

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

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

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

No. 33.

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

SIR,—

Nhill, 8th January, 1899.

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

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

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

Trusting this will meet with your favourable consideration and approval.

I am, &c.,

J. C. LOCKLEY,

The British Empire Cable Corporation.

The Secretary, Post and Telegraph Department, Wellington.

No. 34.

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

SIR,—

Waverley Park, Sydney, 11th January, 1899.

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

I have, &c.,

The Hon. the Postmaster-General, Wellington.

AUDLEY COOTE.

Enclosure 1 in No. 34.

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

SIDE-LIGHTS ON CABLE ROUTES.

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

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