

If furnished with answers on these several points, the Board would be in a position to determine the rates that should be chargeable to the public in the event of the adoption of the week-end cable-letter scheme.

I should add that on the Atlantic there is in operation a scheme of day cable-letters also, at somewhat higher rates. But the Board do not consider that the unutilized capacity of the Pacific cable is sufficient to allow them to contemplate the possibility of extending it to their system.

I have, &c.,

H. W. PRIMROSE, Chairman.

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

No. 4.

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

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

21st March, 1912.

SIR,—

In continuation of my letter of the 8th instant, I have the honour to enclose herein copy of memorandum by the London Manager and Secretary of the Pacific Cable Board on the subject of the proposal to establish a week-end cable-letter service.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Press 12/22.]

Enclosure in No. 4.

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

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

21st February, 1912.

Memorandum on Proposal to establish a Week-end Cable-letter Service.

It is necessary when considering the question of the advisability of introducing the week-end cable-letter scheme on the Board's system to remember that, supposing the traffic ever assumed great proportions, the difference of time between the United Kingdom, the Pacific coast of America, and Australasia would tend to make it more difficult to cope with this traffic on the Board's than will be the case on the Atlantic cables. If the outward week-end traffic begins at 6 p.m. (Greenwich time) on Saturday on the Atlantic there is a clear forty-two hours during which very little other outward or homeward traffic is passing. In the case of our cables, week-end traffic sent at 6 p.m. from London would reach Vancouver just when Saturday's ordinary American outward traffic was beginning to be sent. In this respect we should have seven hours less time in which to deal with this work. Then, with regard to homeward traffic, at the present time all traffic from Australasia on Monday morning can be cleared by working simplex before any outward traffic is expected. If outward week-end messages were still occupying the lines at midnight on Sunday in Vancouver we should require full duplex staff, and we should incidentally delay, to some extent, the homeward ordinary traffic.

Owing to the much greater saving of time (as compared with the post) that will be effected by week-end cable-letters between Australasia and Europe than will be the case in regard to Anglo-American cable-letter business (the saving in one case being four weeks and the other four days), there is little doubt that the Board will have to take a more serious risk; and it must also be remembered that if the Board's share of the tolls were double that of the Atlantic companies, the Board's revenue per knot of cable would still be only about half of the earnings per knot of the Atlantic cables, and the encroachment of the cheaper on the more valuable traffic would therefore be a more serious matter for the Board than for the Atlantic companies.

In drawing attention to these points I have no wish to suggest that the Board should refuse to offer a special week-end rate, but I am anxious to warn the Board against adopting a very low rate in the first place. The Atlantic companies receive 1s. a word for ordinary Montreal traffic, and charge 1s. for five words of this new traffic. The Board receives an average of over 1s. 11d. a word on ordinary Australian traffic (including land-line tolls), and I would suggest that the lowest charge the Board make for this new traffic should be 2s. for five words—additional to the Atlantic charge of 1s., but inclusive of a terminal rate of 3d. for the Commonwealth or 2d. for the New Zealand Government. If the Australasian Governments were willing to make no terminal charge the public rate might be proportionately reduced.

It will be noted that it is proposed that delivery of these messages by the Atlantic service shall be by post from the cable companies' offices, unless special land-line charges are paid by the senders, and therefore if the Board adopted the same principle and it was decided to fix the charges at exactly 3s. for five words, the Australasian Governments would only be asked to forgo terminal charges on traffic which they did not handle.

For week-end cable-letters carried by wire between Montreal and Australasia and by post between Montreal and Europe the charge might be 2s. for five words, out of which the terminal charges to Australia and New Zealand might be 3d. and 2d. respectively, and we would bear the cost of postage between Montreal and Europe.

A. S. BAXENDALE,

The High Commissioner for New Zealand, London.

London Manager and Secretary.