full rate.

Form and Handing in.

2. *Declaration by Sender.*—The sender must sign, when handing in the telegram, a declaration giving a formal assurance that the text is entirely in plain language, and that it does not bear any meaning other than that which appears on the face of it. The declaration must specify the language in which the telegram is written.

3. *Supplementary Instructions.*—The sender of a deferred telegram at reduced rates must insert before the address the supplementary instruction LC completed as is laid down in paragraph 4. This instruction is counted in the number of words charged for.

4. *Form.*—The text of deferred telegrams must be written entirely in plain language, and must not contain any figures, commercial marks, groups of letters, or signs of punctuation or abbreviated expressions (Article VII of International Regulations). Any telegram containing a succession of isolated letters, of numbers, of names, or of words without connected meaning, and, generally, any telegram which does not in the opinion of the telegraph service bear an intelligible meaning on the face of it is not admitted to the benefit of the reduced rate. Registered addresses are accepted if accompanied by a text which makes their nature clear. Numbers must be written in words.

Telegrams without text are not admitted.

Telegrams at reduced rates must be written in French, or in one of the languages of the country of origin or destination, specified by the administrations concerned, and authorized for international telegraphic correspondence in plain language. According as the language employed is French, a language of the country of origin, or a language of the country of destination, the supplementary instruction LC is completed and becomes LCF, LCO, or LCD. The use of two or more languages in the same telegram is not allowed.

The wording of the address and the signature of these telegrams is governed by the rules in force for ordinary telegrams.

5. *Counting of Words.*—The words in the address, in the text, and in the signature are counted according to the rules in force for ordinary telegrams.

Rates and Charges.

6. *Régime.*—Deferred telegrams at reduced rates are admitted in the service between countries in the European Régime and countries in the Extra-European Régime (including Senegal). As regards the service between countries in the Extra-European Régime (including Senegal), except by special arrangement to the contrary, deferred telegrams are only admitted if the charge for ordinary telegrams is not less than 1 franc per word.

7. *Rates.*—The terminal and land and submarine cable transit rates in the case of deferred telegrams are reduced uniformly by 50 per cent.

When a deferred telegram is diverted in consequence of an interruption of route, the rates which are shared *pro rata* are half those which would accrue to the different administrations for a telegram charged for at the full rate if it were similarly diverted.

8. *Application of Full Ordinary Rate to Irregular Telegrams.*—The telegraph administrations reserve the right to refuse at the reduced rate any telegram which in their opinion is not in accordance with the foregoing conditions.

When the delivery office observes that a telegram bearing one of the supplementary instructions L C F or L C D does not comply with these conditions, the telegram is treated in the same way as one containing irregular combinations.

9. *Order of Transmission*—Deferred telegrams are only transmitted after non-urgent private telegrams and Press telegrams. Those which have not reached their destination within a period of twenty-four hours from the time of handing in are transmitted in turn with telegrams charged for at the full rate.

10. *Delivery.*—Telegrams at reduced rates are delivered in turn with telegrams at full rates.

11. *Special Services.*—Telegrams at reduced rates may bear any of the supplementary instructions except that relating to urgency. The rates applicable to the various special services desired by the sender of a deferred telegram (paid service telegrams, conditions of delivery, R.P., T.C., &c.) are the same as in the case of ordinary telegrams. The corresponding supplementary instructions are charged for at the reduced rate. Telegraph money-orders and maritime telegrams are not admitted at the reduced rate.

12. *Reimbursement.*—The period for reimbursement on account of delay in the case of a deferred telegram is in every case fixed at three times twenty-four hours.

13. *Accounts.*—The accounts are drawn up in accordance with the conditions set forth in Article LXXVI of the International Regulations, each word in a deferred telegram being counted as half a word.

14. *General Conditions.*—Telegrams at reduced rates are subject to all the conditions of the International Regulations which do not conflict with the foregoing conditions.

No. 35.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 21st December, 1911.

I have the honour to acknowledge the receipt of your letter of the 27th October last, in reference to the proposal for the establishing of a system of deferred cable messages between New Zealand and Australia.

I confirm my cable message of the 30th October last approving of the proposal, and acknowledge the receipt of your cable message of the 30th ultimo.

The Commonwealth Government will be communicated with in the matter.

I have, &c.,

J. G. WARD, Prime Minister.

The Hon. Sir Wm. Hall-Jones, K.C.M.G., High Commissioner for New Zealand, London.

[P.C. Rates 11/287.]

No. 36.

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

(Telegram.)

London, 22nd December, 1911.

REFERRING to proposals for half-rate telegrams in plain language, it has been suggested to Postmaster-General that, in addition to service between British dominions on one hand and United Kingdom on other hand, it would be advantageous to arrange for introduction of scheme also on 1st of January in service between dominions themselves where full rate is not less than tenpence a word, as well as between dominions and United States of America, Germany and German colonies of Togo, Cameroons, South-west Africa, and East Africa; also wish to introduce scheme in service to and from British dominions and United States of America on 1st of January. Postmaster-General would be glad to learn that you can arrange to accept half-rate telegrams from other British dominions, from United States of America, and from Germany and German colonies terminal and transit on and from 1st of January, and if possible to accept at your offices half-rate telegrams to the same destinations. Please reply by telegraph. Names of dominions accepting this proposal will be telegraphed to you later.

[P.C. Rates 11/289.]

No. 37.

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

(Telegram.)

Wellington, 23rd December, 1911.

NEW ZEALAND agrees proposal half-rate telegrams dominions and other countries named.

[P.C. Rates 11/291.]

No. 38.

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

(Telegram.)

London, 6th January, 1912.

LIST of dominions and countries which are accepting half-rate telegrams: United Kingdom, Aden, Antigua, Ascension, Australia, Bahamas, Barbadoes, Bathurst, Bermuda, British Guiana, British North Borneo, Canada, Ceylon, Cocos, Cyprus, Dominica (Island), East Africa and Uganda, Fanning Island, Fiji (Levuka and Suva), Gold Coast, Grenada, Hong Kong (*via* Eastern and Indo only), India and Burmah, Jamaica, Labuan, Mauritius, Newfoundland, New Zealand, Nigeria Northern, Nigeria Southern, Norfolk Island, Perim, Rhodesia Southern, Rodriguez, St. Helena, St. Kitts, St. Lucia, St. Vincent, Seychelles, Sierra Leone, Somaliland, South African Union, Straits Settlements, Federated Malay States, Trinidad, Turks Islands, Zanzibar, France, Algeria, Tunis, Germany, Portugal; German colonies of Togo, Cameroons, South-west and East Africa (with European countries only); China (with Great Britain, France, Algeria, Tunis, Germany, Portugal only); Cuba (with Canada and European countries only); United States (*via* Commercial to all destinations to which the trans-Atlantic cables are a normal route, *via* Western Union to European countries only).

[P.C. Rates 12/100.]

No. 39.

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

(Telegram.)

Adelaide, 6th January, 1912.

THANKS *re* Canada. London now advises me company will accept for United States of America *via* Europe, but German colonies not yet settled.

[P.C. Rates 12/99.]

[Other countries and places added since.]

No. 40.

The Right Hon. the PRIME MINISTER OF THE COMMONWEALTH, Melbourne, to the Right Hon. the PRIME MINISTER, Wellington.

SIR,—

Melbourne, 22nd January, 1912.

Adverting to your letter of the 6th ultimo, with respect to a proposal for the introduction of an experimental system of deferred plain-language cable messages *via* the Pacific cable between Australia and New Zealand, I have the honour to inform you that my colleague the Postmaster-General has given this matter further consideration, but is unable to agree to a reduction in the terminal rate on messages exchanged with New Zealand, which would involve transmitting those messages within Australia at a rate less than is charged for the transmission of messages between places in the Commonwealth.

I have, &c.,

ANDREW FISHER.

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

[P.C. Rates 12/105.]

No. 41.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

SIR,—

Dixon's Buildings, 64 Pitt Street, Sydney, 31st January, 1912.

I have the honour to acknowledge the receipt of your letter of the 25th instant [not printed], covering a copy of letter from Messrs. Dexter and Crozier (Limited), Christchurch, complaining they were unable to send cablegrams to the United States of America at deferred rates.

You are, I think, already aware that the Pacific Cable Board and the Governments concerned are willing and anxious to extend the deferred-rate system to America, but so far my Board have not succeeded in inducing the American telegraph companies to grant this privilege to traffic from Australasia reaching America by the Pacific route.

The matter is still receiving the urgent attention of the Board, and very strong representations have been made to the American companies regarding their action, which I hope will result in a satisfactory agreement being arrived at very shortly.

Meanwhile I am submitting a copy of Messrs. Dexter and Crozier's letter to my Board for their information.

I have, &c.,

J. MILWARD,

Manager in the Pacific.

The Secretary, Post and Telegraph Department, Wellington.

[P.C. Rates 12/35.]

[Communicated to Messrs. Dexter and Crozier, 12th February.]

No. 42.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

SIR,—

Prime Minister's Office, Wellington, 20th February, 1912.

I have the honour to forward herewith three copies of an Order in Council dated the 6th instant, making regulations for the transmission of deferred telegrams to places beyond New Zealand.

I have, &c.,

J. G. WARD, Prime Minister.

The Hon. Sir Wm. Hall-Jones, K.C.M.G., High Commissioner for New Zealand, London.
[P.C. Rates 12/77.]

[Copies of the regulations were also sent to the Chairman, Pacific Cable Board, London; the Manager in the Pacific, Pacific Cable Board, Sydney; the Superintendent, Pacific Cable Board, Doubtless Bay; the Superintendent, Eastern Extension Australasia and China Telegraph Company (Limited), Wakapuaka.]

Enclosure in No. 42.

DEFERRED TELEGRAMS TO PLACES BEYOND NEW ZEALAND.

ISLINGTON, Governor.—ORDER IN COUNCIL.

At the Government Buildings, at Wellington, this sixth day of February, 1912. Present: The Right Hon. Sir J. G. Ward, Bart., presiding in Council.

WHEREAS by Order in Council dated the seventeenth day of January, one thousand nine hundred and ten, and published in the *New Zealand Gazette* of the eighteenth day of January, one thousand nine hundred and ten, regulations were made under the authority of the Post and Telegraph Act, 1908 (hereinafter termed "the said Act"), *inter alia* prescribing the conditions under which telegrams are accepted for transmission to places beyond New Zealand and fixing the rates therefor: And whereas it is desirable to make further regulations in that behalf:

Now, therefore, His Excellency the Governor of the Dominion of New Zealand, in pursuance and exercise of the power and authority conferred upon him by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, doth hereby make the additional regulations set forth in the Schedule hereto, and doth hereby declare that the said regulations shall come into force on the date of the publication of this Order in Council in the *New Zealand Gazette*.

SCHEDULE.

DEFERRED TELEGRAMS TO PLACES BEYOND NEW ZEALAND.

1. If the sender of a private telegram in the International service writes the telegram in plain language, in accordance with Regulation 4 hereof, and agrees that it shall be withheld from transmission under the conditions hereinafter set forth, the charge for the said telegram shall be reduced to one-half the charge at the ordinary tariff rate. Telegrams so withheld from transmission shall be called "deferred telegrams."

Declaration by Sender.

2. The sender of a deferred telegram shall, when handing it in at a telegraph office, sign a declaration that the text is entirely in plain language, and that it does not bear any meaning other than that which appears on the face of it. The declaration shall specify the language in which the telegram is written.

Supplementary Instructions.

3. The sender of a deferred telegram shall insert before the address the supplementary instruction "LC" completed as prescribed by Regulation 4 hereof. This instruction shall be counted in the number of words charged for.

Form.

4. The text of deferred telegrams shall be written entirely in plain language, and shall not contain any figures, commercial marks, groups of letters, signs of punctuation, or abbreviated expressions. Any telegram containing a succession of isolated letters, of numbers, of names, or of words without connected meaning, and generally any telegram which does not, in the opinion of the telegraph officer to whom it is presented for transmission, bear an intelligible meaning on the face of it, shall not be treated as a deferred telegram.

Registered addresses will be accepted if accompanied by a text which makes their nature clear.

Numbers shall be written in words.

Deferred telegrams without text shall not be admitted.

Deferred telegrams shall be written in French, or in one of the languages of the country of origin or of destination specified by the administrations concerned and authorized for international telegraphic correspondence in plain language. According as the language employed is French, a language of the country of origin, or a language of the country of destination, the supplementary instruction "LC" shall be completed, and become "LCF," "LCO," or "LCD." The use of two or more languages in the same telegram shall not be allowed.

The wording of the address and the signature of deferred telegrams shall be governed by the rules in force for ordinary telegrams.

Counting of Words.

5. The words in the address, in the text, and in the signature shall be counted according to the rules in force for ordinary telegrams.

Régime.

6. Deferred telegrams shall be accepted for transmission from New Zealand to any country in the European Régime. Deferred telegrams may only be accepted for transmission from New Zealand to any country in the Extra-European Régime (including Senegal) if the charge for ordinary telegrams is not less than 9½d. per word, unless special arrangements have been made for acceptance at a lower rate.

Telegraph money-orders and maritime telegrams shall not be admitted as deferred telegrams.

Rates.

7. The terminal and land and submarine cable transit rates for deferred telegrams shall be respectively one-half the rates charged for ordinary telegrams.

When a deferred telegram is diverted in consequence of an interruption of route, the rates which are shared *pro rata* shall be half those which would accrue to the different administrations for a telegram charged for at the full rate if it were similarly diverted.

Application of Full Ordinary Rate to Irregular Telegrams.

8. The Telegraph administrations reserve the right to refuse to accept at the reduced rate any telegram which, in their opinion, is not in accordance with the foregoing conditions.

When the delivery office observes that a telegram bearing one of the supplementary instructions "L C F" or "L C D" does not comply with these conditions, the telegram shall be charged for at the ordinary rate.

Order of Transmission.

9. Except as hereinafter in this regulation provided, deferred telegrams shall be transmitted only after non-urgent private telegrams and Press telegrams. Those which have not reached their destination within twenty-four hours from the time of handing in shall be transmitted in turn with ordinary telegrams.

Delivery.

10. Deferred telegrams shall be delivered in turn with ordinary telegrams.

Special Services.

11. Deferred telegrams may bear any of the supplementary instructions applicable to ordinary telegrams except that relating to urgency. The rates applicable to the various special services (if any) desired by the sender of a deferred telegram shall be the same as for ordinary telegrams. The corresponding supplementary instructions shall be charged for at the reduced rate.

Reimbursement.

12. If, owing to the fault of the telegraph service, any deferred telegram is not delivered within seventy-two hours from the time of acceptance, the full cost of that telegram may be refunded in accordance with Regulation 92 of the regulations hereinbefore recited relating to the transmission of telegrams beyond New Zealand.

Accounts.

13. Accounts for deferred telegrams shall be drawn up in accordance with the conditions set forth in Regulation LXXVI of the International Telegraph Convention and Service Regulations, each word being counted as half a word.

General Conditions.

14. Except as otherwise expressly provided in these regulations, deferred telegrams shall be subject to all the conditions of the International Telegraph Convention and Service Regulations.

DEFERRED PRESS TELEGRAMS.

15. If the sender of a Press telegram addressed to Vancouver or to Great Britain agrees that it shall be withheld from transmission as hereinafter set forth, the charge for the said telegram shall be reduced in the manner following. Press telegrams so withheld from transmission shall be called "deferred Press telegrams."

16. The sender of a deferred Press telegram shall insert before the address the word "deferred," which shall be counted in the number of words charged for.

17. Deferred Press telegrams shall be subject to all the conditions of the International Telegraph Convention and Service Regulations relating to the acceptance of Press telegrams.

18. Deferred Press telegrams shall be transmitted only after non-urgent private telegrams and ordinary Press telegrams. Those which have not reached their destination within a period of eighteen hours from the time of handing in shall be transmitted in turn with telegrams charged for at the full rate.

19. The charge for deferred Press telegrams exchanged between New Zealand and Great Britain shall be reduced to one-half the charge at the ordinary Press rate, and the charge for such telegrams exchanged between New Zealand and Vancouver shall be reduced to 1½d. per word.

J. F. ANDREWS,
Clerk of the Executive Council.

No. 43.

The MANAGER IN THE PACIFIC, Pacific Cable Board (at Auckland), to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 4th March, 1912.

PACIFIC Cable Board advises Western Union prepared establish deferred system between Australasia and United States *via* Pacific. What date do you propose service should begin? Suggest fifteenth instant. This will allow time final arrangements be made.

[P.C. Rates 12/108.]

No. 44.

The SECRETARY, General Post Office, Wellington, to the MANAGER IN THE PACIFIC, Pacific Cable Board (at Auckland).

(Telegram.)

Wellington, 5th March, 1912.

FIFTEENTH will suit us for date to commence deferred system between New Zealand and United States.

No. 45.

The MANAGER IN THE PACIFIC, Pacific Cable Board (at Auckland), to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 14th March, 1912.

BOTH Western Union and Postal Telegraph companies have agreed adopt deferred plain-language scheme between New Zealand and United States America, from fifteenth instant. Rates in all cases exactly half, but strictly confined to United States and Canada; Alaska does not adhere. Both Western Union and Postal reserve right to withdraw from arrangement if found unsatisfactory.

[P.C. Rates 12/126.]

P R E S S.

No. 46.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 16th November, 1911.

PRESS cables. It is proposed to bring into force from 1st January next deferred rate, 4½d. word, liable to delay of twelve hours; this allowing Atlantic 2½d., Pacific 1½d., New Zealand or Australia ½d. word. Do you approve?

[P.C. Press 11/49.]

No. 47.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.)

Wellington, 18th November, 1911.

DEFERRED Press cable rates: New Zealand agreeable accept halfpenny word.

[P.C. Press 11/51.]

No. 48.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 6th December, 1911.

PACIFIC Cable Board advises to-day reduced rates for deferred Press telegrams between Australasia and United Kingdom take effect from to-morrow; rate fourpence halfpenny for Press messages, subject to delay of eighteen hours. Canadian Australasia Press rates remain unaltered; anyway, till Board meets on 12th.

[P.C. Press 11/54.]

No. 49.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

(Telegram.)

London, 6th December, 1911.

WITH reference to my telegram of 16th November, deferred Press cables, rates will come into operation fully 15th December, but cables *via* Western Union, Anglo-American, and Direct United States companies can be sent from this end forthwith. Postmaster-General has anticipated date of commencement.

[P.C. Press 11/60.]

No. 50.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

Westminster Chambers, 13 Victoria Street, London S.W.,
7th December, 1911.

SIR,—

Referring to my letter of the 22nd ultimo [not printed], and to previous correspondence with regard to Press cablegrams at deferred rate, I have the honour to state that the introduction of this deferred Press cable rate service has been anticipated, and instead of commencing on the 1st January next it was partially started on the 6th instant, and will come into operation fully on the 15th instant. I accordingly telegraphed you yesterday.

A cutting from *The Times*, giving the Postmaster-General's speech in the House of Commons on the 5th instant announcing the commencement of this deferred-rate service, is annexed. [See Enclosure in No. 51.]

I have, &c.,

WM. HALL-JONES.

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

[P.C. Press 12/6.]

No. 51.

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

MY LORD,—

Downing Street, 8th December, 1911.

With reference to my despatch of the 7th December, I have the honour to transmit to you, for the information of your Ministers, the accompanying copy of a statement made by the Postmaster-General in the House of Commons on the 5th December with regard to reductions in telegraph rates.

I have, &c.,

L. HARCOURT.

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

[P.C. Press 11/86-90.]

Enclosure in No. 51.

[Extract from Official Report, 5th December.]

PRESS CABLEGRAMS (BRITISH EMPIRE).—REDUCED RATES.

Mr. CROFT asked the Postmaster-General whether he can yet give any information with regard to the improvement in cable-communication between the Mother-country and the dominions.

Sir GEORGE TOULMIN asked the Postmaster-General whether, in view of the resolutions passed at the Imperial Conference in favour of an improvement in cable-communication between this country and the self-governing dominions, he is in a position to announce the result of any steps he has been able to take to give effect to those resolutions?

Mr. HERBERT SAMUEL.—A strong desire was expressed by the dominion representatives at the Imperial Conference for the cheaper transmission of Press cablegrams between the various portions of the Empire. With this desire His Majesty's Government are in cordial sympathy, regarding the easy communication of information of common interest as of prime importance in strengthening the cohesion of the Empire. I have been in correspondence with the Western Union Telegraph Company of the United States in connection with the leasing by that company of the cables of the Anglo-American Telegraph Company and of the Direct United States Company. The cables of the Atlantic companies are fully employed during a few hours of the day, but less fully during the remaining hours. I am glad to be able to announce that, in view of this fact, the three companies referred to have consented to accept Press messages which are not of an urgent character, and which may be postponed to the more urgent traffic, at one-half of the present rates. For the present the deferment may be less, but will not be more, than nineteen hours reckoned from the clock time of acceptance in the country of origin to the clock time of delivery in the country of destination, except that, if the cables are congested, some further delay may be unavoidable. I have also obtained the consent of the Pacific Cable Board and of the Australian Government to a similar reduction in their charges for Press messages of this class. The tariff of the New Zealand Government was already very low, and a further diminution was not asked. The effect will be that the rates for these deferred Press telegrams between the United Kingdom on the one hand, and Canada, as well as the United States, on the other, will be 2½d. a word instead of 5d. as now; and between the United Kingdom and Australia and New Zealand the rate will be 4½d. a word instead of 9d. I am in communication with the Commercial Cable Company also on this question. I regret that I have not yet been able to arrange for a similar reduction in cablegrams to and from India and South Africa, but the Eastern Telegraph Company has consented to carry the Australasian cablegrams at the reduced rate in the event of interruption to the Pacific cable. The service will come into full operation on the 15th instant, but the Western Union, Anglo-American, and Direct United States companies will be prepared to accept the Press telegrams at the reduced rates at their own offices on and from to-morrow. The Western Union Company proposes also, of its own initiative, to establish at once for the use of the public a system of so-called "night letters" and "week-end letters" between this country and places in Canada and the United States. These will be plain-language cablegrams carried at largely reduced rates. "Night letters" will be delivered on the morning of the second day after they are handed in. The charge per word will be rather more than quarter the usual rate, with a

minimum of 6s. for twenty words or less. The "week-end letters" will be accepted on or before Saturdays for delivery on the following Tuesdays. The charge per word will be about one-fifth of the present rate, with a minimum of 6s. for thirty words or less. On and from the 15th instant the Post Office will receive these messages and co-operate in forwarding them by post or telegraph, according to rules which will be announced. For the present, Press telegrams at the reduced rates and the new letter-telegrams will be sent by the cables of the Western Union Telegraph Company and the two allied companies which I have already mentioned, and, so far as North America is concerned, can only be sent to places on the Western Union Company's system. I am glad to say also that the negotiations which have been proceeding for some time with the cable companies for reducing by one-half the rates for plain-language non-urgent cablegrams between the United Kingdom, India, the dominions, the Crown colonies, and the United States have proved successful, and the new arrangements will take effect on the 1st of January next. I anticipate that the concurrence of certain foreign administrations will soon be obtained, and that the scheme will shortly be extended to many other parts of the world. Under the new regulations of the Telegraph Convention the use of codes has been largely extended, and code telegrams can be sent cheaply. I hope that the new tariffs will be of service to the senders of Press and private messages in plain language which are not of an urgent character, with respect to which the existing rates press heavily. No appreciable cost will fall upon the Treasury through these charges.

* * * * *

Mr. HARRY LAWSON.—During which hours will Press telegrams at reduced rates be accepted?

Mr. HERBERT SAMUEL.—Press telegrams at reduced rates for transmission to the United States, Canada, Australia, and New Zealand will be accepted at any hours.

No. 52.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 14th December, 1911.

BOARD advise deferred Press rate between Vancouver and Australasia will apply from to-morrow. Land-line rate between Bamfield and Vancouver now standing at one farthing. Cannot be further reduced. Total rate will thus be one penny three farthings. Proportions: New Zealand, halfpenny; Pacific Cable Board, one penny farthing. No alteration in Fiji intercolonial traffic, but deferred Press at half-rates applies throughout Pacific on international messages.

[P.C. Press 11/62.]

PROPOSED ATLANTIC CABLE, PROPOSED CANADIAN LAND LINE, AND REDUCTION IN CABLE RATES.

No. 53.

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

MY LORD,—

Downing Street, 2nd March, 1911.

With reference to my despatch of the 20th of January [not printed], forwarding the agenda for the Imperial Conference, I have the honour to transmit to you, to be laid before your Ministers, copies of memoranda which have been prepared by the General Post Office on the subject of the resolutions to be moved at the Conference in favour of a State-owned Atlantic cable, a State-owned telegraph-line across Canada, and the cheapening of cable rates.

2. These memoranda will no doubt serve as a convenient basis for discussion at the Conference.

3. I have to add that it is not yet possible to furnish a memorandum dealing with the resolution to be moved by the Government of New Zealand in favour of the construction of a chain of British State-owned wireless-telegraph stations. It will, however, be seen from paragraph 2 of the memorandum on cheaper cable rates that this resolution is receiving the consideration which its great importance and far-reaching issues dictate.

I have, &c.,

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

L. HARCOURT.

[P.C. Fin. 11/37.]

Enclosure 1 in No. 53.

MEMORANDUM.—STATE-OWNED ATLANTIC CABLE.

RESOLUTION of New Zealand Government:—

"That, in order to secure a measure of unity in the cable and telegraph service within the Empire, the scheme of telegraph cables be extended by the laying of a State-owned cable between England and Canada, and that the powers of the Pacific Cable Board be extended to enable the Board to lay and control such cable."

Resolution of the Australian Government :—

“That this Conference strongly recommends the nationalization of the Atlantic cable in order to cheapen and render more effective telegraphic communication between Great Britain, Canada, Australia, and New Zealand by thus acquiring complete control of all the telegraphic and cable lines along the ‘all-red’ route.”

1. There are the following objections to the provision of a State-owned cable across the Atlantic for Pacific cable traffic :—

(1.) The traffic passing over the Atlantic to or from the Pacific cable (amounting, roughly, to about 1,000,000 words per annum) would not constitute a sufficient load to make it possible to work the cable otherwise than at a loss. If the cable is not fully employed any reduction in rates would increase the loss.

(2.) It would not be possible to supplement this traffic by competing for Canadian or United States business, for the following reasons :—

(a.) There would be no certainty of obtaining the use of connecting land lines, as the inland telegraphs in Canada as well as in the United States are in the hands of private companies in alliance with those cable companies with which the State-owned cable would be competing.

(b.) It would not be practicable to make satisfactory arrangements with the competing cable companies for the handling of the traffic in the event of the interruption of the Government cable—a contingency to which cables in the North Atlantic are much exposed. It would therefore be necessary either to submit to unsatisfactory agreements or to lay two cables, thus adding greatly to the cost.

(c.) As regards traffic from the United Kingdom, the Post Office is bound (under an agreement which dates from the time of the purchase of the inland telegraphs by the State in 1870) to hand to one of the cable companies all messages for North America which are handed in without indication of route by the sender.

(3.) The possible development of wireless telegraphy in the future would make ownership of transatlantic cables a very speculative undertaking.

2. The objects of the proposal are to secure cheapness and efficiency.

The existing service does not give rise to complaints of inefficiency. Indeed, the service is generally looked upon as efficient.

As regards cheapness,—

(1.) The British and American transatlantic cable companies have agreed, so far as they are concerned, to the proposal to charge half-rates for deferred telegrams in plain language (see section 4 of the memorandum on the resolution relative to the cheapening of cable rates which is to be moved by the Government of New Zealand).

(2.) The Postmaster-General hopes that he may find the cable companies not unwilling to make a reduction in the rates for Press telegrams.

(3.) He hopes also that it will be found possible to impose Government control of the rates charged by those companies. One of them, indeed, has already intimated its readiness to accept such control (see section 3 of the above-mentioned memorandum on the resolution of the Government of New Zealand).

There is accordingly a prospect of obtaining the end in view without the expenditure and the risk which the laying of the cable by the State would entail.

3. If it would be to the advantage of the Pacific Cable Board in the handling of their traffic to have direct control over a wire across the Atlantic it might be possible to secure the partial use of one of the existing cables for this traffic by an arrangement with a private company, and by such an arrangement also provide an alternative line in the event of interruption.

General Post Office, London, 24th February, 1911.

Enclosure 2 in No. 53.

MEMORANDUM.—STATE-OWNED TELEGRAPH-LINE ACROSS CANADA.

RESOLUTION of New Zealand Government :—

“That, in order to facilitate the handling of the traffic and to insure entire control over the route in which it is engaged, the powers of the Pacific Cable Board be extended to enable the Board to work a land line across Canada.”

The proposal for the construction of a telegraph-line across Canada is put forward in connection with the proposal for the provision of a State-owned cable across the Atlantic, and it may be that it is regarded as dependent on the decision to be arrived at with regard to that provision.

The Postmaster-General understands that the arrangement under which the Pacific Cable Board have taken a lease of a line between Montreal and the Pacific coast has enabled them to effect a marked improvement in working on the section on which such improvement was required.

If the Pacific Cable Board are dissatisfied with the working of the companies which provide communication between Montreal and the Atlantic coast, a remedy might be found in a similar lease of a private wire over that section.

The provision of a State-owned line across Canada would necessitate a heavy outlay, and in the absence of a working arrangement with one or other of the companies controlling the land lines in Canada, reliance on a single line would expose the service to the risk of dislocation in the case of interruption.

General Post Office, London, 24th February, 1911.

Enclosure 3 in No. 53.

MEMORANDUM.—CHEAPENING OF CABLE RATES.

RESOLUTION of New Zealand Government:—

“That, in view of the social and commercial advantages which would result from increased facilities for intercommunication between her dependencies and Great Britain, it is desirable that all possible means be taken to secure a reduction in cable rates throughout the Empire.”

1. The Postmaster-General is in entire sympathy with this resolution. It is eminently desirable that the rates for cable-communication throughout the Empire should, in the interests of commercial and social intercourse and of the dissemination of news, be as low as is consistent with the adequate maintenance and the financial stability of the system.

2. Among the various methods which have from time to time been advocated for the purpose of bringing about a reduction of rates, the most prominent have been the acquisition of the cable system by the State, competition by the agency of State-owned cables, cables of new companies, land lines, and wireless telegraphy.

The policy of purchase by the State has never been seriously urged. It would be a financial transaction of great magnitude and doubtful profit. It is not likely that the service would be improved under State management. The State would be exposed to urgent demands for the adoption of an unremunerative tariff which it might be difficult to resist. The State could not purchase the cables landed on foreign territory which serve as links in the great lines of commercial communication, or as valuable feeders for the main system. Moreover, wireless telegraphy is making advances which, at the best, would make it a somewhat hazardous speculation to embark a large amount of capital on a submarine-cable system.

Neither can competition by State-owned cables be recommended. Such a measure is open to the same objections as State purchase, while it would in certain cases have the disadvantage of weakening lines which it is important on national grounds to maintain in a sound position.

Competition by new companies which would be formed if rates were excessive would tend to bring these rates to a natural level. But there is no prospect of such companies coming forward under present conditions. The support of new companies by subsidies would involve Government competition in another form. Such competition has arisen in recent years through the successful efforts of foreign countries to provide through the State, or by means of State support, new lines of cable independent of British territory; but this is merely an unmixed disadvantage to British cable interests.

Competition by land lines could only apply to a small portion of the Empire, and the encouragement of a competitive tariff by this agency would tend to transfer the traffic from Imperial lines to foreign Powers.

Competition by wireless telegraphy may one day materially modify the existing situation, and the resolution of the New Zealand Government in favour of the establishment of a State-owned chain of wireless-telegraph stations is receiving the consideration which its great importance and far-reaching issues demand. But, in the only case in which a long-distance shore-to-shore service has actually been established (that of the Marconi Company's service between Ireland and Canada) it has not as yet proved itself a serious competitor with the cable companies for ordinary commercial communication.

3. Assuming that the existing cable system must virtually be dealt with as it stands, the most suitable method of insuring a moderate tariff is regulation by the Government.

The most effective weapon which the State possesses for this purpose is the right of attaching conditions to the grant of landing-rights.

The following resolution of the Cape Government, which was adopted at the Conference of 1907—“That landing licenses should not operate for a longer period than twenty years, and that when subsidies are agreed to be paid they should be arranged on the standing-revenue principle—*i.e.*, half the receipts, after a fixed gross revenue has been earned, to be utilized for the extinguishment of the subsidy, and, by agreement, for the reduction of the rates”—recognizes the importance of this right of the State by providing that grants of landing-rights should not be for a period of more than twenty years, and recommends the adoption of an arrangement for the reduction of rates on a sliding scale which is based not on competition, but on regulation.

Once the State has granted the requisite landing-rights, its power of control under the present form of license would be exhausted until the company are under the necessity of obtaining a renewal.

The Postmaster-General now proposes that, so far as practicable, advantage should be taken of the opportunity of applications for the grant or renewal of landing-rights in the United Kingdom for cables serving the purposes of Imperial communications, to impose a measure of Government control over the companies' rates. The proposal is that whenever such a course appears necessary the rates should be fixed by the Government at whatever amount is found to be reasonable with reference to the company's receipts and necessary expenditure, and that, in the event of difference, the matter should be referred to arbitration.

4. The control of rates will apply to the future rather than to the present, and the Postmaster-General is not in a position to say what rates might be imposed when the desired power of control has been secured.

On the last occasion on which the question of telegraph rates formed the subject of an inquiry, the Inter-Departmental Committee on Cable Communications, which sat under the presidency of Lord Balfour of Burleigh in 1901, reported that they were not prepared to say that the rates then in existence (with one or two minor exceptions) were excessive; and since that date a good many of these rates (including the exceptional rates in question) have been further reduced, while those persons who make use of codes have been enabled to effect a large saving owing to the grant by the International Telegraph Conference of London in 1903 of the privilege of making up artificial words.

While the rates charged for ordinary commercial telegrams in code may be capable of further reduction, it must be recognized that, owing to the great power of compression afforded by the present very liberal code regulations, the rates fixed by the tariff are very largely reduced when regard is had to the number of words of which the meaning is actually conveyed. On the other hand, there are large sections of the community who are compelled, owing to the circumstances in which their telegrams are necessarily sent, to use plain language, and who are therefore practically debarred from deriving any benefit from arrangements which are intended in theory to be open equally to all users of the international telegraph system. These considerations led the Postmaster-General to associate himself with a scheme suggested some time ago by the Postmaster-General of the Commonwealth of Australia, supported by the Prime Minister of New Zealand and the Postmaster-General of Canada, and elaborated by the Pacific Cable Board, for the introduction of a reduced rate for telegrams in plain language, on the condition that telegrams accepted at the reduced rate will be liable to be deferred in favour of telegrams paid for at the ordinary tariff. The object of the scheme is to recognize the equitable claims of the sections of the public on whom the high charge for the cable service presses with undue severity, and, in doing so, to encourage them to make a more extensive use of the telegraph. The scheme has been actively pursued by the Postmaster-General, and met with the approval of the principal cable companies, and it is now forming the subject of negotiations with certain of the Government administrations concerned. The Postmaster-General hopes that these negotiations will soon be brought to a successful issue, so that what he regards as a valuable reform may shortly be introduced.

Apart altogether from the rates which it might be proper to charge for ordinary or deferred (plain language) telegrams, the Postmaster-General thinks that in the public interest the cable companies might well be pressed to concede further substantial reductions in the rates for Press telegrams, and he proposes to use his influence in this direction as soon as it is possible to do so without jeopardizing the success of the other negotiations.

General Post Office, London, 24th February, 1911.

No. 54.

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

MY LORD,—

Downing Street, 2nd August, 1911.

With reference to my despatch of the 2nd March, I have the honour to transmit to you, to be laid before your Ministers, copies of two resolutions passed by the Imperial Conference relative to the questions of the reduction of cable rates throughout the Empire and the laying of a State-owned cable between England and Canada.

I have to observe that the views of His Majesty's Government on these questions were made sufficiently clear by the Postmaster-General in the course of the Conference discussions.

I have, &c.,

Governor the Right Hon. Lord Islington, K.C.M.G., D.S.O., &c.

L. HARCOURT.

[P.O. 11/3678.]

Enclosure 1 in No. 54.

IMPERIAL CONFERENCE RESOLUTION.

XIV. *Cheaper Cable Rates* (15th June, 1911).

THAT, in view of the social and commercial advantages which would result from increased facilities for intercommunication between her dependencies and Great Britain, it is desirable that all possible means be taken to secure a reduction of cable rates throughout the Empire.

Enclosure 2 in No. 54.

IMPERIAL CONFERENCE RESOLUTION.

XV. *State-owned Atlantic Cable* (15th June, 1911).

THAT, in the event of considerable reductions in transatlantic cable rates not being effected in the near future, it is desirable that the laying of a State-owned cable between England and Canada be considered by a subsidiary Conference.

No. 55.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

22nd December, 1911.

(Memorandum.)

REFERRING to my memorandum of the 1st September last [not printed], and to your acknowledgment of the 19th October [not printed], I have now the honour to enclose herein two copies of an address by Mr. Charles Bright before the London Chamber of Commerce on "The Atlantic Cable Position and its Moral," which will no doubt be of interest to the Post and Telegraph Department.

The Right Hon. the Prime Minister, Wellington.

WM. HALL-JONES.

[Tel. 11/783.]

Enclosure in No. 55.

“THE ATLANTIC CABLE POSITION AND ITS MORAL.”—(Address by Mr. CHARLES BRIGHT, F.R.S.E., M.Inst.C.E., M.I.E.E., to the Members of the London Chamber of Commerce, on Wednesday, 29th November, 1911.)

On the 29th November, 1911, Mr. Charles Bright addressed the members of the London Chamber of Commerce, at the offices of the Chamber, on “The Atlantic Cable Position and its Moral.”

The Right Hon. Lord DESBOROUGH, K.C.V.O. (President of the Chamber), in introducing Mr. Bright, referred to the fact that that gentleman addressed the members of the chamber in 1902 on the subject of “Imperial Telegraphic Communication and the All-British Pacific Cable,” and that he possessed an hereditary interest in that important and increasingly important subject, his father, the late Sir Charles Tilston Bright, having been instrumental in the laying of the first Atlantic cable when he was only twenty-six years of age. He (Lord Desborough) was of opinion that telegraphic communication with our overseas dominions should be in our own hands—(Hear, hear)—especially so in regard to Canada, from which dominion he had just returned, and which was becoming a most important and a great community within the Empire. (Applause.)

Mr. CHARLES BRIGHT, F.R.S.E., said,—

On the 4th December, 1902, I had the honour of addressing the Chamber of Commerce in this the first city of the Empire on “Imperial Telegraphic Communication and the All-British Pacific Cable” (London Chamber of Commerce Pamphlet No. 40).

Previous Suggestions.

I took occasion then to point to a number of matters that called for attention in our Empire's telegraph service. This was on the same lines as the attitude I adopted at a Government inquiry. I first dwelt on the fact that the all-British character of the Pacific cable was somewhat marred by the connecting-links from the Mother-country to Vancouver being lacking in this respect. There were three choices. A message could be handed to the Anglo-American Telegraph Company and conveyed by one of their four cables landing on British territory, but along a route very near to the French island St. Pierre de Miquelon (off the south coast of Newfoundland), whilst the land-link at that time went through the State of Maine, on its way to Montreal. From here, again, it passed along the Canadian Pacific Railway, the route of which is for some distance more or less close to the American border. Alternatively, a message might be handed for transmission by the Direct United States Cable. In that case the same objection prevailed as regards the land-line connection. The other alternative route is that of the Commercial Cable Company—an American organization (coming under American law), with five Atlantic cables.

On the strength of these facts I next pointed to the desirability of an independent all-British telegraphic link between the Mother-country and the Pacific cable at Vancouver, to be worked at a comparatively low tariff. A general statement from the Colonial Office set down that this should be effected, for it was clearly recognized that the Imperial Pacific Cable without an Imperial link from this side was at a great disadvantage, and only very inadequately carried out its aims. [Blue-book, Cd. 46, p. 25.] My address further indicated the undefended and highly pregnable character of existing Atlantic cables between our shores and Canada, and the necessity for better provision to meet this objection in any all-British line. I next urged the importance of effective Government control of all cables in which the Empire was interested, partly for strategic reasons and partly in the interests of the public as regards tariff and other conditions. In this connection I again pressed for the introduction of reduced rates for deferred messages of a non-urgent character, whilst also protesting against “blocking” rates—*i.e.*, the charging of excessive rates for forwarding messages on behalf of another system with a view to destroying competition. Licenses for landing-rights were then pointed to as a valuable weapon for bargain in the matter of tariff, &c., and it was suggested that exclusive rights should be more closely limited than they have been. I further urged that the Government might suitably guard against financial amalgamations, joint purses, &c., and that provision should be made for taking over a given cable (at an expert's valuation) at any time, if found desirable. Finally, it was argued that where competition is excluded to the benefit of any particular interests, a corresponding advantage should be secured by the Government on behalf of the public.

Some of these various pleadings in my previous address to the chamber were a little later re-echoed by the Associated Chambers of Commerce in the course of an annual gathering.

What has been accomplished?

And now let us take stock of what has been done towards meeting the objections here mentioned—aye, to what extent the position has changed since the 1902 report of the Cable Communications Committee, wherein most of these recommendations were advocated. It will not be necessary to detain you long over the process, because, as I think you will see, next to nothing has been achieved during the ten years that have elapsed, though practically every one of the suggestions has been recognized as sound—much less have any been refuted.

I should here explain that in the interval there have been successive First Lords of the Treasury, successive First Lords of the Admiralty, successive Ministers of War, successive Secretaries of State for the Colonies, and successive Postmasters-General; and by the time any of them have come to the conclusion that something adequate might be done to meet the position they have probably been removed, or have removed themselves, from office. Put briefly, in the midst of party strife, matters which are outside the pale of party politics remain outside, unless of a character that will obviously appeal to the electorate as a whole. It should be added that the number of voters who concern themselves about the safety and well-being of the Empire is small compared with the number who are always keenly alert to what seems most likely to benefit themselves individually.

Thus, remedial measures have only been effected to the extent of the messages that previously passed through the State of Maine being now partially conveyed by a line running some way into Canada. The only other of the various reforms pointed to that has been seriously followed up is that of reduced rates for deferred messages. Though strongly advocated in the report of the aforesaid Cable Communications Committee, no notice was taken of this recommendation until within the last two years, during which period it has been under close official consideration. The Postmaster-General is said to have endeavoured throughout to bring about the innovation; but let us remember that this would be amongst a thousand and one other things that require his attention, and that the present has been a particularly strenuous year at the Post Office—partly on account of the forthcoming telephone transfer. It is understood that certain of the more important foreign nations have been difficult to persuade in the matter. Possibly, too, some opposition has been experienced at the hands of the companies concerned (over whom the Government have but little actual control as things stand at present); for though they are supposed now to be favourable as a whole to the change, this was apparently not so at the time of the Cable Communications Inquiry.* Be that as it may, when the 1st January of next year comes round a very long time will have passed before this reform has been brought about, and that fact is only in common with experience in similar matters. For this, I need scarcely say, we have only to thank the cumbersome system of Government that has been handed down to us.

In my opinion, as I have said on previous occasions, we require a Commission, or Board of Control, to effectively deal with the subject of Imperial telegraphs in all its aspects, with representatives of each of the departments concerned, including delegates of the oversea dominions, but free from the ever-changing trammels of party politics.† It might even be found worth while to make room on such a Board for one or two individuals who happen to have had something to do with telegraphy and cable-work in its different aspects. Some people may consider that international telegraphy could not be satisfactorily attended to by this plan. I reply, "Empire before the rest of the world."—(Hear, hear.)—Moreover, surely the Empire as a whole should have a say in the matter of international telegraphs, and not merely the United Kingdom. As things go at present, reference can only be made by the Post Office to the various departments in the course of laborious and time-taking correspondence.

In other countries experts are usually called in over special subjects. Here we pay a very high and well-deserved tribute to our Civil servants and to their general training for the extremely varied duties they are called upon to perform—sometimes of a special and, indeed, expert character. Certainly, if time is an insurance of careful and ripe deliberation, our method may, in the end, prove highly commendable.

The New Position.

So far, by way of introduction to my theme, I have only been recounting the suggestions that have been made for improving our system of cable-communication, whilst reviewing what has been done towards carrying them out. Let us now turn to matters more immediately bearing on the title of my present address; and I am afraid I shall have to show you that, from a national standpoint, the position is very much worse than it was before.

It is, I suppose, fairly well known now throughout the City of London that something like three years ago the Western Union Telegraph Company of America became absorbed with the American Telephone and Telegraph Company—both colossal concerns.‡ With this amalgamation the former company was imbued with new life, directorially speaking, and a little later it was suddenly discovered that they (the Western Union Company) must withdraw from the Atlantic Cable "pool," in which they had been partners with the Anglo-American Telegraph Company and the Direct United States Cable Company, on the plea of such a pool being contrary to the Anti-Trust (Sherman) Act, which had recently become part of American law.§ The effect of this was that the Western Union land-lines in the United States ceased to be available as a connecting-link for the British companies.

All this is said to have put the Anglo Company and the Direct United States Company into a tight corner, whereupon the Western Union Company proceeded to make certain proposals, first to the former, and afterwards additionally to the latter. After lengthy negotiations, these proposals eventually took shape by both companies becoming absorbed with the Western Union Company, to whom their cables are to be leased for a term of ninety-nine years. For national purposes, you may say these two British companies are wiped out by the transaction. Moreover, as you probably know, the same applies to all the various cables between the United Kingdom and Canada, let alone the United States—*i.e.*, not a single one of the thirteen will now be under British control, even though all were made and laid by our countrymen. Are we so ready to abdicate at one stroke the position we have gained as pioneers by dint of considerable enterprise? We might as well renounce our colonies at once, and consider Canada but a part of the United States of America. Such an act of telegraphic abdication could be better understood indeed if universal brotherhood, rather than the rivalry of nations, were the order of the day.

It is often said that England is gradually becoming America; and, perhaps, some would regard this as another happy matrimonial alliance between the Old Country and the new.

* No reduction on the ordinary messages was then agreed to under any pretext, but an increased tariff suggested instead for messages of an extra-urgent character. The answer given to question 578 (Blue-book Cd. 958) shows pretty clearly that the associated companies were at that time unwilling to adopt deferred rates; whilst an absolute proof of the desirability of the plan is to be found in the answer given to question 578.

† A permanent Commission of this character might conceivably, in due course, work out an all-round Imperial tariff of a sufficiently practicable order.

‡ This is about to be followed by the absorption of the Western Telephone and Telegraph Company of America.

§ This followed a little after a new Western Union cable had been laid without landing-rights being applied for till later. These landing-rights were eventually granted without any special conditions being obtained.

In my opinion, however, the leasing of British cables to an American corporation is highly objectionable, nationally speaking—far more so than the “pooling” arrangement; and it is difficult to understand how the “deal” is a legal one in America if the “pool” was contrary to the Sherman Act. The deal may be all right from the shareholders’ point of view; but this is not a shareholders’ meeting, and we are not here to consider that aspect. What we are here for is to review the national aspect of the matter. (Hear, hear.)

There are moments when the Mother-country and her children have things to say to each other which strangers should not overhear. But if we are to be dependent for our communication with Canada and other parts of the Empire on cables under American control, we shall have to face the prospect of our messages being known all about at Washington, for—as is quite generally recognized—it would be futile to place reliance on the secrecy of codes. Another prospect would be the American filtration of news between the Mother-country and Canada. This is already experienced to a great extent, but would be infinitely worse if none of the Atlantic cables remained in British hands. It is largely to meet objections such as these that cables have been laid to a number of our colonies without touching on foreign territory. Such a prospect as I have hinted at would assuredly be realized in the event of trouble between Canada and the United States, or, indeed, in the case of misunderstandings between the United States and ourselves; or, alternatively, between any other Power and ourselves. Let us consider, too, the instance of a war in which the United States rather than we were concerned, we ourselves being supposed to be in the unaffected position associated with neutrality. In this case the said cables, if under our own control, would be neutral; but do you imagine for one moment that neutrality would hold good if the lines were in the hands of the Western Union Telegraph Company of America? In that event we should have to face the prospect of messages between this country and any other neutral nation (including our colonies) being blocked.

Much has been made of the fact that English clerks will alone be employed by the American company for working the cables landing on our territory. This, however, in no way meets the objections I have named, if only for the reason that telegraph operators do not govern a telegraph system: they work their instruments, and go home when off duty.*

It has also been claimed that the service will greatly improve by the absorption. That is conceivable, if only on the grounds of unification—but the objections for national reasons far outweigh any other considerations; and certainly no reliance should be placed on the hints at reduced rates under the American *régime*. What augurs badly here is the fact that the Western Union Company appear to be suggesting that they are the originators of “deferred rates”; and even if a reduction were introduced in the rates, we might any day have to face these being increased between the Mother-country and Canada beyond what they now stand at, in order to give a preference to trade between America and Great Britain. The excuse would no doubt be that the traffic was comparatively small. In a word, we cannot rely upon maintaining any control of the rates when dealing with a company outside our own jurisdiction, no matter what terms may be come to originally.

We may, on the other hand, safely regard this American desire for capturing our cables as only the thin end of the wedge. Do you suppose our enterprising friends are going to be content with stopping there? I certainly do not. On the contrary, if this deal comes into operation, I shall soon expect to find that what was also originally a purely British business—that of the manufacture of submarine cables, and their subsequent submersion—will similarly be undertaken in the United States. Is this, too, a prospect that should be regarded with complacency? No doubt we shall now have an assurance that such an idea was far removed from American intentions, but it is, perhaps, better not to implicitly rely on everything we are told.

There is a striking coincidence connected with this American “deal” in the fact that negotiations between the respective parties were only brought to a conclusion at the moment when the reciprocity treaty between the United States and Canada was cast aside by a new Canadian Government such as will naturally tend to replace it by a preferential policy with the Mother-country. A more unsuitable moment, therefore, could scarcely be conceived for this arrangement to be put into operation.

It has been argued that it matters not to whom a cable belongs if it can readily be controlled in time of war. This, of course, is mainly a question of naval supremacy; but whilst it is highly likely that, in the event of our having such supremacy at the right moment, we may be able to take charge of any cable landing on our shores during war, it should, moreover, always be remembered that the control of a cable in times of peace, but when trouble is brewing, is quite equally, if not more, important for Imperial and political as well as strategic reasons.

Short of Government ownership, the only way of insuring this is for the cable to be in the hands of our own countrymen. Let us not forget that we depend here, in the United Kingdom, upon our sea-borne food-supplies; and, therefore, absolutely secret and invulnerable communicating-links with the wheat-growing areas in our oversea dominions become every day increasingly vital to the nation. Moreover, it would be impossible to lay cables to meet the sudden emergency created by a great war; and though there would always be the chance of even deep-water wires being disturbed or out of our control, we should possess a great initial advantage if at the outset of such a conflict our Government were in a position to control the entire telegraph systems of the Empire—and not least that between the Mother-country and Canada—for the purposes of Imperial policy. For the moment, however, it looks more like what was originally our heritage—I mean the transatlantic cables—being run on strict monopoly lines for the benefit of great American financiers interested in extending their trade with Great Britain, and, indirectly at any rate, checking our trade with Canada and the rest of the British Empire.

* The strategic aspect of the subject is more fully dealt with in my contribution to the “Navy League Annual,” just published, under a chapter on “The Strategic Importance of Inter-Imperial Telegraphy.”

A Practicable Veto.

The American absorption of these British Atlantic cables, though agreed to between the parties, is not yet an accomplished fact, and cannot be in the manner contemplated unless or until His Majesty's Government transfers the landing licenses—that were originally granted to the Anglo-American Company and the Direct United States Company respectively—to the Western Union Company. Without that transference the "deal" can apparently only be effected as a trust, and that, as we know, would run counter to the Sherman Act in America.

It may be thought by some that a Government should take no initiative in such a case, and should, on the contrary, leave things to run their course, unless or until an appeal is made. On the other hand, without indulging in what ordinarily goes by the name "protection" in its restricted sense, it is surely open to the Government of the day to protect or guard the commercial—not to say strategic—interests of our country. We have a good example set us in this matter by foreign Governments, like those of Germany and the United States, who are remarkably active in looking after the interests and welfare of their own people. We may, indeed, expect the same of our present Government here, if only on account of its extreme industry and activity; indeed, we have every reason to hope that the gentlemen considering this highly important matter will arrive at a conclusion that will be in accord with national and Imperial interests.

It would appear at first sight that the Government is favourable to the "deal," or the negotiations might, presumably, have received their quietus before now. If this be so, seeing that we have an eminently "live" Postmaster-General, it may be safely assumed that something in the nature of a bargain is being made by which the people of this country will gain something in return for the concession. The question, however, arises whether any concessions—such as reduced rates—would be of a sufficiently binding nature in a permanent sense, and whether, indeed, concessions for the benefit of the individual would be a suitable substitute for the national and Imperial loss we sustain by British cables passing into the control of a foreign company.

It has to be remembered, too, that whereas H.M. Post Office has always been ready to lease land-lines over here for the use of foreign Atlantic companies, the Western Union Company has refused the same facilities in the United States to British transatlantic companies. This, together with the fact that the Western Union Company omitted to apply for a license for their last cable until after the cable had been actually laid, would surely obviate any surprise on their part if the transfer of licenses was ultimately refused.

In the event of the transfers being granted, however, even commercial requirements would scarcely be met merely by the introduction of reduced rates for deferred messages in plain language; for though this innovation will undoubtedly be appreciated for comparatively unimportant cablegrams of a more or less personal and social order, it will be of little account for business purposes.

The Obvious Alternative.

We are here reminded of a resolution passed at the Imperial Conference last spring—"That, in the event of considerable reductions in the Atlantic cable rates not being effected in the near future, it is desirable that the laying of a State-owned cable between the United Kingdom and Canada be considered by a subsidiary conference."

Apart from this resolution it may, perhaps, be assumed that if the Government decide to transfer the British licenses to an American company it would forthwith favour the scheme for a State Atlantic cable to meet the altered national position. Alternatively, it may conceivably decide to take over the British cables (or some of them), and, in partnership with Canada, establish a satisfactory land-line connection with the all-British Pacific cable, along a route removed for some distance from the American border. In view of what has gone before, it would, in my view, be quite legitimate to run these State telegraph links at a low-rate basis—say, 6d. (and Press rate 3d.) a word to Canada—whilst still retaining the 1s. tariff for messages to the United States. This form of Imperial preference could scarcely be objected to, and it should do much for developing and encouraging inter-Imperial Trade.

Another Alternative.

It is sometimes thought that the desired goal—cheap inter-Imperial communication—can be gained without any longer having recourse to cables—*i.e.*, by radio, or wireless, telegraphy; and certainly any possible competition between the two methods can but react for the benefit of the public, especially if the effect is to induce a greater popularization of the cable service and its tariff.

Mr. Marconi and others have developed radio-telegraphy to a wonderful extent within recent years, and the Marconi system is continually increasing its sphere of usefulness—partly across the Atlantic. Perhaps on this account some people have been rather carried away with the conviction that this great invention is destined to supplant the cable; and it was only the other day that I read in an article on "Wireless around the World" that "the death-knell of the submarine link was sounded." ["World's Work," Nov., 1911.] I cannot help associating statements of that kind with a lack of knowledge as to the relative capabilities of cable and radio telegraphy. In this particular case, for instance, the writer actually spoke of radio-telegraphy "possessing the additional advantage of acceleration."

Personally, I have always been a firm believer in radio-telegraphy as forming the nucleus of an excellent auxiliary service. I am even in favour of it being made compulsory for certain classes of ships. But though a radio installation comes somewhat cheaper than laying a cable as a rule, and therefore the tariff charged is lower, make no mistake about it, you are dealing with a different class of article—as different as the difference between an express and a suburban train.

The analogy is not altogether unsuitable; for the suburban train usually makes many stops, and the "radio" system many repetitions and retransmissions, whilst with the advent of the cable-relay retransmissions were obviated in cable telegraphy. Repetitions are seldom necessary over the line, but they are sufficiently constant in the radio systems of to-day to render it a comparatively slow-working affair. Thus, whilst a modern Atlantic cable is operated at a speed of a hundred words a minute, the same range is worked on the radio system at some twenty words a minute as a maximum, which is brought down to about seven words a minute when repetitions are taken into account.

A further unfortunate feature about radio-telegraphy is its sensitiveness to surrounding conditions—atmospheric and otherwise. Hence there are often long periods during the twenty-four hours when no messages can be got through, and these sometimes occur at the busiest hours of the day, just as they may come at the very time when the system is particularly in request for enabling the Admiralty authorities to direct the movements of our fleet. Again, an untuned radio system, like that on the Eiffel Tower, is capable of completely demoralizing all other radio-telegraphy that is proceeding within, say, a range of 1,000 miles.

I should, perhaps, explain that in these remarks I am, of course, speaking of things as they are to-day in regard to both systems; and it would not do to assume that cable telegraphy is going to stand still—it has never done so—any more than "wireless."

Since the Marconi system first emerged, some 90,000 nautical miles of cable have been made and laid, at a cost of about £9,000,000. Business people have a knack of finding out the facts in a practical way before embarking on any enterprise; and our wide-awake American cousins would scarcely have troubled themselves about absorbing cables if radio-telegraphy would serve their purpose. Neither should we hear so many outcries for reduced cable rates if radio-telegraphy was up to the required standard. Does all this look like the cable becoming defunct and moribund? Does it even suggest cable telegraphy being a "dying industry"? That might, however, appear to be the position if we were to judge from the recently decided heavy outlay in radio-telegraphy; yet it is certainly not borne out by the policy of the German and French Governments. Neither of these has allowed enterprise in wireless telegraphy to in any way check their still greater enterprise in cable-communication not only with their respective colonies, but with foreign countries, in order to be independent of British cable systems.

Work that should be done.

Let us assume that the Home Government and the Colonial Governments will now join forces to establish by some means a really Imperial transatlantic link. This, as I have already indicated, will require to be supplemented with an independent land-line across the heart of Canada for uniting with the Pacific Cable. It is to be hoped, too, that the Canadian Government will make provision for an extensive land-line system throughout Canada in order to bring the Imperial system into touch with all parts of the Dominion. If such provision were made we should be independent of existing systems associated with vested interests that closely entrench their preserves, and are more or less bound up with American corporations.

If a new cable be laid, or if more than one be laid, the routes I should favour are indicated in my recent paper to the Royal Colonial Institute ["United Empire," August and September, 1911], a few copies of which, together with a map, are on the table here. The map [not printed] shows certain alternative routes (some on an extreme northerly course) to meet the happy event of more than one line being determined on, whilst it also indicates proposed positions for "wireless" stations forming part of an auxiliary service. Halifax should, in my opinion, be the main Canadian terminus for the transatlantic cable system, whence a branch connecting with New York might also be provided, such as could be cut adrift if desired at any time.

The Imperial Atlantic link here indicated would meet at Halifax the cable system that reaches to the British West Indies, *via* Bermuda.* If, further, a connecting-link between the last-named system and Bathurst (west coast of Africa) were effected, and also a cable laid between the latter and Gibraltar, telegraphic communication between the Mother-country and the Cape would then be entirely independent of foreign soil (which it is not at present), whilst also being free locally from possible interruption at the hands of the French fleet.

I venture to think that any plan for bringing the Mother-country, Canada, the British West Indies, and South Africa into direct communication with one another and with this city (the heart of the Empire) will command a considerable interest for you in connection with the subject I have been dealing with.

Our present Prime Minister has more than once expressed his warm adhesion to the principle of cable-communication as a method of cementing the various units of the Empire, and as serving to develop inter-Imperial trade. The whole scheme might be put into being very easily if it were recognized as a suitable subject for including in the navy estimates. If only for strategic reasons, what could be more natural and consistent? The cost of the more essential features in the project would be actually less than that of a Dreadnought, over which we do not hesitate for one moment, and which would often be of little value if not in telegraphic touch with headquarters. It should never be forgotten that the most complete, reliable, and speedy communicating-links available form an eminently important feature in Imperial defence. In the course of a paper on "The Influence of Submarine Cables upon Military and Naval Supremacy," Lieutenant G. O. Squier,

* It was recognized at a recent Royal Commission on the Trade Relations between Canada and the West Indies, that cable-communication should be established between Bermuda and Barbados, with extensions to Trinidad and Demerara, in order to meet the present objection to these British colonies being at present in telegraphic communication with Jamaica, Bermuda, and Halifax only by means of cables landing on foreign territory. Nothing has, however, been done to follow up these official recommendations.

of the United States Navy, once truly remarked that "the very foundation of successful naval strategy is efficient and exclusively controlled communications, and the lack of them more serious than inferiority in ships. [Proceedings of the U.S. Naval Institute, vol. 26.] It is, perhaps, these "exclusively controlled communications" that our American friends are now after.

Conclusion.

This address is not delivered in any spirit of antagonism. It is merely the expression of views from an outsider—let us say, a humble expert.

I shall persevere until some of my suggestions come into force; then we can sing the "Nunc Dimittis." It took more than twenty years' agitation to bring about the Imperial Pacific cable, so perhaps it is not necessary to despair. "Wait and see," or, in the alternative phraseology of to-day's *Punch*, "The facts will emerge subsequently, the sequel will duly follow, eventualities will eventuate."

I remember once hearing an excellent prescription for the delivery of an address. It was, "Stand up," "Speak up," and "Shut up." I may not have done the first two efficiently, but, at any rate, I will now attend to the last; and I trust I have not already claimed your attention for too long. As it is, even, I have been compelled to omit reference to several aspects of the subject that I should have liked to touch upon. (Applause.)

Mr. STANLEY MACHIN (Chairman of the Council) moved the following resolution: "That, in view of the facts revealed in Mr. Bright's address, representations be made to His Majesty's Government, urging, for national and Imperial reasons, that—(1.) The licenses formerly granted to British Atlantic companies be not transferred to any foreign corporation. (2.) If, however, such licenses be transferred, seeing that this will involve the control of all transatlantic cables between the United Kingdom and Canada being in foreign hands, it be strongly urged that His Majesty's Government should co-operate with the Governments of our dominions—and especially with Canada—for the establishment of an independent and strictly 'all-British' transatlantic cable and land-line connecting with the Imperial Pacific cable; that this should be in duplicate (on different routes) if possible, and worked on a low-rate basis. (3.) It is further urged, on national and Imperial grounds, that the latter course should in any case be pursued, but especially if the said licenses are transferred, even if favourable terms are thereby secured." He said it was not usual to move a resolution at such gatherings. He did so because this was a question of such importance that it had not only been discussed by that and other Chambers of Commerce, but was one which he thought should be brought to the notice of the Government.—(Hear, hear.)—The lecturer had told them of the deplorable position they would occupy if by any unhappy coincidence or circumstance we found ourselves embroiled in war with America. He thought it was a humiliating position that England was unable to communicate with Canada except by permission of America.—(Hear, hear.)—We ought to be able to do without any possible interference from any outside body whatever.—(Applause.)—As to the question of expense, how could money be better spent than in connecting all parts of our great and glorious Empire?—(Applause.)—There was nothing on which money could be better spent than in drawing the various parts of the Empire closer together.—(Applause.)—While they were all aware of the magnificent strides made by wireless telegraphy, yet he thought such progress ought not to prevent them from realizing that the important question referred to by the lecturer was now ripe for consideration. In conclusion, he hoped that they would bring all the pressure they could on the Government with a view to action in the manner suggested in the resolution. (Cheers.)

Mr. CHARLES CHARLETON (Vice-President of the Chamber), in seconding the resolution, said he was quite sure that every member of the chamber would indorse it. The matter was one which would be brought forward at the annual meeting of the Associated Chambers of Commerce in March next, and also it would engage the attention of the Eighth Congress of Chambers of Commerce of the Empire at its meeting in London in June next. (Applause.)

The resolution was unanimously agreed to.

Vote of Thanks to the Lecturer.

Sir JOHN TAVERNER (Agent-General for Victoria) proposed a vote of thanks to Mr. Bright for his excellent address, which, in his judgment, dealt with a question of great Imperial policy—(Hear, hear)—and which ought to be adopted by this country. No better means could be found for promoting the welfare of the Empire than by the owning of a cable, with consequent cheaper rates. The question, however, resolved itself into one of public expense, which he ventured to say would be contributed to by the Empire as a whole. The subject had engaged the attention of the Imperial Conferences, but, unfortunately, those Conferences only met every four years. At the last Conference it was recognized that great reductions should be made in the charge for cablegrams, and he thought some action should be taken in connection with Mr. Bright's recommendation. He was glad that the meeting had agreed to the resolution, and he felt sure that his colleagues and himself would be glad to promote in every way the scheme outlined by Mr. Bright. (Applause.)

Mr. LEWIS R. S. TOMALIN (Deputy Chairman of the Council), in seconding, said that while our American cousins were excellent friends—(Hear, hear)—and he trusted they always would be, he hoped we should not be satisfied until we had established a communication controlled by our own countrymen, and he was of opinion that steps should be taken in order to carry out the suggestions which Mr. Bright had placed before them. (Applause.)

Mr. CHARLES BRIGHT, F.R.S.E., responded, and proposed a vote of thanks to the Chairman for presiding, which was seconded by Mr. J. M. Dick. Lord Desborough briefly replying.

NOTE ADDED BY MR. BRIGHT.

Within a few days of the above address being delivered the Postmaster-General made an important announcement in the House of Commons in regard to reduction of cable rates, and concurrently with this appeared in the daily Press a highly expensive, but also highly effective, advertisement of the Western Union Telegraph Company of America.

Mr. Herbert Samuel has rather broken the spell of inactivity alluded to at the commencement of my address, and I need scarcely say that what I urged for in the year 1900 I am glad to see really taken up and secured by an energetic Postmaster-General even in the year 1911. I refer to the introduction of deferred (non-urgent) rates, which should be of considerable value for personal and social purposes. They should also help towards the dissemination of a larger volume of news of Imperial importance in a way that will tend to avoid misunderstandings due to unsuitable condensation at the transmitting end. Further, by the consequently increased volume of intercommunication a better mutual understanding should be achieved. I hope also the so-called night and week-end letter systems of the Western Union Company may prove beneficial, though these have been abandoned by the Commercial Cable Company in the United States after a comparatively brief trial.

The Western Union Company's advertisement is headed in bold type, "Why the agreements between the Western Union and the Anglo-American Telegraph Company and the Direct United States Cable Company have been modified." It may, however, be pointed out that if the Western Union Company were so desirous to improve our telegraphic facilities with America, much the same result could have been achieved by their extending to British companies the same facilities in America which have always been extended to American companies over here by H.M. Government.

But the main burden of the Western Union advertisement is apparently to convince the British public that no monopoly will be established by the "new arrangement," or "modified" agreement, as it has been facetiously termed. It is, of course, obvious that competition will continue as between the Western Union Telegraph Company and the Commercial Cable Company—and we know nothing at present which points to a combination here—but these two being American corporations, a monopoly is established, in effect, nationally and strategically speaking, by the leasing for ninety-nine years of two British companies' cables to the Western Union Company of America. I observe that the advertisement is so worded as to give the impression that the Anglo-American Telegraph Company and the Direct United States Cable Company continue to have the same separate existence, in the matter of cable control, as before. If, however, the "arrangement" left things in that way, how comes it that the Western Union Company applied for a transfer to themselves of the landing licenses held by the Anglo and Direct United States companies respectively? A satisfactory answer to that question would be worth a good deal more than much that constitutes the manifesto. I have not been able to convince myself of the separate existence suggested; and, on the contrary, I maintain that every one of the thirteen Atlantic cables landing on British soil will now be under American control if the said licenses are transferred to the Western Union Company—at all events, until a somewhat distant time when they again come under review. Indeed, unless these 99-year leases have some very special meaning of their own (utterly different from the ordinary meaning), complete control must apply for that period.

I respectfully submit that control of at least those cables which have hitherto been under British control is far more important, in any circumstances, than control of the rates, even if the latter can be permanently relied upon with a foreign company outside our jurisdiction. In a word, I venture to suggest that securing favourable tariff reforms and control of the rates constitute insufficient grounds for abandoning our national position (such as it was) in the matter of telegraphic communication between the Mother-country and Canada.

Further, if these landing licenses are transferred, I maintain that the need for an Imperial Atlantic cable and Canadian land-line connection will become far stronger than it has ever been. That, too, appears to be the view widely taken in Canada, quite independently of party politics.

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