

1902.

NEW ZEALAND.

TELEGRAPH CABLES

(FURTHER PAPERS RELATING TO.)

[In continuation of Paper F.—8, presented on the 5th September, 1901.]

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

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NEW ZEALAND-SYDNEY CABLES.

No. 1.

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

(Telegram.)

Adelaide, 10th October, 1901.

KINDLY telegraph following: (1.) Date of laying first New Zealand cable. (2.) Date of laying second cable. (3.) Date and amount subsidy (if any) paid or being paid to Extension Company on account of either cable, quite apart from guarantees on reduction of rates, which is not required.

1—F. 8.

No. 2.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Eastern Extension Company, Wakapuaka.

(Telegram.)

Wellington, 11th October, 1901.

To save time, please give me date on which second Wakapuaka-Sydney cable was opened for traffic.

No. 3.

The SUPERINTENDENT, Eastern Extension Company, Wakapuaka, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Wakapuaka, 11th October, 1901.

SEVENTH May, 1890.

No. 4.

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

(Telegram.)

Wellington, 11th October, 1901.

FIRST New Zealand-Sydney cable opened 21 February, 1876. Subsidy £5,000 a year for ten years. Duplicate cable opened 7 May, 1890.

No. 5.

The SUPERINTENDENT, Eastern Extension Company, Wakapuaka, to the SECRETARY, General Post Office, Wellington.

Eastern Extension Australasia and China Telegraph Company (Limited),
Cable Bay, Wakapuaka, Nelson, 5th April, 1902.

SIR,—

I have the honour to inform you that this company proposes to supply its New Zealand clients with message-forms to be used for telegrams intended for places outside the colony. I enclose a sample form, and have to request that you will be good enough to submit it to the Hon. the Postmaster-General for his approval, and for his permission for the same to be accepted at all New Zealand telegraph-offices. I would mention that these forms would be appreciated by all clients having cipher addresses registered at the company's offices. Should the sample form not meet with the approval of your Department, I should be glad if you would indicate in what way it could be altered, or improved, to enable your officers to transmit its contents with the least possible delay.

I am aware that many firms in New Zealand are allowed to have their telegram-forms printed, and I would ask that the same privilege should be extended to this company, whose desire is to prevent its clients being put to unnecessary delay and inconvenience by messages being misrouted.

I have, &c.,

W. W. BROWNING, Superintendent.

The Secretary, General Post Office, Wellington.

No. 6.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Eastern Extension Company, Wakapuaka.

(Telegram.)

Wellington, 24th April, 1902.

POSTMASTER-GENERAL regrets unable accept your special telegraph-forms. [Confirmed by letter on 5th March.]

No. 7.

The SUPERINTENDENT, Eastern Extension Company, Wakapuaka, to the SECRETARY, General Post Office, Wellington.

Eastern Extension Australasia and China Telegraph Company (Limited),
Cable Bay, Wakapuaka, Nelson, 9th May, 1902.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 5th instant [not printed], in which I am informed that the Hon. the Postmaster-General regrets that he is unable to accept the telegram-form submitted for his approval. As that particular kind of form is more suitable for Australia than New Zealand, I now beg to submit a copy of a telegram-form accepted at all telegraph-offices in Great Britain. This form is very similar to those used in this colony, and if the words "via Eastern" were altered to "via Extension cables" it should meet with the approval of the company's clients, and with the unanimous approval of the responsible officials of the Post and Telegraph Department. I have therefore the honour to request that you will be good enough to submit this form to the Hon. the Postmaster-General for his approval, and for his permission for the same to be accepted at all New Zealand telegraph-stations if tendered by the public.

I have, &c.,

W. W. BROWNING, Superintendent.

The Secretary, General Post Office, Wellington.

No. 8.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Eastern Extension Company, Wakapuaka.

SIR,—

General Post Office, Wellington, 20th May, 1902.

I have the honour to acknowledge the receipt of your letter of the 9th instant, again submitting a telegram-form for the approval of the Postmaster-General, and for his permission for the acceptance of the same at all New Zealand telegraph-stations. In reply, I have to inform you that the form has been submitted to the Minister, who, however, desires me to say that he regrets that he is unable to see his way to give the desired permission. I am to add that the same reasons do not seem to apply here as in Great Britain for the use of such a form, seeing that the Eastern Extension Telegraph Company has an office of its own in Great Britain.

I have, &c.,

W. GRAY, Secretary.

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

[Read Nos. 110 *et seqq* and 170–175.]

CONSTRUCTION; MANAGEMENT; MAINTENANCE; STAFF, ETC.

PACIFIC CABLE.

No. 9.

The AGENT-GENERAL to the Hon. the PREMIER.

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

12th June, 1901.

SIR,—

I beg to acknowledge the receipt of your letter of the 4th April last [No. 30, F.—8, 1901], forwarding extract from a letter from the Hon. Audley Coote, dealing with the question of making Honolulu a landing-place for the Pacific cable, which, as instructed by you, I submitted to the Pacific Cable Board for their information.

The Chairman of the Board, in acknowledging its receipt, points out that the several Governments interested in the cable decided on the route which the cable should take before the Board came into existence, and the Board has no power to alter their decision.

He adds that the expediency of a connecting-link between Fanning and Honolulu may possibly engage the attention of the Board at some future time.

Referring to my letter of the 9th May last [No. 65, F.—8, 1901], I beg to state that I have been informed by the Colonial Office that the High Commissioner for Canada has been selected by the Government of Canada to represent that Government at the Conference which it is proposed to hold on the questions arising out of the agreement recently concluded between the New South Wales Government and the Eastern Extension Telegraph Company.

I have, &c.,

W. P. REEVES.

The Hon. the Premier, Wellington.

No. 10.

The AGENT-GENERAL to the Hon. the PREMIER.

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

13th June, 1901.

SIR,—

I have the honour to inform you that the monthly meeting of the Pacific Cable Board was held at the offices of the Board, Queen Anne's Gate, on Monday, the 10th instant. All the members of the Board were present except Mr. Mercer. The chief matters of importance which came up for discussion were three. The first related to the appointment of a General Manager, and it was decided that the Chairman should invite applications for the post. He was also instructed to prepare a schedule of questions to be submitted to applicants for all positions on the Board's staff.

Opinions were exchanged as to the best place at which to locate the General Manager's headquarters. The Chairman suggested Vancouver, but several other members of the Board thought London would be necessary. The point was deferred for further consideration.

A letter had been received from the head of the Imperial Post Office, relating to our request that all unrouted Australasian business should be given by the Post Office to the Pacific cable. To this Sir George Murray had replied, asking what arrangements we proposed to make with regard to the allocation of business amongst the companies controlling the lines between London and Vancouver. To this it was decided to reply that we proposed to divide it as equally as possible between the Commercial Cable Company and the British pool companies.

It was decided to secure the services of Mr. Scott, a naval architect, to superintend the construction of the maintenance steamer, and to have the plans and specifications for the steamer put in hand at once.

Several members of the Board protested against the looseness of the cable contract on the point of provision for maintenance. It would appear that the Telegraph Construction Company is only bound to maintain each of the three sections of the cable for thirty days after each is laid down. This seemed to us unsatisfactory.

Some correspondence was read from the engineers on the selection of Southport, Queensland, as the landing-place of the Australian end of the cable. It appears that the staff will be able to find quarters in the village of Southport, and that it will not be necessary to have any built for them.

The Hon. the Premier, Wellington.

I have, &c.,

W. P. REEVES.

No. 11.

The SUPERINTENDENT of ELECTRIC LINES (at Mangonui) to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Mangonui, 5th July, 1901.

LANDING-PLACE selected in a small bay in Doubtless Bay called Harris Green, about four miles from Mangonui. I think it very suitable place for cable-station, much more so than near Whangaroa or other places examined. We examined coast to North Cape, including Ohoura Bay and Parengarenga. Please wire me Hon. Commissioner's approval of this landing-place that I may give it to Mr. Peake in terms of articles of contract. We shall leave here to-morrow morning, weather permitting, to complete soundings between Doubtless Bay and position east of the North Cape. Expect "Britannia" will reach Auckland on Sunday.

No. 12.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT of ELECTRIC LINES (at Auckland).

(Telegram.)

Wellington, 5th July, 1901.

THE Commissioner has approved of Harris Green, Doubtless Bay, selected by Mr. Peake and yourself as the landing-place for Pacific cable. Presume nothing further is required at present.

No. 13.

The SUPERINTENDENT of ELECTRIC LINES (at Auckland) to the ENGINEER, Pacific Cable Board, Auckland.

SIR,—

Auckland, 7th July, 1901.

I have the honour to inform you that the Hon. Sir Joseph G. Ward, Commissioner of Telegraphs, has approved of Harris Green, Doubtless Bay, as the landing-place for the Pacific cable.

I have, &c.,

R. E. Peake, Esq.,

J. K. LOGAN, Superintendent of Electric Lines.

Engineer, Pacific Cable Board, Auckland.

No. 14.

The SUPERINTENDENT of ELECTRIC LINES (at Auckland) to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Auckland, 8th July, 1901.

Have communicated Hon. Commissioner's approval of landing-place to Mr. Peake. Nothing more required at present. I am bringing with me to Wellington copies of plans of buildings, &c. With regard to the land required for buildings, it belongs to a Mr. Harris at Mangonui. I only saw him for a few minutes, as steamer could not wait. The land is poor and not much value, with the exception of a small piece of level ground near the beach. Mr. Peake thinks we should acquire twenty acres, making provision for a paddock. Before finally settling the matter I propose that Mr. Cumming, architect from Public Works Office here, who accompanied us when we examined the ground, should go to Mangonui and visit the place with Mr. Harris, showing him exactly what we want. Mr. Harris may then submit an offer which, if reasonable, can be accepted; if otherwise, it can be acquired under Public Works Act. I will call at Land Office here and get a sketch of the site, &c. The cable-house for landing cable will be near the foreshore, which is no one's property. Would be glad of approval of proposal to send Mr. Cumming before I leave Auckland, so that I can arrange with his office.

No. 15.

MR. C. W. CLARKE, S.S. "Britannia," Auckland, to the SUPERINTENDENT of ELECTRIC LINES, Wellington.

SIR,—

S.S. "Britannia," Auckland, 9th July, 1901.

As Mr. Peake, Engineer to the Pacific Cable Board, wishes to have a two-roomed cable-house erected at Doubtless Bay in place of the one we have on board for this terminal point of the

Pacific cable, on behalf of the Telegraph Construction and Maintenance Company I beg of you to be good enough to arrange with your Government for the building and erection of such a house in accordance with the plan and specification attached to this letter, and at a cost not exceeding £100 sterling. I have shown Mr. Cumming the position where the house is to be erected.

It is desirable that the house should be in readiness for the cable not later than January next. On completion of the work payment will be made in London by my company to the Agent-General for New Zealand.

Yours, &c.,

The Superintendent of Electric Lines, Wellington.

C. W. CLARKE.

No. 16.

Mr. R. E. PEAKE, Auckland, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Auckland, 10th July, 1901.

"BRITANNIA" leaving to-morrow for Norfolk Island and Fiji. Am forwarding plans and specifications of telegraph buildings to London, with request that Pacific Board shall communicate with you by telegraph on the subject. Hope that everything will be quickly and satisfactorily settled. Many thanks for the courtesy and attention shown us here by your Department.

No. 17.

Memorandum from the SUPERINTENDENT of ELECTRIC LINES, Wellington, to the Hon. the ELECTRIC TELEGRAPH COMMISSIONER, Wellington, dated 18th July, 1901.

The Hon. the Commissioner.

Pacific Cable.

CABLE-HUT.—Mr. Clarke, representative of the contractors for the laying of the Pacific cable, the Telegraph Construction and Maintenance Company, who accompanied the "Britannia," requested me to have erected for them a cable-hut, plans and specifications of which he also gave me. The estimated cost is £100. This I undertook to do on behalf of this Department, the contractors to pay the cost of it to the Agent-General in London when completed and the account presented.

Buildings.—It is proposed to erect buildings as follows, cost to be divided between the Pacific Cable Board and the New Zealand Government:—

One office building, one officers' quarters, and two residences for married officers, with the necessary fencing, outbuildings, and drainage. Copies of plans are submitted herewith. The estimated cost is £6,500. Mr. Peake has sent the plans and specifications to the Pacific Cable Board, and it is understood if they are approved of by them the erection of the buildings will be proceeded with by the New Zealand Government on receipt of a telegram to that effect. They should be completed by next March—the office and staff quarters at least—as the cable-steamer "Anglia" is to leave London in January next, with the three sections of the cable on board for New Zealand—Norfolk Island, Norfolk Island—Queensland, and Norfolk Island—Fiji. The laying of these sections should be completed in April. We shall then have a second route for telegrams between New Zealand and Australia.

Land.—In terms of agreement the New Zealand Government has to acquire the land selected for the landing-place, buildings, &c. The owner of the land proposed to be taken is a Mr. Harris. I have received an offer from him to sell 20 acres, the quantity mentioned, for £10 an acre. In this matter, however, I have instructed Mr. Meddings, Inspector, Auckland, to go to Mangonui, visit the ground with Mr. Harris, and to report further. The quantity of the land to be purchased might be reduced, as there is Crown land adjoining, a portion of which, if as suitable, might be acquired for a paddock. The land generally is poor, and not of much agricultural value.

J. K. LOGAN.

No. 18.

The AGENT-GENERAL to the Hon. the PREMIER.

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

19th July, 1901.

SIR,—

I have the honour to enclose herewith *Times* report of a question asked by Sir Edward Sassoon relative to the Pacific cable, and of Mr. Chamberlain's answer thereto, in the House of Commons.

In reference to the construction of the cable by the contractors, I may mention that the members of the Board were invited by the Construction Company to visit their works in Wharf Road, City Road, in the north-east of London.

Several members went there accordingly, and were shown the works, and the first section of the Pacific cable in process of being made. As far as I can gather, however, there is no intention of pushing on the actual making of the cable rapidly, and I propose to bring this question up at the next meeting of the Cable Board. Thereafter I will write to you stating the result of my inquiries. At present the Telegraph Construction and Maintenance Company seems chiefly busy in carrying out large contracts for the Eastern Extension Company.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure in No. 18.

[Extract from the *Times*, 16th July, 1901.]

CANADIAN PACIFIC CABLE.

Sir E. Sassoon (Hythe) asked the Secretary to the Treasury whether he would state to the House, in connection with the Canadian Pacific cable, how much of the material had already been manufactured and delivered, what instalments had been paid, and whether, in view of the provisions for the completion of the work by the end of 1902, satisfactory progress had been made towards the fulfilment of the contract.

Mr. AUSTEN CHAMBERLAIN (Worcestershire, E.).—None of the cable has yet been manufactured or delivered, but several cable-houses have been sent out, and are being erected at the several landing-places selected. The surveying-ship has already sounded the route over a distance of 1,500 miles, and is now engaged on the same work between Norfolk Island and Fiji. The landing-places of the cable in Queensland, New Zealand, Norfolk Island, and Vancouver have been decided upon, and preliminary arrangements made for the construction of staff quarters and station buildings. I am informed that the manufacture of the cable begins this week. One instalment of £287,463 due under the contract on the 31st March last has been paid to the contractors. I am informed that the engineers of the Pacific Cable Board are satisfied with the progress made, and with the ability of the contractors to complete the work by the end of 1902.

No. 19.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
19th July, 1901.

(Memorandum.)

State-owned Cables.

I BEG to enclose herewith copy of a printed circular letter from the Ottawa Board of Trade on State-owned cables and an Imperial postal cable service for the Empire, with appendices by Sir Sandford Fleming, which will be of interest.

W. P. REEVES.

Enclosure in No. 19.

The BOARD of TRADE of the City of Ottawa to the AGENT-GENERAL.

SIR,—

Ottawa, 20th June, 1901.

The President and Council of the Ottawa Board of Trade have the honour to place before you the enclosed circular letter addressed to the Boards of Trade and Chambers of Commerce throughout the British Empire.

The Ottawa Board of Trade, in directing attention to the enclosed, and in seeking your aid and co-operation, does so under the firm conviction that the movement to nationalise our cable and telegraph service is a matter of primary importance to the British people around the globe, and one of the most effective means of advancing their common interests.

I have, &c.,

The Agent-General for New Zealand, London.

JOHN COATES, President.

Sub-enclosure to Enclosure in No. 19.

CIRCULAR LETTER FROM THE OTTAWA BOARD OF TRADE ON STATE-OWNED CABLES AND AN IMPERIAL POSTAL CABLE SERVICE FOR THE EMPIRE; WITH APPENDICES ON THE SAME
SUBJECTS BY SIR SANDFORD FLEMING:

Addressed to Various Bodies representing Trade and Commerce throughout the Empire.

The Board of Trade of the City of Ottawa, Canada.

Ottawa, 20th June, 1901.

ON behalf of the Ottawa Board of Trade, the President and Council have the honour to submit the following remarks, together with the appendices hereto, on the movement to secure the cheapest, the speediest, the freest, and the most effective means of intercourse between all the King's subjects throughout his vast empire.

Representing trade and commerce in the capital of Canada, the Ottawa Board of Trade feels it a public duty incumbent upon them to take this means of expressing the conviction they have reached that all the British possessions throughout the world should be directly connected by State-owned telegraph cables under the control of the Post Office. Such a scheme is regarded by members of the Board as an effective means of fostering trade and stimulating commercial activity, at the same time constituting a bond of Imperial unity of inestimable value.

The proposal requires not only that the connecting transmarine cables should be under Government control, but likewise that the land telegraphs of the several British possessions should be State-owned. The land telegraphs of the United Kingdom, New Zealand, the Australian States, India, and South Africa are already nationalised, and administered by the Post Office. Canada is the only exception, but the transfer of the Canadian telegraph-lines to the Post Office, together with the laying of a State-owned cable across the Atlantic, is, we are informed, under the consideration of the Government, and it may be assumed that Canada will not long remain the only country within the Empire where the telegraph system is not, in the public interests, controlled by the State. More than a year ago the scheme of world-encircling telegraphs was earnestly considered by this Board, and resolutions were then passed pointing out the necessity for establishing the Pacific cable as the initial link in such a system of State-owned cables.

It is a matter of great gratification to the Board to know that the Pacific cable is now being established under a joint agreement between the Home Government and the Governments of Canada, New South Wales, Victoria, Queensland, and New Zealand, and that there is every prospect of Canada being connected with the United Kingdom at an early date by a State-owned transatlantic cable. With these works completed and the Canadian land lines nationalised, the whole distance from England to the shores of the Indian Ocean, say, at Perth, the capital of Western Australia, will be covered by a series of cables and land telegraphs under State control. Perth is near the 116th meridian east, while it is 244 degrees of longitude westerly from London. Reckoning by meridians of longitude, therefore, two-thirds of the globe will be girdled by a State-owned telegraph service so soon as the Pacific cable and Canadian lines associated therewith are established as national works.

The necessity for connecting India and other British possessions in Asia with the Imperial system of telegraphy must, however, be recognised. On reference to the papers appended it will be found that the Imperial scheme of cables to traverse the Indian and Atlantic Oceans between Perth and London embraces the following works, viz. :—

- (1.) Cable from Western Australia *via* Cocos Island and Mauritius to South Africa, with branches to India and Singapore—9,100 miles.
- (2.) Cable from South Africa *via* Ascension and Barbadoes to Bermuda, thence to Canada and the United Kingdom—6,600 miles.

These two sections together make 15,700 nautical miles, while the distance from London to Perth by the Canadian route is about the same, the actual distance being a few hundred miles less. Thus it will be seen that, taking into account branch cables to connect all the British possessions, half the whole work is already or will shortly be accomplished.

Since the projected Imperial postal cable service was formally submitted to the Secretary of State for the Colonies in 1898, certain telegraph companies have been permitted to lay private cables on the sections east and west of South Africa; it may, however, be assumed that in a matter which has been correctly described as of transcendent importance to the British people everywhere, care has been taken by those acting for the State to reserve the right to expropriate these cables whenever in the public interests they may be required.

The papers appended set forth the scheme in detail and furnish ample explanations on all essential points. These documents contain the matured judgment of Sir Sanford Fleming, a member of the Board, who has given more attention to the subject than any other man, and in whose views this Board entirely concurs. In one of these appendices it is pointed out that it was largely owing to the action and influence of the Chambers of Commerce of the United Kingdom that the postal telegraph service was introduced thirty years ago in the Mother country. Similarly we believe it to be in the power of the various bodies representing trade and commerce throughout the Empire to influence the universal adoption of the Imperial postal cable service. It is with that object in view that this appeal is made. We respectfully and earnestly invite the aid and co-operation of all such bodies in bringing to completion "the crowning development of the British Post Office."

In the name and by the authority of the Board of Trade of the capital of the Dominion of Canada, we ask all concerned in this Imperial movement to take such action as may tend most speedily to nationalise the telegraph system, by land and sea, of the whole Empire.

We have, &c.,

[SEAL.]

JOHN COATES, President.
CECIL BETHUNE, Secretary.

APPENDICES.

1. Post-Office Reforms in the Victorian Era, and the Development of an Imperial Cable Service. Read before the Royal Society of Canada, 22nd May, 1901.
2. A State-owned System of Electric Cables for the Empire. Letter to the Right Honourable Joseph Chamberlain, Colonial Secretary, 28th October, 1898.
3. State-owned Telegraphs for the Empire. Letter to the Right Honourable the Earl of Hopetoun, Governor-General of Australia, 3rd December, 1900.
4. A State-owned Telegraph Service girdling the Globe. Letter to the Hon. Wm. Mulock, Postmaster-General of Canada, 1st January, 1901.
5. Proposal to nationalise the Telegraph Service of the Empire. Letter to Lieut.-Colonel Denison, President of the British Empire League in Canada, 13th February, 1901.
6. A Pan-Britannic Cable Service. Resolution of the British Empire League in Canada at the Annual Meeting, 13th February, 1901.

NO. 1.—POST-OFFICE REFORMS IN THE VICTORIAN ERA, AND THE DEVELOPMENT OF AN IMPERIAL CABLE SERVICE. (*Vide Empire Review* for July).

Read before the Royal Society of Canada, 22nd May, 1901, by Sir Sandford Fleming.

At an early date the postal service everywhere was of the most primitive character. The English record points out that at one time foot carriers were employed to convey the mails, and that they travelled at the rate of sixteen or eighteen miles a day. Frequently two months elapsed before any answer to a letter could be received in London from Scotland or Ireland.

Great Britain has taken a leading part in post-office reform. This fact is universally recognised. When our great and good Queen came to the throne the service was still deplorably unsatisfactory. It is now sixty-four years since a process of transformation commenced which has been marked by distinct stages of development, each stage opening a new chapter in the history of the post-office service. The last chapter, yet unwritten, may be regarded as having been opened on the closing day of the century, when the contract for establishing the Pacific cable was signed on behalf of the Home Government and the Governments of Canada, New South Wales, Victoria, Queensland, and New Zealand.

The British Post Office to-day is admirably administered, and when the final development shall have been consummated it will in all probability take rank as one of the most perfect and most beneficent of all human organizations.

In referring briefly to the development of the Post Office, it will be convenient to allude to some of its functions and operations in connection with the following reforms:—

- (1.) The adoption of penny postage in the United Kingdom.
- (2.) The adoption of the postal telegraph system in the United Kingdom.
- (3.) The adoption of penny postage throughout the Empire.
- (4.) The adoption of a postal cable service between all parts of the Empire.

All these great advances are associated with the Victorian era. The first took its origin in the year when the young Princess Victoria ascended the throne, and the last was initiated a few weeks before, when as Queen-Empress she passed away. It remains for King Edward VII. to see completed a service of transcendent importance to the vast inheritance bequeathed to him by his illustrious mother.

The First Reform.

The annals of the Post Office show that before the reign of Queen Victoria postal services were generally defective; that the postal rates were most burdensome; that the charges on letters varied according to the distance they were transmitted, and were in consequence exceedingly inconvenient; that in some instances the postage exceeded the rate now levied more than twenty-fold; and that it averaged nine times the present charge.

In 1837 a remarkable pamphlet appeared under the title "Post-Office Reform: its Importance and Practicability." The author, Mr. (afterwards Sir) Rowland Hill, had carefully studied all the existing conditions, and in the work mentioned he made public his conclusions, and pointed out the benefits which would result if certain radical changes which he recommended were carried out. The principal change proposed was to reduce the postage to a uniform rate of 1d. per letter, without regard to distance, within the limits of the United Kingdom, and the author did not hesitate to declare that with this change there would be at least a fivefold increase in correspondence. His proposal was ridiculed as wild and visionary, and encountered the honest opposition of many high in official life. Those connected with the Post Office, from the Postmaster-General down, were especially pronounced in their hostility. To the last they persisted in predicting complete failure as the certain result of the proposed reform.

Sir Rowland Hill, however, in submitting such a bold proposal, had made quite sure of his ground. His conception of a uniform penny postage was the outcome of a thorough knowledge of the subject which he had been at pains to acquire. It was not a happy thought merely, but the result of laborious investigations, and he had satisfied himself as to the practicability of the proposal before announcing it to the public.

Its convenience was obvious, in view of the fact that there were, on inland letters alone, from twenty to thirty different rates of postage. Moreover, he was able to show that the reduction to a uniform charge of 1d. per letter would not permanently interfere with the revenue, although for a few years it would diminish receipts. He foresaw that the expansion of business and the enormous increase in correspondence would speedily cause the revenue to recover itself.

The progress of public opinion in favour of the reform was so rapid that Parliament took up the matter before the end of 1837, and appointed a Committee of inquiry, which sat throughout the session of 1838 and examined many witnesses. The result of the investigation is well known, but it is not perhaps so well known that the resolution establishing the vital principle of the reform was carried only by the casting-vote of the Chairman, Mr. Robert Wallace, member for Greenock. The publication of the report of the Committee, embodying the arguments in favour of penny postage, gave an extraordinary impetus to the demand for the proposed measure, and but a short time elapsed before Parliament granted one of the greatest boons ever conferred on a people.

Penny postage came into force throughout the United Kingdom in January, 1840, and before many years had passed all the evil forebodings respecting the loss of revenue were falsified. The benefits resulting from the change were conspicuous, and were not confined to the United Kingdom. Six years later a public subscription was raised throughout the country in recognition of Sir Rowland Hill's services, and the knighthood bestowed on him by his Sovereign was another attestation of his merit. At a later day Lord Palmerston, after pointing out in the House of Commons the advantages which penny postage had bestowed on the nation, concluded by moving, "That the sum of £20,000 sterling be granted to Her Majesty as a provision for Sir Rowland Hill," a man whose name should be remembered in every country, for every country has benefited, and will continue to benefit, from his thoughtful labours.

Harriet Martineau describes the great postal reformer as "a man of slow and hesitating speech, but so accurate, so earnest, so irrefragable in his facts, so wise and benevolent in his intentions, and so well-timed in his scheme that success was certain from the beginning."

By the year 1854 the postal improvements resulting from Sir Rowland Hill's initiative had been adopted more or less completely in every civilised country. Speaking in the United States Senate in 1870, Charles Sumner referred to Sir Rowland Hill as—"The son of a schoolmaster, of simple life, and without any connection with the Post Office, he conceived the idea of radical reform—he became the inventor or author of cheap postage—there are few more worthy of honour; and, since what is done for one country becomes the common property of the world, he belongs to the world's benefactors."

In 1897, the year of Her late Majesty's Diamond Jubilee, the British Post Office gave a new significance to the expression "penny postage" by increasing the weight of letters for which a penny suffices to pay the carriage within the United Kingdom from 1 oz. to 4 oz. No such letter rate exists in any other country in the world.

The Second Reform.

The Queen had been on the throne ten years when a new agency of marvellous capabilities presented itself as a means of human intercourse and led eventually to the second reform.

The electric telegraph had no practical existence before 1847, when, through the enterprise of private companies, it began to be introduced as a means of communication. Telegraph lines were soon afterwards established between many of the principal cities of the United Kingdom by joint-stock companies. These ventures proved most profitable to the promoters, but in course of time complaints were made of exorbitant charges, of vexatious delays in the transmission of messages, and likewise that only important cities enjoyed the advantages of telegraphic communications. After a number of years the conclusion was arrived at that the control of the electric telegraph lines by the Government would be attended with advantages to the State and the general public; accordingly it was proposed to expropriate all the private lines and give to the country postal telegraph service under State control.

As early as 1852 suggestions were made that the Post Office should manage the telegraph system. Among others, Captain Galton prepared a paper on the subject. A few years later Mr. Frederick Baines drew up an elaborate memorandum in which he advocated the schemes of a Government system of telegraphs, the wires to extend to every post-office in England, Ireland, and Scotland, and the management to be controlled by the Post Office Department. He laid his views before the Duke of Argyle, then Postmaster-General, and afterwards before Lord Stanley of Alderley, who strongly favoured the idea. The names of Mr. Ricardo and Mr. Scudamore also appear in the record as taking a prominent part in the introduction of the scheme, although Mr. Scudamore disclaimed any originality for the proposal so far as the British Post Office was concerned, Government telegraphs being already in operation in several other countries.

To the Chamber of Commerce of Edinburgh belongs, very largely, the credit of creating public demand for the transfer of the services from private companies to the State, and Sir George Harrison, the convener of that body, was the moving spirit. It was shown conclusively that the telegraph service, as managed by the companies, maintained excessive charges, was dilatory and otherwise unsatisfactory in its operation, left many towns and districts wholly unprovided for, and placed special difficulties in the way of the newspaper press, which had, in the interests of the public, so strong a claim to special facilities. The Edinburgh Chamber of Commerce unanimously insisted upon a great reduction in charges, and suggested a uniform sixpenny rate, and their proposal was indorsed by other Chambers of Commerce throughout the United Kingdom. Parliament was memorialised, and laborious parliamentary inquiries were instituted; until at length it was decided to proceed with a scheme of Government postal telegraphs attached to the Post Office. In 1868 an Act was passed to enable the Postmaster-General to acquire and work all the electric-telegraph lines then existing, or thereafter to be established, and two years later the postal telegraph service came into operation.

Under State ownership great benefits have resulted. The exorbitant charges on messages previously exacted by the companies were at once greatly reduced, and the lines have been extended to towns and even small villages which until the transfer had no telegraph service. Moreover, the charges were no longer according to mileage, but were reduced to a uniform rate of $\frac{3}{4}$ d. a word, and for that small charge a telegram may be sent from any post-office to any other within the limits of the United Kingdom. The Government administration has proved in the highest degree satisfactory, and the business has increased enormously.

The Third Reform.

Imperial penny postage is a natural expansion of the first reform, from the British Islands to the British Empire. Its most ardent advocate was Mr. Henniker Heaton, member for Canterbury. Early in 1887 he addressed a series of closely reasoned letters to the Postmaster-General proposing that the ordinary postal rate for the carriage of a letter between any two parts of the British Empire should be 1d. He contended that such a service would on the whole be self-supporting, while it would be a practical means of establishing and maintaining close and cordial relations between the Mother country and her distant children. Mr. Heaton submitted a statement containing his various arguments to the Colonial Conference of 1887, and again and again appealed to Parliament to consider the proposal in view of his contention that it would powerfully tend to solidify the Empire.

It took some time for the arguments advanced to bear fruit. At length, however, in 1897, a correspondence passed between the British Post Office and the Postal Departments of Canada and the several colonies upon the question of reducing the rate from 2 $\frac{3}{4}$ d. (5 cents) to 2d. (or 4 cents). At a certain stage in this correspondence the Postmaster-General of Canada (Mr. Mulock) announced the intention of his Department to reduce the rate on letters from Canada to Great Britain, and to all the colonies, to the Canadian domestic rate, which was then 3 cents. per ounce. Mr. Mulock gave his reasons why the reductions should take place, and proposed that it should take effect on the 1st January, 1898. The British Post Office authorities were unwilling to assent to the proposal until the question of rates between the several parts of the Empire should be fully considered, and, in consequence, action on the part of Canada was postponed. In the summer of 1898 a conference was held in London to discuss the matter, when the principle of penny postage for the British Empire was accepted, and on the 25th of the following December penny postage came into operation between the United Kingdom, India, Canada, Newfoundland, and certain Crown colonies. The principle has been generally adopted in the postal service of other portions of the Empire.

We have the authority of the Duke of Norfolk, late Postmaster-General of the Home Government, for stating that the establishment of Imperial penny postage was largely due to the pro-

gressive spirit of Canada. On a public occasion, when the Duke was being congratulated on the successful accomplishment of the movement, he frankly conceded "that it would be unfair if he did not at once shift the credit from his own shoulders to those of his brother Postmaster-General of Canada." In an equally generous spirit, Mr. Henniker Heaton, by letter, expressed to Sir Wilfrid Laurier, the Canadian first Minister, his appreciation of the enlightened policy of the Canadian Government. "To you and your colleagues," he said, "and, above all, to Mr. Mulock, Postmaster-General, we are indebted not only in these historic islands, but in every land inhabited or ruled by men who are free subjects of Queen Victoria for the realisation of Imperial penny postage."

The Fourth Reform.

While the third reform is the expansion of the first, the fourth reform is the expansion of the second. A State-owned transmarine cable service encircling the globe may be regarded as the complement of the three preceding reforms. Not only is it rendered necessary by the evolution of the Empire and the enormous expansion of British interests during the Victorian era, but it is made possible by a number of contributing circumstances which have arisen during the same period.

In the tenth year of Her Majesty's reign electricity was first employed as a means of telegraphing. The *London Journal of Botany* for that year, 1847, refers to the gum of a new plant from the Malay Peninsula, which had found its way to England, and states that the plant itself had then been named by Sir Joseph Hooker, the famous director of the Royal Gardens at Kew. The new found gum, gutta-percha, was soon afterwards discovered to have an extraordinary degree of electrical non-conductivity, and on that account it has proved indispensable in the manufacture of submarine telegraph cables. Since its introduction and the laying of the first Atlantic cable about 30,000 tons of this gum have been used for electrical purposes. As every effort to find a substitute for gutta-percha has so far failed, it is clear that but for the discovery of this substance the immense progress that has taken place in ocean telegraphy would have been impossible. The development of ocean steamships may be instanced as another contributing cause. Before the Queen ascended the throne there were no steamships which could have been employed in cable-laying. Even if it had been possible to manufacture cables it would have been impossible without steamships to stretch them across the ocean. A sailing-ship tacking in adverse winds, or driven out of her course by storms, would have been ill suited for cable-laying.

As in the case of the land telegraphs of the United Kingdom, we are indebted, in the first place, to the enterprise of private companies for the establishment of ocean cables. Some of the cable companies have been assisted in their enterprises by liberal Government subsidies, and the companies so assisted, such as those connecting Great Britain with Australia, have met with rich returns. Having regard solely to the public interests, it has long been in contemplation to establish a cable across the Pacific, so as to connect Australia with the Mother country by way of Canada, and to retain the new cable under the direct control of the State so as to render it in the highest degree serviceable. This proposal was strongly advocated at the Colonial Conferences of 1887 and 1894, and on other occasions. It has, however, been persistently opposed by the allied cable companies, who have left nothing undone during the fourteen intervening years to prevent its realisation.

It is not to be regretted that private enterprise should have been richly rewarded as in this instance, but other considerations present themselves. The great object of companies is to earn large profits and pay to shareholders high dividends; but the policy of maintaining a profitable monopoly is not always compatible with great public needs. In the present case the progress of the Empire and the requirements of the British people have far outstripped the narrow policy which best suits private companies, and precisely as in 1870, when it became necessary for the Government to assume possession of the land lines of the United Kingdom, it has now become a matter of general expediency for the State to own and control the telegraph cables between all its possessions. There has been a prolonged struggle between public and private interests, but at length the public interests have triumphed. The principle of State ownership and State control of submarine cables was formally confirmed on the 31st December, 1900, when the contract for laying the Pacific cable was signed.

This act, the signing of the Pacific cable contract, simple and unpretending as it may seem, was really a greater step towards the unity of the Empire than the most splendid conquest. As an act of partnership between six Governments it is far-reaching in its effects, and may be regarded as the forging of the key to the solution of the great Imperial problem which the new century presents to us. It is important that we should grasp the magnitude of this problem. We must fully realise that the Empire is no longer limited to a group of comparatively small islands on the western fringe of Europe, which daughter-nations are proud to designate their Mother country. The Empire of the twentieth century is to be found in five continents; it comprises vast territories in both hemispheres; and its people everywhere cherish common sentiments, sympathies, and aspirations. Being separated by wide seas, they require the best means of mutual intercourse. For general security and purposes of State, no less than for the operations of trade, and for social requirements, they demand the freest use of the most perfect means of communication known.

The improvement of the mail-service by the adoption of universal penny postage was a wise Imperial measure, but in view of geographical conditions the mail-service alone is inadequate. The electric telegraph can meet the conditions, and it is the only agency that can do so; but it must not be restricted by the limitations imposed by companies, whose main object is private profit. This great agency of civilisation has been given to man for nobler purposes. A little reflection will show that brought under State control it is destined to revolutionise the world's correspondence. By carrying the postal-telegraph service to every post-office in every British possession around the globe our people, so widely sundered geographically, will telegraphically and practically be drawn into near neighbourhood.

This marvellous result is rendered certain by two remarkable facts: First, the fact that telegraph messages are instantaneously transmitted gives them an immense advantage over the post. Take a single illustration:—If a correspondent in Canada writes to a friend in New Zealand he could not receive an answer for eight or ten weeks, while with the telegraph an answer would be due in a few hours. Secondly, distance does not appreciably add to the cost of sending a message by telegraph. It has been elsewhere pointed out that there is practically no greater outlay incurred in transmitting long-distance than short-distance messages. In the case of postal matter the expenditure is constant for every hour, and continuous for every mile; whereas in telegraphy there is an entire absence of such expenditure. With a telegraph properly established and equipped messages may be transmitted a hundred or a thousand miles at no greater cost than one mile.

These striking facts give the strongest possible grounds for the belief that with the cable and telegraph service nationalised and extended an extremely low uniform charge—a parallel to penny postage—by Imperial telegraphy will be found possible. Would anything else tend to develop in so high a degree a common feeling of kinship among our people? Statesmen desirous of taking practical steps towards consolidating the Empire will now find the way open for their efforts by furthering this the crowning development of the British Post Office.

NO. 2.—A STATE-OWNED SYSTEM OF ELECTRIC CABLES FOR THE EMPIRE.

Letter to the Right Honourable Joseph Chamberlain, Secretary of State for the Colonies. By Sir Sandford Fleming.

SIR,—

Ottawa, 28th October, 1898.

I had the honour on the 28th December of last year to address Sir Wilfrid Laurier respecting the proposal to establish a State-owned Pacific cable. Circumstances have since arisen which impel me to ask permission to address you on the subject of a State-owned system of cables for the British Empire.

In the remarks which follow, the subject will be discussed on its merits. I venture to think that the arguments advanced will make it clear that such a service is extremely desirable, and is fast becoming a necessity. The telegraph is an essential ally of commerce, and is indispensable to the full and satisfactory development of trade and shipping. The trans-Pacific steamship-lines which have been established are heavily handicapped by the absence of any direct means of telegraphy between the ports with which trade is carried on. The Pacific cable would serve the purposes of trade between Australasia and Canada, but these countries are debarred from establishing independent telegraphic connection with Hongkong, the terminal port of some of the steamship-lines. Under an agreement, dated the 28th October, 1893 [p. 70, F.—8, 1900], the Eastern Extension Telegraph Company strengthened its monopoly by having Canada and the Australasian Colonies telegraphically excluded from Hongkong and forbidden to lay, or assist in laying, any new cable to that port for a period which does not expire until twenty years from the present date. There remains only one way of gaining telegraphic connection with Hongkong freed from exacting charges, and that is through the Home Government. In granting to the Eastern Extension Company exclusive privileges, Lord Ripon, then Colonial Secretary, reserved to Her Majesty's Government the option to take possession of the cable between Singapore, Labuan, and Hongkong by giving twelve months' notice and paying the company £300,000.

My letter of December last to Sir Wilfrid Laurier (copy enclosed) [pp. 27–30, F.—8a., 1898] sets forth the position and the attitude to Canada and the Australasian Colonies of the Eastern Extension Telegraph Company. The proposal now submitted would undoubtedly interfere with the rich monopoly which that company enjoys, and to some extent and for some time diminish its profits; but I venture to hold that no private company, however rich and influential, should be allowed to stand in the way when great Imperial interests are at stake. It must be borne in mind, too, that telegraphy is one of the most astonishing results of science, and that the facilities which it offers, if not shackled by hindrances, may be rendered of greater and greater value to the human race.

The advantages of cable connections and low charges increase with distance in an accelerated ratio. It is impossible, therefore, to set a limit to the commercial, social, and political benefits which would result to the Empire from a State-controlled cable service reaching every British possession. In the following remarks I point out that the Pacific cable, established as now proposed, will prove to be the key to such a service, and practically its forerunner.

British Empire Cable Service.

The action recently taken in London in adopting the principle of cheap Imperial postage suggests that the time has arrived when the expediency of establishing a complete telegraph-cable system throughout the Empire may be considered on its merits. The advantages which will inevitably follow the adoption of universal penny postage appear to be generally recognised, and I venture to think the public mind will be prepared to entertain favourably another proposal not less important. It is not necessary in the least to undervalue cheap postage or detract from its immense importance in order to show that a cheap telegraph service on a comprehensive scale is easily attainable, and that it would prove an effective means of speedy communication for an Empire such as ours.

The transmission of letters has always been a function of the Government; indeed, it has been wisely held throughout the civilised world that the postal service should be controlled by the State. The electric telegraph is a comparatively modern introduction. In the Mother country private companies were the first to establish lines of telegraph, but in 1868 it was found to be in the public interest to have them taken over by the State and placed under the Post Office Department.

A Committee of inquiry had reported to Parliament "That the telegraph service as managed by companies (1) maintained excessive charges, (2) occasioned frequent and vexatious delays in the transmission of messages and inaccuracies in sending them, (3) left a large number of important towns and districts wholly unprovided-for, and (4) placed special difficulties in the way of that newspaper press which had in the interest of the public a claim, so just and so obvious, to special facilities." The transfer was effected in 1870. Changes and improvements were immediately made; the telegraph service, previously confined to lines connecting great cities where business was lucrative, was extended to many towns and districts previously neglected, and, notwithstanding the fact that the charges on messages were greatly reduced, the business developed to such an extent that the receipts progressively increased. Before the transfer it cost about 6s. to send an ordinary message from London to Scotland or Ireland. The rate was reduced to 1s., and subsequently to 6d. (the rate at present charged), and for that sum a telegram can be sent from any one station to any other station within the limits of the United Kingdom without regard to distance.

It was early discovered by every country in Europe that so efficient a servant to trade and commerce, so important an aid to the State itself, should become a national institution. France, Austria, Prussia, Russia, Sardinia, Italy, Spain, Portugal, and Belgium each established a State-telegraph system, and, as in Great Britain, experience has shown that they have done this not only with advantage to the various administrative necessities, but with benefit to the public at large. Such being the unanimous conclusion, is not the application of the principle of State ownership on a larger scale than hitherto attempted a fit subject for inquiry? Is it not desirable and expedient that the whole British Empire should have a State-controlled cable-system?

The conditions of the Empire are totally different to what they were some years back. When Her Majesty ascended the throne there was not a single mile of electric telegraph anywhere. There was not an iron ship of any class afloat, and mail steamships were practically unknown. From that period the conditions have been continually changing, and the process of growth and development still goes on. True, change has met with resistance from individuals and companies and classes; but, resist it who may, the law of development follows its steady course and continually makes demands on science and skill to meet the ever-changing conditions. We are living in an age of transformation; the spirit of discovery and enterprise, of invention and achievement, has extended and expanded the British Empire from the small islands on the coast of Europe to new territories, continental in extent, in both hemispheres. The development of the mercantile marine has carried the flag of our country over every mile of sea to meridians far distant from the Motherland. In these distant territories communities have established themselves under the protection of that flag. They have drawn riches from the forest, the soil, and the mine. They have caused noble cities to spring up, rivalling in the splendour of their streets and buildings the finest cities of the Old World. These young nations, full of hope and vigour, have made progress in every direction; they are imbued with lofty aspirations, and their most ardent desire is to give their energy and strength to the building-up of a greater British Empire, on the firm foundation of common interest and common sentiment.

At an earlier period of the world's history it would have been difficult to conceive the possibility of any lasting political union between countries so widely separated by intervening seas. The problem is, however, being solved not by old methods, but by the application of wise principles of government, aided in a wonderful way by the highest resources of modern science. Steam has made the separating oceans no longer barriers, but the general medium of union. Electricity has furnished the means by which the British people in all parts of the globe may exchange thought as freely as those within speaking distance. These twin agencies of civilisation are pregnant with stupendous possibilities. Already the one, as the prime factor in sea carriage, has rendered universal penny postage possible. The other has made it equally possible to bring the British people, so widely sundered geographically, within the same neighbourhood telegraphically.

Imperial penny postage will have far-reaching consequences; it is undoubtedly a great onward movement in the career of civilisation, and in the development of wider national sympathy and sentiment. But, great as are the benefits to follow the adoption of universal cheap postage, the first result, and not the least, will be to make plain that a postal service, however cheap and comprehensive, is in itself insufficient for the increasing daily needs of the now widely distributed British people. It will be seen that, in addition to an ocean penny postal service, the circumstances of our world-wide empire demand a cheap ocean cable service, extending to every possession of Her Majesty.

The carriage of letters at any known speed consumes time, and the length of time consumed depends on the distance traversed. The telegraph, on the other hand, practically annihilates space, and in this one respect has immeasurably the advantage over the ordinary postal service, especially in the case of correspondents who are separated by the greatest distances.

We can as yet but faintly appreciate the extent to which the telegraph may be employed, because its use heretofore has been restricted, on long-distance messages, by almost prohibitory charges. If messages be exchanged between places not far apart, let us say between London and Edinburgh, or Toronto and Montreal, the gain in time by the use of the telegraph is inconsiderable. But if the points of connection be far separated, such as London and Melbourne, or Ottawa and Cape Town, the comparison between a postal and a telegraph service brings out the distinct value of the latter. In either of the cases last mentioned, while it would require the lapse of eight or ten weeks to obtain an answer to a letter by post, if the telegraph be employed a reply may be returned the next day, or even the same day.

Existing long-distance cables are little used by the general public—it may be said, not at all except in emergencies. They are used in connection with commerce, the growing needs of which demand more and more the employment of the telegraph, but owing to the high charges exacted

its use is limited to business which would suffer by delay. These cables are in the hands of private companies striving chiefly to earn large dividends, and who adopt the policy of charging high rates, in consequence of which trade and commerce are unduly taxed and their free development retarded. Were the cables owned by the State, large profits would not be the main object; and, precisely as in the case of the land lines of the United Kingdom, it would be possible greatly to lower rates and thus remove restrictions and bring the telegraph service within reach of many now debarred from using it.

When the Government assumed control of the inland telegraphs of the United Kingdom it was found possible greatly to reduce charges. In 1869, the year before the transfer, less than seven million messages were carried. At the transfer the rate was reduced to 1s. per message; the traffic immediately increased nearly 50 per cent., and continued increasing until, in the tenth year, twenty-nine million messages were transmitted, with a surplus of revenue over expenditure of £354,060. In another decade the total annual business equalled ninety-four millions, the operations still resulting in a surplus of £251,806, although the charge for a message had been meanwhile reduced from 1s. to 6d. It is indisputable that high charges restrict the utility of sea cables as well as of land lines, while low charges have the opposite effect. A few years ago the tariff of charges between Australia and London was 9s. 4d. per word. The proposal to establish the Pacific cable, and the discussion which followed, led to the cheapening of the rate to 4s. 9d. per word. In 1890, the year before the rates were lowered, the gross business consisted of 827,278 words; last year (1897) it had increased to 2,349,901 words. In 1890, with high charges, the revenue was £331,468; in 1897, with reduced charges, the revenue was £567,852, or £236,384 in excess of 1890, when the highest rates were exacted.

The utility of the telegraph may be measured by the time gained over the post, and the success of the telegraph service of the United Kingdom must be accepted as convincing evidence of its utility and value, for the gain in time is in this case measured by hours only. Its striking success in this instance may be largely owing to State control; but, whatever the cause, it is obvious that if, under similar conditions, weeks were gained instead of hours the utility of the telegraph would be proportionately increased and its value as a means of communication correspondingly enhanced. There is another immense advantage not generally known to the public which can be claimed for telegraphy: it is the fact that within certain limitations the actual cost of transmission is but little affected by distance. While the cost of carrying letters is in proportion to the distance traversed, the same rule does not apply to the electric wire. With a properly equipped telegraph system, the actual expenditure incurred in transmitting a message thousands of miles is practically no greater than in sending it ten miles. Obviously, therefore, the principle of "penny postage"—that is to say, a low uniform charge for all distances—is applicable even more fully to ocean telegraphy than to the Imperial postal service. With these considerations before us, a moment's reflection leads to the conviction that this wonderful agency—the electric wire—places within our reach, if we have the wisdom to accept it, an ideal means of communication for the world-wide British Empire. Thirty years ago the British Parliament, for reasons the soundness of which experience has fully confirmed, determined that the State should assume control of the inland telegraph system of the United Kingdom: to-day there are incomparably stronger reasons for State control being exercised over a cable system for the whole Empire.

The proposal is not altogether new. If the proceedings of the Colonial Conference of 1887 be referred to it will be found that an Imperial telegraph service was foreshadowed in the discussions. To these I would refer, and especially pages 225 to 228, 339 to 341, and 513 to 520. In these discussions the delegates from the Cape of Good Hope, Natal, Australia, New Zealand, Newfoundland, and Canada took part. Again, at the Colonial Conference of 1894 the proposal was set forth in some detail, and the advantages of an all-British system of telegraphy around the globe pointed out. On that point I beg leave to direct attention to the proceedings of the Ottawa Conference, and more particularly to pages 88 to 90, inclusive. Likewise to the proceedings of the second Congress of the Chambers of Commerce of the Empire, and more especially to a letter from the Ottawa delegate (1st July, 1892) to the President, Sir John Lubbock.

The proposal to complete the telegraphic circuit of the globe has no doubt suggested itself to many persons. Among those who have written on the subject may be mentioned Sir Julius Vogel, at one time Postmaster-General of New Zealand; the late Mr. F. N. Gisborne, Superintendent of Telegraphs for the Canadian Government; Sir George Baden-Powell, M.P., London; Mr. J. C. Lockley, of Nhill, Australia; and the veteran postal reformer, Mr. Henniker Heaton. At the Cape Mr. Jan Hendrick Hofmeyer has given the matter his strongest support.

Projected Cable System.

It may be laid down as an essential condition of an Imperial cable service that none of the lines should touch foreign soil, and that they should be placed so as to avoid shallow seas, more especially those seas in proximity to any country likely at any time to prove unfriendly. In describing generally the route which would best comply with these conditions I shall commence at Vancouver, for the reason that up to this point telegraphic connection with the Imperial centre in London is already assured, without being dependent on any foreign Power. First, we have direct telegraphic connection across the Atlantic by a number of cables, and it is a mere question of cost to lay additional transatlantic cables to be State-controlled whenever they are wanted. Secondly, we have a transcontinental telegraph from the Atlantic coast to Vancouver, extending along the line of the Canadian Pacific Railway, and all practical telegraphers will recognise the great advantage of this position. By having the wires hung within sight of passing trains the telegraph can be frequently inspected with the greatest possible ease, and faults, when they occur, can speedily be repaired.

Commencing at Vancouver the cable would cross the Pacific to New Zealand and Australia, from Australia the main line would cross the Indian Ocean to South Africa, from South Africa it would traverse the Atlantic to Canada, where it would connect with the transatlantic lines. Such a system of cables would complete the telegraphic circuit of the globe, and would constitute a base for connecting every one of Her Majesty's possessions and naval coaling-stations (Gibraltar and Malta excepted) by the most perfect means of conveying intelligence at our disposal. Moreover, the connection would be formed by a system of all-British deep-sea cables in the position where they would be least vulnerable. This Imperial cable system may be considered in three divisions.

1. Cables in the Pacific Ocean.

The cable from Vancouver would first find a mid-ocean station at Fanning Island, second at the Fiji Islands, third at Norfolk Island; at Norfolk Island it would bifurcate, one branch extending to New Zealand, the other to the eastern coast of Australia.

There are many islands in the Pacific, some under British, others under foreign flags; in course of time these islands could be served by branches as circumstances may require. The land lines of Australia would complete telegraph connection with the western coast, or it may be deemed expedient to substitute a cable for the land lines over that portion of the interior between Adelaide and King George's Sound.

2. Cables in the Indian Ocean.

From King George's Sound, or other point in Western Australia, the cable would extend to Cocos Island, thence to Mauritius, and thence to Natal or Cape Town, as may be found expedient. Cocos would become an important telegraphic centre; it would be a convenient point for connecting Singapore by a branch cable. Singapore is already in connection with Hongkong by an all-British cable *via* Labuan, and Her Majesty's Government can take possession by giving twelve months' notice. India could be reached by a branch from Cocos to Colombo or Trincomalee in Ceylon. At Mauritius a connection would be formed with the existing cable to Seychelles, Aden, and Bombay.

3. Cables in the Atlantic Ocean.

In order to avoid the shallow seas along the west coast of Africa, Spain, Portugal, and France, it is proposed that the cable should extend from Cape Town to Bermuda, touching at St. Helena, Ascension, and Barbados as mid-ocean stations. At Bermuda a connection would be formed with the existing cable to Halifax, and at that point with the Canadian and transatlantic lines, or a cable could be laid from Bermuda direct to England. Much prominence has been given to a proposal to connect England with the Cape by a line of cable touching at Gibraltar, Sierra Leone or Bathurst, Ascension, and St. Helena. I pointed out in my letter of last December to Sir Wilfrid Laurier that there are great objections to the northern half of that route, as "the cable, of necessity, would be laid for some distance in shallow seas where it would be exposed to injury from various causes, and where, too, the agent of an unfriendly nation, or, indeed, an evil-disposed fisherman, would have it in his power to destroy the cable with ease, totally unobserved. For hundreds of miles it would be exposed to such risks." The route now proposed from Ascension to Great Britain is certainly less direct, but the cable would be much less in jeopardy, and to this may be added the advantage which would result in bringing the West Indian possessions within the Imperial telegraphic circuit.

In order that some estimate may be formed of the cost of such an undertaking, I submit the following approximate distances which each group of cables would require to cover:—

	Knots.
(1.) In the Pacific Ocean, from Vancouver to Australia and New Zealand	7,150
(2.) In the Indian Ocean, from Western Australia to South Africa—	
Main line 	6,500
Branch to Singapore 	1,100
" Colombo 	1,500
	9,100
(3.) In the Atlantic Ocean, from South Africa to Bermuda	6,600
	22,850

The total distance for which new cables would be required (of which 20,250 knots would be in the main line, and 2,600 knots in branches) may be roughly placed at 23,000 knots, and the cost (including the branch to Hongkong) between five and six millions sterling.

I have long advocated the first division of the proposal, the establishment of a cable from Canada to Australasia, as a State work. I have felt that it would be the forerunner of an all-British telegraph system embracing the whole Empire. As a State undertaking I am satisfied that the Pacific cable would be a complete commercial success, and that so soon as it so proved the cable-extension to South Africa and India would follow.

One advantage peculiar to a globe-encircling system of cables will be apparent, each point touched would be in connection with every other point by two routes extending in opposite directions. This feature is of special value, as it practically constitutes a double connection in each case. The projected system of all-British cables with its branches would thus doubly connect the following fortified and garrisoned coaling-stations: namely, Hongkong, Singapore, Trincomalee, Colombo, Aden, Cape Town, Simon's Bay, St. Helena, Ascension, St. Lucia, Jamaica, Bermuda, Halifax, Esquimaux, King George's Sound, and Thursday Island. The following "defended ports" would likewise be connected: viz., Durban, Karachi, Bombay, Madras, Calcutta, Rangoon, Adelaide, Melbourne, Hobart, Sydney, Newcastle, Brisbane, Townsville, Auckland, Wellington, Lyttelton, and Dunedin.

Would it not be in the interest of a great commercial people to have these and all such points in the outer empire connected by a means of communication so perfect as the electric telegraph? Is it not a matter which vitally concerns every British community around the globe? Is it not in their common interest that they all should be placed in possession of the speediest means of conveying intelligence the one to the other, free from the burden of high charges?

That a State-owned Pacific cable is the key to the situation I am firmly convinced. Exhaustive examinations have proved its entire practicability. Its financial aspect has been minutely investigated by business men of the highest rank. The Canadian Government appointed Lord Strathcona and the Hon. A. G. Jones for this purpose, than whom there are no men with stronger business insight. Their report is in the possession of the Government, and it takes the most favourable view of the project. As a State undertaking it would be self-supporting from the first year of its establishment, and would admit of charges being lowered year by year. That the final outcome of the laying of this cable would be an Imperial telegraph service there can be little doubt. I am satisfied that the Pacific cable would prove to be the entering wedge to remove for ever all monopoly in ocean telegraphy, and free the public from excessive charges; that it would be the initial link in a chain of State cables encircling the globe, with branches ramifying wherever the British Empire extends; and that it would be the means of bringing into momentary electric touch every possession of Her Majesty.

In 1837 Rowland Hill, in advocating uniform penny postage for the United Kingdom, pointed out how desirable it would be to have the same low rates as on inland letters charged on letters passing to and from the colonies. This remarkable man concluded with the memorable words, "There is perhaps scarcely any measure which would tend so effectually to remove the obstacles to emigration, and maintain that sympathy between the colonies and the Mother country which is the only sure bond of connection, as the proposed reduction on the postage of colonial letters." Had Sir Rowland Hill known of the means of instantaneous communication which, since his day, has been placed at our command, he assuredly would have viewed it as the most civilising agency of the century. He would have seen that, while promoting the activities of trade and commerce and improving the well-being of the human race, nothing would more tend to deepen the sympathies of our people and make firm the foundations of the Empire than the adding to a universal penny postage the incalculable advantage of a State-controlled ocean-telegraph system encircling the globe.

Holding the views which I have ventured to submit, I feel that in the public interest I should greatly err if I failed to seek an opportunity of giving expression to them.

I have, &c.,

SANDFORD FLEMING.

The Right Hon. Joseph Chamberlain, Secretary of State for the Colonies.

NO. 3.—STATE-OWNED TELEGRAPHS FOR THE EMPIRE.

Letter to His Excellency the Earl of Hopetoun, Governor-General of the Commonwealth of Australia. By Sir Sandford Fleming.

MY LORD,—

Ottawa, 3rd December, 1900.

I had the honour, in October, 1898, to address the Right Honourable Joseph Chamberlain, Secretary of State for the Colonies, on the subject of a State-owned system of cables for the British Empire. My letter was made public, and the records of the Press show that much interest was awakened, and that a singular unanimity of opinion was evinced in favour of the proposal. Since that date events have occurred which, while they have had the effect of diverting attention from the subject, have at the same time in a remarkable degree emphasized its importance, especially to Australasia. I venture to think, therefore, that no time could be more opportune for its consideration than on the occurrence of the inauguration of the new Commonwealth.

In asking Your Excellency to be good enough to bring the remarks which follow before the Government of the Commonwealth, I am unable to claim that I hold any official position. It is merely as a Canadian subject of Her Majesty that I make the request, and, as such, I feel we in Canada desire to think that we enjoy privileges and have interests and rights in common with our fellow-subjects in Australia. While I venture to speak for my countrymen on the subject of this communication—and there are substantial reasons why I should do so—it is not without hesitation that I assume the self-imposed duty; but all hesitation must be set aside in view of the words of Your Excellency in bidding farewell a few weeks back at Hopetoun House, in Scotland: "This is no time for any one to hang back when he can serve the Empire. Some can serve as soldiers, and right well have many done so during the past twelve months; others can serve in other capacities."

I appeal, then, to Your Excellency in this spirit, satisfied that there are none so humble who cannot do faithful service. I appeal to Your Excellency under the firm conviction which has been forced on me that the subject of this communication demands immediate and earnest attention. I venture strenuously and respectfully to urge that it be one of the first matters brought to the consideration of your Government.

In Canada not less than in Australia we have an abiding desire to serve the Empire. Soon after Canadians embarked in the constitutional career in which the Australian people are about to enter they undertook a work of Imperial magnitude—the establishment of a telegraph and railway across the Continent of North America. Long before the undertaking was completed it became apparent that the electric wire on reaching the Pacific from the East should be extended across the western ocean. The first proposal to connect Canada with Australia by a trans-Pacific electric cable was published in returns relating to the Canadian Pacific Railway laid before Parliament in 1880. From that date until the present the Canadian parliamentary records give evidence that the project has always been kept prominently in view.

It has fallen to my lot during these twenty years unceasingly to take more or less active interest in the telegraphic connection of Australia with the Mother country by way of Canada. The evidence shows that it has been a long chapter of difficulties and disappointments, that a series of obstructions raised by strong opposing influences have been encountered, but that owing to unrelaxed, persistent efforts and the steady adhesion of friends of the enterprise they have one by one been overcome. The dominant reason for desiring to see every obstacle removed and the connection by telegraph effected by the Canadian route is explained by the vitally important fact that the Canadian route is absolutely the only route by which the globe may be girdled by a series of all-British cables. Prolonged delays have been caused, but at length success is assured. An arrangement has now been reached under which the several Governments immediately concerned shall, without further loss of time, establish a Pacific cable as a State undertaking. The first part of the problem may therefore be regarded as solved, and the way is opened for entering fully into the consideration of the main proposal—viz., the establishment of a complete system of inter-Imperial cables which will put each part of the realm of Her Majesty in touch with every other part; the whole under State control, so that it can be utilised for the highest good of the Empire.

At the close of the nineteenth century it is impossible to form a narrow conception of the British Empire. It has long since ceased to be confined to the group of islands on the west coast of Europe. The Empire has undergone an extraordinary expansion, and now embraces vast territories in the four quarters of the globe. The subjects of the Queen are in possession of an immense extent of the earth's surface. The European home of the British people occupies but a fraction over 1 per cent. of the superficial area of the whole Empire.

The great Ruler of the kingdoms of the world has brought many lands under one sovereignty. He has granted to our Queen length of days, and placed Her Majesty over great multitudes of the human race, comprising various nations and kindreds and peoples and tongues. We may regard this as evidence of beneficent design, and we are called upon as human agencies to take every means at our disposal to perfect the union of the mother of nations with the daughter States, in order that, united, they may fulfil their higher destiny.

The countries occupied by the family of British nations are widely sundered geographically; their shores are washed by the great oceans; although for purposes of commerce intercommunication is effected by fleets of steamships and sailing-vessels, more adequate means of intercourse is needed. For general security, for great State purposes, no less than for the operations of trade and for ordinary social requirements, all the different parts of this widely scattered Empire demand the freest use of the most perfect means of communication known to us.

We are familiar with the electric telegraph and its employment by land and sea. This marvellous agency is at our command, and it only requires to be properly applied in order that it may best serve the highest interests of the people of the Empire. Already it is employed in part, but as at present established and administered it is open to grave objections. It is wanting in essentials to our daily needs, and we are debarred from enjoying all the advantages which, if properly applied, it can confer.

There are lines of telegraph established across parts of Europe, Africa, and Asia, connecting Australia with the Mother country, but these lines at certain points pass through foreign territories or touch foreign ports. At many places on their way they traverse shallow seas in proximity to foreign States, where they are liable at a critical moment to speedy interruption. Moreover, these telegraph-lines are owned and controlled by private companies, and charges are exacted for the transmission of messages which are felt by all to be exorbitant, and by most people absolutely prohibitory.

In my letter to Mr. Chamberlain of the 28th October, 1898 [p. 8, F.—8., 1899], a revised copy of which is appended, I have set forth the outlines of a scheme of arrangement for cables and land telegraphs by which the most wonderful product of science of the age may be adapted to the peculiar conditions of our Empire. The proposal is to establish electric cables to and from each British possession; these cables to be connected with local land lines in Canada, Australia, South Africa, India, and elsewhere; in this manner linking together the whole Empire by a chain of telegraphs without touching the territory of other nations, at the same time avoiding shallow waters adjacent thereto. Moreover, it is designed that the whole system of telegraphs, by land as well as by sea, be brought under State control, in order that the fullest benefit to the British people everywhere, and to the Empire, be attained.

In my letter to Mr. Chamberlain a peculiarity of the electric telegraph of far-reaching importance is pointed out. It is a peculiarity which, however, cannot be turned to public advantage so long as the cables of the Empire remain in the hands of private companies. The cost of sending a message by telegraph is not, as is generally supposed, governed by distance. It is true that the companies charge according to distance; but this is simply an expedient for obtaining from the telegraphing public larger profits. As a matter of fact, there is practically no more current outlay incurred in transmitting long- than in transmitting short-distance messages. It may be contrary to practice, it may not agree with preconceived ideas, but it is a fact, nevertheless, that there is no known means by which communications can be sent at less actual cost than by telegraph. A mail or letter cannot be conveyed by railway or ocean steamer without expenditure on coal, machinery, oil, wages, and other things to keep the train or ship in motion. The expenditure is constant for every hour, and continuous for every mile. The circumstances are entirely different in the case of the telegraph; when once established, equipped with instruments, and manned by operators, messages may be transmitted a hundred or a thousand miles with as much ease and at no greater actual cost than one mile.

This remarkable anomaly, added to the equally remarkable although better-known fact that transmissions by the electric wire are instantaneous, point to a system of State-owned cables and telegraphs as the ideal means of communication for an empire under such conditions as ours. If

it be the case—and it is indisputable—that long-distance messages can be sent at no more actual working-outlay than short-distance messages, we have happily the means at our command which will greatly tend to unify and consolidate this widely scattered Empire, provided we have the wisdom and forethought to bring it into use. If the principle of State ownership of cables generally be carried into effect as suggested, I do not hesitate to state my belief that the day is not far removed when oversea messages will be sent from any one British possession to any other, whatever the distance, at the uniform charge, first of 1s. and eventually of 6d. a word.

I have always held a Pacific cable to be the initial link in a great chain of globe-encircling Imperial telegraphs. The mere advocacy of the Pacific cable has already benefited Australia by lowering charges levied on messages fully 50 per cent., and any accountant can estimate the enormous money-value of this benefit by the saving which has accrued during the past ten years. I do not doubt that the advocacy of the Imperial system will have a similar effect on the policy of the companies in still further reducing charges, but any such reduction will be incomparably less important than the advantages to result from placing the cables and telegraphs of the Empire under State control. At present it is recognised that the Empire is inadequately provided with the means of telegraphic communication, that commerce is unduly taxed in consequence, and that an embargo is placed on the free intercourse of the British people. The circumstances of to-day demand multiplied facilities for sending telegrams from any one part to any other part of the Empire at greatly reduced charges, in order to widen the use of telegraphy to all classes of the community. With an Imperial chain of cables established, incalculable advantages would follow, and Her Majesty's subjects, in whatever part of the world they may be situated, could interchange communications with the greatest possible ease and the greatest possible economy.

Some words may with propriety be added with respect to the position of Canada in the matter. It will be borne in mind that it is owing to the unparalleled expansion of the Empire and the resultant circumstances that some organization is absolutely needed to secure unfettered intercourse, and that in this respect the subject concerns Canada in common with Australia and all other parts of Her Majesty's wide domain. There is abundant evidence to show that in Canada we have common interests, common sentiments, common aspirations, and common sympathies with our kindred in Australia. Have we not during the past year sent our bravest to fight a common foe; and have not our sons fallen on the same field and been laid in a common grave? Before these lines reach Australia the world will have revolved into another year. At this date we in Canada appear to be standing in the old century gazing across the deep into the dawn of the new. We are distant spectators, yet intensely interested in the starting of the constitutional machinery of a sister-nation to dominate for all time in another quarter of the globe. We recognise and welcome the approaching great historical occasion as an epoch to denote the steady evolution of an unique empire of many commonwealths.

It will be apparent from the preceding remarks that a complete system of State-owned telegraphs encircling the globe would in no small degree contribute to the consolidation of the great oceanic empire. It will further be obvious that owing to the position of Australia in the southern seas and her comparative isolation from other parts of the world, still more by reason of the highly important place she is destined to fill among the nations, it would be fitting to signalise the birth of the new Commonwealth by initiating a comprehensive system of cheap and speedy communications of permanent advantage to the whole British people.

Naturally it is felt that the initiative must be taken by Australia. I trust, therefore, that Your Excellency's Government will see the way clear to take such action as may be expedient.

I have, &c.,

His Excellency the Right Hon. the Earl of Hopetoun,
Governor-General, Commonwealth of Australia.

SANDFORD FLEMING.

NO. 4.—A STATE-OWNED TELEGRAPH SERVICE GIRDLING THE GLOBE.

Letter to the Hon. Wm. Mullock, Postmaster-General of Canada. By Sir Sandford Fleming.

SIR,—

Ottawa, 1st January, 1901.

On the opening of the new year I beg leave to submit the following remarks on a subject connected with your Department. I believe the views expressed will meet with your sympathy and the sympathy of the Government, as the subject is of great interest not only to the people of Canada, but to all other British people.

The change of the century is a peculiarly striking epoch to Her Majesty's subjects throughout the world when regarded as coincident with a turning-point in the history of the Empire. To-day another British nation enters on its constitutional career, to dominate in another quarter of the globe, and it seems to me that this is an opportune moment to consider a subject which affects Canada in common with Australia.

Yesterday Her Majesty's Home Government, with the Governments of Canada, New South Wales, Victoria, Queensland, and New Zealand, completed a long-delayed arrangement, by jointly contracting for the establishment of the Pacific cable. This act of co-operation involves the adoption of an entirely new principle in connection with ocean cables—that is to say, joint State ownership. This principle was first mooted in a report on the progress of the Canadian Pacific Railway laid before Parliament in 1880. It was proposed by the Canadian delegates at the Colonial Conference of 1887, again at the Conference of 1894, and ever since these conferences, in season and out of season, it has been strenuously advocated. It was recommended by the Imperial Cable Committee in their report of 1897. At length the principle has been adopted, and its adoption is in my judgment of far-reaching importance. If closely followed up, I am satisfied that the Pacific cable, established as now determined, will prove to be the harbinger of a complete system of State-owned telegraphs, by land and sea, ramifying throughout the whole British Empire.

At one time the Empire was limited to the British Islands in Europe, known as the United Kingdom, but from various causes the flag now flies over vast territories in the four quarters of the globe. As a matter of exact knowledge, the United Kingdom occupies but a trifle more than 1 per cent. of the whole superficial area under Her Majesty's rule.

An entirely new empire, consisting of many nations, is steadily being evolved, and we cannot fail to recognise the vital importance of providing the best possible means of bringing each member of the British family of nations into the closest possible contact with all other members. But, as wide seas and oceans intervene, the desired end can only be accomplished by means of the electric wire.

Electric cables have to some extent been already employed for a number of years, and they have served a provisional purpose, but they are now wholly inadequate. In the progress of events, since these cables were first established a quarter of a century ago, in some instances circumstances have altered, new conditions have arisen, and new needs have been developed, demanding modification and change. The existing lines of telegraph between distant portions of the Empire pass in part through foreign countries or traverse shallow seas in proximity thereto, where, at a critical moment, they are liable to speedy interruption. Moreover, these lines have been established by private companies, who exact oppressive rates. Not a few Canadians are by painful experience during the past year familiar with the extortionate charges on messages between the Dominion and South Africa. The companies, too, not content with having long received heavy Government subsidies, and having been rewarded for their enterprise by enormous profits, have by force of a combination created a powerful monopoly detrimental to the public interests. Complaints are frequent and well founded. In the *Times* of the 14th November, 1900, there are letters from Sir Edward Sassoon, M.P., and Lord George Hamilton, Secretary for India, on the telegraph rates between India and Europe which corroborate the facts here stated. In one of these letters the effect of the combination is referred to as "mediæval thralldom." The allied companies have taken every means to strengthen their monopoly and, since the Colonial Conference of 1887 have left nothing undone to defeat the project of a Pacific cable. The friends of the Pacific cable have, however, never relaxed their efforts on its behalf, and one reason above all others why they have persisted against adverse influences, and patiently struggled to overcome every obstacle, is the vitally important fact that the Canadian route between England and Australia is absolutely the only route by which the globe can be girdled by an all-British chain of telegraphs.

It is well known that it has fallen to my lot for many years to take an active interest in a Pan-Britannic system of telegraph cables. Last month I addressed the Governor-General of the new Commonwealth of Australia on the subject, and specially directed His Excellency's attention to a striking peculiarity of the electric telegraph which gives it very great advantages over the post as a means of communication between places on the surface of the globe the most separated by distance. I pointed out that, while the cost of carrying letters, as well as the time consumed in conveying them, is in proportion to distance, in the case of the telegraph it is entirely different; that telegraph messages may be sent any distance without appreciable expenditure of time or current outlay; that with a telegraph established and equipped, and maintenance provided for, the actual working-cost of sending a message a thousand miles is no greater than in sending it one mile. Such being the case, we have in the electric wire a means of communication which may be employed to unify and consolidate the widely scattered portions of the Empire. I further pointed out that it was impossible to turn these extraordinary facts to public advantage so long as the cables and telegraphs remained in the control of a combination of private companies.

In the determination to establish a trans-Pacific cable from Canada to Australia the first essential step is now taken. It should be followed by State cables from Australia across the Indian Ocean to India and to Africa, thence through the Atlantic to the West Indies and to England, as set forth in my letter to Mr. Chamberlain of the 28th October, 1898, and in other documents made public. With our whole telegraph system nationalised as suggested, I do not hesitate to say that messages will be transmitted to and from the most distant British possessions at one-eighth or one-tenth the rates now levied by the companies.

A single word in conclusion. Of late we have witnessed great events occurring in rapid succession, and the evolution of the Empire making steady progress. To-day we stand at the opening of a new chapter in our history. If it has been decreed by a wise Providence that there shall be a galaxy of nations under one sovereign, so aptly indicated by the Prime Minister, Sir Wilfrid Laurier, we have indeed a high purpose before us, and we must be true to our duty and our destiny. The subjects of the Queen must see to it that the rivets of a gigantic monopoly are loosened. There must be no isolation or partial isolation of any of our sister States. British subjects in Canada, in Australia, in New Zealand, in India, in Africa, as well as in the Mother country, must unite in securing complete emancipation from the grasp of the great "cable combine." Thirty years ago it became expedient for Parliament to expropriate the then existing lines and nationalise the telegraph service of the United Kingdom. Experience has proved the wisdom of that policy and furnished irrefragable reasons for its general application.

At the threshold of the twentieth century, high Imperial interests demand the cheapest possible telegraph transmission, and the greatest possible freedom of intercourse between all the subjects of Her Majesty wherever they may be domiciled around the globe. I respectfully submit, therefore, that action cannot be taken a day too soon to nationalise our telegraph system by land and sea throughout the whole Empire.

I have, &c.,

The Hon. William Mulock, Postmaster-General.

SANDFORD FLEMING.

NO. 5.—PROPOSAL TO NATIONALISE THE TELEGRAPH SERVICE OF THE EMPIRE.

(From the Proceedings of the British Empire League in Canada.)

At the annual meeting of the League, 13th February, 1901, the President, Lieut.-Colonel Denison, received the following letter from Sir Sandford Fleming:—

Ottawa, 13th February, 1901.

I much regret that owing to a long-standing engagement in Kingston I shall be unable to be present at the annual meeting on the 13th instant. I hoped to have had an opportunity of bringing to the further consideration of members a subject which has already engaged the attention of the League. I ask permission to submit some explanations in this form.

State-owned Ocean Cables.

Those who were present at the last annual meeting will remember that an animated discussion took place, and the opinion was affirmed with the greatest unanimity that a complete system of State-owned ocean cables, touching the British possessions throughout the globe, is a project of the first importance. The following motion was formally submitted by me, seconded by Sir Charles Tupper, and unanimously adopted:—

"1. That the Home and colonial Governments should, as a matter of policy, recognise the principle of State control of all British cables, and apply the principle as opportunity offers, and as speedily as circumstances will admit.

"2. That the Pacific cable should be at once completed as the initial undertaking in such an Imperial system of cables as that indicated.

"3. That in all arrangements for connecting by telegraph the possessions of Her Majesty in any part of the globe provision be made for ultimate State ownership.

"4. That in permitting private companies to lay a cable to or from any British possession landing privileges be granted only on the condition that Her Majesty may at any time assume possession of the cable on specified terms."

These resolutions were sent to the League in England, and means were taken to bring them to the attention of the several Governments concerned. It will be remembered that several of the Canadian Ministers were present at the annual meeting and took part in the discussions.

A Turning-point reached.

It is satisfactory to know that the action then taken by the League has had its influence, and that a turning-point in the history of the great project was soon afterwards reached. Before last year closed a contract was entered into for the construction of the Pacific cable by the Home Government in conjunction with the Governments of New South Wales, Victoria, Queensland, New Zealand, and Canada. Thus, after prolonged and vexatious delays caused by a combination of hostile companies, the first essential step to nationalise the telegraph service of the Empire has been taken. We may regard this outcome of the long struggle to secure the establishment of the Pacific cable as an illustration of the fact that public opinion responds slowly, and yet surely, to a movement in favour of reform, if the reform be founded on public needs.

It is now coming to be recognised that it is of vital importance to bring the British people on all parts of the surface of the globe within telegraph touch, and to provide them with the means of intercourse free from such oppressive charges as have hitherto been imposed.

Effect of Nationalisation.

In my open letters which have been published in England, Canada, and Australia, addressed to the Right Hon. Joseph Chamberlain, the Right Hon. Lord Hopetoun, and the Hon. Wm. Mulock, it is pointed out that by nationalising our telegraph service by land and sea the charges on messages to and from the most distant parts of the Empire can be reduced to one-eighth or one-tenth the rates at present exacted. This statement has been criticized, and I feel called upon to submit some explanations respecting it.

In the letters referred to I have laid great stress on a remarkable peculiarity of the electric telegraph—viz., that distance does not appreciably add to the cost of operating, and that there is practically no greater outlay incurred in transmitting long- than in transmitting short-distance messages. While postal matter cannot be conveyed by railway or ocean steamer without the consumption of fuel and much other expenditure to keep the train or steamer in motion, there is no similar expenditure in sending telegraph messages. In the one case the expenditure is constant for every hour and continuous for every mile, but in the other it is entirely different. With a telegraph properly established, equipped with instruments, and manned by operators, messages may be transmitted a hundred or a thousand miles with as much ease and at no greater cost than for one mile. There is, in fact, no known means—indeed I may add, no conceivable means—by which communications may be sent any distance; however great, at less actual cost than by electric telegraph.

Criticisms answered.

The only exception which has been taken to these views may be presented in the words of a correspondent:—

"As it is acknowledged that a cable is only good for so many years, ample provision must be made, averaged over the whole line, for the cost of renewals at stated periods. Then, again, breaks in cables frequently occur, and from these causes the cost of maintenance would, of course, be more over a thousand miles than over a hundred miles."

My answer is: We are safe in assuming that a cable will not always remain in a serviceable condition without repairs and renewals; its life is not so limited, however, as at one time supposed. In fact, the actual life of a cable is unknown. Modern cables seldom break. Once properly manufactured and properly laid, the cables of to-day are not to be compared in this respect with the first-laid cables. The breaking of a cable is coming to be regarded as a preventible evil, and it is believed that many of the cables now being submerged, in deep water at least, will last for an indefinite period. Still, it is no doubt wise and prudent to provide for the perpetual maintenance of cables, and this, I understand, is being done in the case of the Pacific cable.

The criticism raises a side issue. It will be borne in mind that my comparison was between the cost of "operating" a postal service and the cost of "operating" a telegraph service. I hold to the absolute accuracy of my statement, and I would now merely add that, if there be not entire immunity from breaks in the case of cables, neither is there from wrecks in the case of steamers. There is this difference, however: a cable may be repaired at no great cost, while in the case of a steamer all may be lost. A railway is not quite the same as a steamer; it cannot suddenly become a total wreck, but the rails, sleepers, bridges, culverts, &c., require continually to be repaired or renewed, and to keep a railway in efficient condition an army of workmen is needed. This, however, is quite apart from the cost of operating, which consists of many expenses, embracing fuel, train expenses, repairs of rolling-stock, &c. I am quite confident that the more the question is looked into the accuracy of my statement will be brought out in stronger light. My contention is that, while the operating-cost of a postal service by sea or land increases with every mile, the cost of transmitting messages by telegraph is not appreciably affected by distance. If this view be correct, and I contend it is uncontrovertible, does it not follow that the principle of "universal penny postage"—that is to say, a low uniform rate for all distances—is peculiarly applicable to a national telegraph service reaching out to every part of our widely spread Empire?

Cost of Transmission.

I have learned at the telegraph office in this city that in the transmission of messages from Ottawa to India, South Africa, Victoria, New South Wales, Queensland, New Zealand, and Hong-kong the charges for transmission range from \$1.23 (5s.) to \$1.60 (6s. 6d.) per word, each word in address and signature being charged at the same rate. Such being the case, it is indisputable that a reduction in these charges to 12½ cents (6d.) a word, or even to 25 cents (1s.) a word, would greatly stimulate commerce, and in many ways prove an immense advantage to the British people. One effect would be to increase enormously the number of messages transmitted, so that instead of the cables remaining idle for certain periods of the day the operators would be kept well occupied. Of course, the rule would be for all ordinary messages to be transmitted in their proper turn, and as a consequence many messages would frequently be thrown into a slack period of the twenty-four hours, thus causing delay in transmission, which in the case of urgent messages would be inconvenient.

As to Urgent Messages.

One of the first matters to be considered will be how best to deal with urgent messages, for occasions will always arise when demands will be made for instant transmission. To my mind, this difficulty may best be met by following the precedent adopted in the postal service of Canada with respect to the speedy delivery of letters. Two years ago the Postmaster-General introduced an admirable system for the special delivery of urgent letters. The ordinary letter-postage is 2 cents, but the addition of a special delivery-stamp costing 10 cents, making a total prepayment of 12 cents, secures the prompt delivery of a letter directly on the arrival of a mail-train in any of the several cities of the Dominion. These special delivery-stamps are constantly used, and the plan is felt to be a great public benefit. By the prepayment of six times the ordinary postage a letter obtains a preference in delivery. The same principle can be applied to the State telegraph service. Let us assume that the uniform charge for ordinary messages be 12½ cents (6d.) per word, and that the same ratio of increase as in Canada be charged for urgent messages: such messages would obtain a preference in transmission on a prepayment of 75 cents (3s.) per word. And it may be remarked that this rate is considerably within the present average charge for ordinary messages. It will be understood that these remarks are submitted merely to illustrate the manner in which the principle so acceptably introduced in the Canadian postal service might be applied to the Pan-Britannic telegraph service.

Preference Messages.

The charge for preference messages would, of course, have to be determined after a full consideration of all the circumstances; it might, indeed, under some circumstances be ten times the rate of ordinary messages, but, whatever the charge, it will be obvious that among the many advantages to result from the adoption of the principle suggested there would be a very large augmentation of the general revenue from this source.

It is a matter of the first importance to make intercourse as free as possible to the mass of the British people, by removing all preventible tax on their communications. The aim is to give all persons separated, let us say, by half the globe's circumference the means of exchanging messages more speedily than by mail. A vast number of such persons, now deterred by high charges, would use the telegraph freely if the transmission rates were as low as contemplated, and the great bulk of them would be in no great hurry for a reply within a day or so. If the urgency of the business required a speedier reply it would be possible to obtain it by paying preference rates.

In submitting these several explanations I am satisfied that every one of my fellow-members of the League will extend to them due consideration. We all feel that the interests of British commerce, no less than the cause of Imperial unity, is vitally concerned in securing the greatest possible freedom of intercourse between the widely separated subjects of His Majesty. To reach the end in view we place before us a right ideal, and strive with unrelaxed efforts for its fulfilment. Our design is to bring all British people throughout the globe telegraphically into one neighbourhood in order that they may constantly maintain that sympathetic relationship so necessary to their highest interests. Our aim is to remove all monopolistic tax on free intercourse, all unnecessary toll on that marvellous gift of science—telegraphy. To accomplish these ends we must resolutely resolve to press upon the representatives of the people in Canada, in Australia, and in the Mother country the urgent need to nationalise the nervous system of this great Empire.

No. 6.—A PAN-BRITANNIC CABLE TELEGRAPH SERVICE.

Resolutions of the British Empire League in Canada, 13th February, 1901.

At the annual meeting of the British Empire League, held at Ottawa on the 13th February, 1901, Sir Mackenzie Bowell, K.C.M.G., moved the following resolution, and in doing so warmly indorsed the proposed cable, which, he said, should be constructed exclusively within British territory. Sir Mackenzie charged that the enormous influence exercised by the Eastern Telegraph Company had successfully blocked the scheme for a long time, and the same sinister influences were still at work trying to delay its accomplishment. "I think it would be to the advantage of Canada to take possession of the telegraph lines in this country as well as the telephones," said the speaker, amidst a chorus of "Hear, hears." "England has done that, and the Australian colonists own not only the telegraphs, but the railways. I am sure that State ownership is a very great advantage."

Mr. T. B. Flint seconded the resolution, and spoke in glowing terms of the commercial expansion within the Empire which would result from the construction of the cable, to say nothing of the strategical advantages.

The resolution, which was unanimously concurred in, was as follows:—

"This meeting of the British Empire League in Canada reaffirms the resolutions unanimously passed at the last annual meeting respecting State-owned cables, and is strongly of opinion that, as a further step towards consolidating the Empire, means should be taken without delay to nationalise all cables between British possessions, and all land lines necessary to complete a Pan-Britannic telegraphic service.

"Resolved, That it be an instruction to the Executive Committee in the name of the League to memorialise Parliament on the subject of the resolution, and take such other means as may be expedient to bring the proposal to a successful issue."

No. 20.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 31st July, 1901.

PACIFIC Cable Board will shortly be taking into consideration appointment of Station Superintendents. If Government wish suggest any names, advise me by an early mail.

No. 21.

The AGENT-GENERAL to the Hon. the PREMIER.

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

10th August, 1901.

SIR,—

In continuation of my letter of the 31st ultimo, I beg to enclose herewith extracts from the *Times* of the 31st July and the 1st August, containing a report on the debate in the House of Commons on the Pacific cable.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure in No. 21.

[EXTRACT from the *Times*, London, 31st July, 1901.]

PACIFIC CABLE.

THE House went into Committee on the resolution, That it was expedient to make provision for the construction and working of a Pacific cable, and to authorise the issue out of the Consolidated Fund of such sums, not exceeding £2,000,000, as might be required for such purpose.

Mr. AUSTEN CHAMBERLAIN (Worcestershire, E.) said that this was merely an enabling resolution upon which to found a Bill, which Bill the House would have the usual opportunities of discussing. The object was to provide for the construction, working, and maintenance of a British cable between Vancouver and Australia, touching only at British possessions. The matter was interesting and important, because this was the first occasion upon which this country had been invited by our colonies to unite with them in a great undertaking. (Hear, hear.) It had been agreed by His Majesty's Government and the Dominion of Canada, and the Governments of New South Wales, Queensland, Victoria, and New Zealand, that this country should advance a capital sum of £2,000,000 for the construction of the cable, and that, with regard to the charges arising out of the maintenance of the cable, this country should be liable for five-eighteenths and the colonies for thirteen-eighteenths. The Bill provided for the raising of the money and for the establishment of a Board, which was to have the supervision of the construction of the cable and the management of it afterwards. The Board was to consist of three representatives of His Majesty's Government, two representatives of the Dominion of Canada, and two representatives of the Governments of Australia and of the Government of New Zealand. All the colonial Legislatures had already passed the necessary legislation undertaking their respective shares of the obligation, and he now asked the Committee to pass this resolution in order that Government and this country might fulfil their share of the obligation.

[Debate.]

The Committee . . . divided, and there voted—For the resolution, 158; against 44: majority, 114.

No. 22.

The INSPECTOR of TELEGRAPHS, Auckland, to the SUPERINTENDENT of ELECTRIC LINES, Wellington.

Auckland, 10th August, 1901.

(Memorandum.)

Pacific Cable.

In reply to your memorandum of the 18th ultimo [not printed], I beg to report that I have seen Mr. Harris, the owner of the land to be taken for offices, &c. He accompanied me, and I pointed out to him what we required. I send herewith sketch-plan of the land, showing the position of the various buildings. I have marked off about $13\frac{1}{2}$ acres, which is all that is of any value to us. The frontage is 14 chains, with a depth of 10 chains. The eastern boundary does not run at right angles to the front. The back boundary is about 13 chains. Mr. Harris accepts £10 an acre for this piece, and will complete a deed when required to do so.

I would recommend that the Survey Department be asked to instruct its officer at Mangonui to survey the section and mark off the boundaries. There is a fence along the eastern boundary and about half-way along the front from the eastern fence to the creek, but I do not think the latter portion is on the proper line.

I also recommend that 15 acres of the Crown land adjoining be reserved for additional paddock accommodation. I may mention that the land in the neighbourhood is very poor, consequently all will be required.

An estimate of the cost of copper wire for this work will be sent next mail.

W. G. MEDDINGS, Inspector.

The Superintendent of Electric Lines, Wellington.

No. 23.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 23rd August, 1901.

PACIFIC cable—Station Superintendents, Doubtless Bay: Government desires nominate William Furby, now Electrician and Inspector Telegraphs, as Superintendent, and Charles Hawk, now Assistant Officer in Charge Telegraphs, Wellington, as Assistant Superintendent. Rank and file to be afterwards selected from our trained staff.

No. 24.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
23rd August, 1901.

SIR,—

Pacific Cable.

Referring to your letter of the 3rd July last [No. 34, F.—8, 1901], I beg herewith to transmit copy of correspondence with the Pacific Cable Board, by which it will be seen that the Board has approved of the terms of the memorandum dated the 1st July last, addressed by Mr. R. E. Peake to Sir J. G. Ward, relating to the land and buildings required at the landing-place in New Zealand for the Pacific cable.

I have, &c.,

WALTER KENNAWAY, for the Agent-General.

The Hon. the Premier, Wellington.

Enclosure 1 in No. 24.

The SECRETARY to the AGENT-GENERAL to the SECRETARY, Pacific Cable Board.

Westminster Chambers, 13, Victoria Street, London, S.W.,
9th August, 1901.

SIR,—

Pacific Cable.

I am directed by the Agent-General to forward herewith a copy of memorandum relating to the provision of a cable-station which Mr. R. E. Peake has submitted to Sir J. G. Ward, the Postmaster-General of New Zealand, for approval.

Mr. Peake arrived at Russell, New Zealand, on the 29th June, and was met by the Superintendent of Electric Lines, Captain Grey (the New Zealand Government cable pilot), and an architect of the New Zealand Government Public Works Department.

The memorandum, copy of which I enclose, is the outcome of a proposed arrangement discussed at Melbourne between Sir J. G. Ward and Mr. Peake in connection with the control of the cable-station and Government staff by one Superintendent, instead of having two supervising officers; and in forwarding the memorandum the New Zealand Government remark that it can be decided later on whether the Superintendent shall be appointed by the Pacific Cable Board or by the Government, but that the matter of land and buildings is of immediate concern.

The Agent-General will be obliged by your submitting the memorandum to your Board for their approval, with an indication that the proposals generally have the approval of the New Zealand Government. Mr. Peake has been informed accordingly, and he will no doubt forward a similar memorandum to the Board.

I am, &c.,

WALTER KENNAWAY.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate.

For sub-enclosure to Enclosure 1 in No. 27, see enclosure in No. 34, F.—8, 1901.

Enclosure 2 in No. 24.

The SECRETARY, Pacific Cable Board, to the AGENT-GENERAL.

Pacific Cable Board, 24, Queen Anne's Gate, Westminster,
21st August, 1901.

SIR,—

With reference to your letter of the 9th instant, enclosing a copy of a memorandum from Mr. Peake to Sir J. G. Ward in reference to the arrangements for the acquisition of land and for the erection of the necessary buildings required by the Board in New Zealand, I am requested to state that the Board approves of the terms of the memorandum. I have, &c.,

The Agent-General for New Zealand.

HUGH LATHAM.

No. 25.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
28th August, 1901.

SIR,—

I beg to inform you that I have received an intimation from the Pacific Cable Board to the effect that Mr. Charles Henry Reynolds, C.I.E., late Director-General of Telegraphs in India, has been appointed as General Manager under the Board, and that that gentleman will enter on his duties in the course of the ensuing month.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY, for the Agent-General.

No. 26.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
28th August, 1901.

SIR,—

I beg to transmit herewith three copies of an Act of the Imperial Legislature providing for the construction and working of a submarine cable from the Island of Vancouver to New Zealand and to Queensland.

I also enclose further extracts [not printed] from the *Times*, containing report of the discussion in Parliament on the passing of the above-mentioned Act.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY, for the Agent-General.

Enclosure in No. 26.

1 EDW. VII., CH. 31.—PACIFIC CABLE ACT, 1901.

An Act to provide for the Construction and Working of a Submarine Cable from the Island of Vancouver to New Zealand and to Queensland. [17th August, 1901.]

WHEREAS it is expedient to provide for the construction of a submarine cable (in this Act called "the Pacific cable") from the Island of Vancouver on the west coast of the Dominion of Canada to Norfolk Island in the Pacific Ocean, and thence by means of two cables to New Zealand and to Queensland respectively, at an estimated cost of two million pounds:

And whereas it has been arranged that any sum required for the repayment of any money borrowed under this Act, and for the annual expenses of the cable (including interest at the rate of three per cent. on borrowed money), shall (so far as not covered by receipts) be ultimately provided as to five-eighths thereof by His Majesty's Government and as to thirteen-eighths thereof by the Governments of Canada, of the States of New South Wales, Queensland, and Victoria, and of New Zealand (in this Act referred to as "the colonial Governments"), and that any profits arising from the cable shall be divided between His Majesty's Government and the colonial Governments in the same proportion:

And whereas it is expedient to make provision with respect to the construction and working of the cable by a Board of management to be called "the Pacific Cable Board":

Be it therefore 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. The Treasury shall, as and when they think fit, issue out of the Consolidated Fund or the growing produce thereof such sums, not exceeding in the whole the sum of two million pounds, as may be required by the Pacific Cable Board for defraying the costs of the construction of the Pacific cable, and for the repayment of any temporary loan raised for the purpose of the cable before the passing of this Act.

2. (1.) The Treasury may, if they think fit, at any time borrow money for the purpose of providing for the issue of sums out of the Consolidated Fund under this Act, or repaying to that fund all or any part of the sums so issued, and all sums so borrowed shall be paid into the Exchequer.

(2.) Any sums so borrowed shall, during the construction of the Pacific cable, bear interest at the rate of three per cent. per annum, and after construction shall be repaid, with interest at the same rate, by means of terminable annuities for such period not exceeding fifty years from that time as the Treasury fix.

(3.) The principal of and interest on any money so borrowed, and after construction the annuities created for the purpose of the repayment of that money, shall, unless otherwise provided for, be charged on and paid out of the Consolidated Fund or the growing produce thereof.

3. (1.) The amount required in each year for the annual expenses of the Pacific cable, including any such expenses incurred before the passing of this Act, shall be defrayed out of the receipts arising in connection with the cable, and, so far as those receipts are not sufficient, out of moneys provided by Parliament.

(2.) For the purposes of this Act the annual expenses of the Pacific cable include any sums required for the payment of interest on money borrowed for the purposes of this Act (including the interest on any temporary loan raised for the purpose of the cable before the passing of this Act), or for the payment of annuities created under this Act, and any expenses of the Pacific Cable Board or other expenses properly incurred in working or maintaining the cable.

(3.) Such sums as are received from any colonial Government on account of the annual expenses of the Pacific cable shall be paid into the Exchequer.

(4.) If in any year the receipts arising in connection with the Pacific cable exceed the amount required for the annual expenses of the cable as hereinbefore defined, the surplus shall be applied, in such manner as the Treasury direct, in reduction of any sums outstanding on account of money borrowed under this Act, and, if there is no such sum outstanding, thirteen-eightieths of the surplus shall be paid to the colonial Governments, and the residue shall be dealt with as the Treasury determine.

5. Any sums available for the payment of interest on money borrowed under this Act or of annuities created under this Act, and any sums available as surplus under this Act, shall be paid over by the Pacific Cable Board in such manner and at such times as the Treasury direct.

6. (1.) The construction and working of the Pacific cable shall be under the control and management of a Board constituted in manner provided by the Schedule to this Act, and called "the Pacific Cable Board"; and the cable, and all property used for and in connection with the cable, and any rights and obligations under any contract for or in connection with the construction of the cable entered into before the passing of this Act, shall be vested in, and be rights and obligations of, the Board.

(2.) The provisions of the Schedule to this Act shall apply with respect to the constitution and proceedings of the Pacific Cable Board.

7. The Pacific Cable Board shall in every financial year cause to be made out an account, in such form as the Treasury require, of the money received, expended, and borrowed, and of the securities created under this Act, and that account shall be audited in manner directed by the Treasury, and laid before Parliament.

8. This Act may be cited as "The Pacific Cable Act, 1901."

Schedule.—Provisions as to the Constitution and Proceedings of the Pacific Cable Board.

1. The Pacific Cable Board shall consist of—

Three members representing His Majesty's Government;
Two members representing the Government of Canada;
Two members representing the Governments of the States of New South Wales, Victoria, and Queensland; and
One member representing the Government of New Zealand.

2. The first members of the Board shall be—

Sir Spencer Walpole, K.C.B. (Chairman)	...	...	...	...	} representing His Majesty's Government.
G. E. Y. Gleadowe, Esq., C.M.G.	...	...	...	...	
W. H. Mercer, Esq.	...	...	...	...	
Lord Strathcona and Mount Royal, G.C.M.G.	...	...	...	...	} representing the Government of Canada.
Alexander Lang, Esq.	...	...	...	...	
Hon. Henry Copeland	...	...	...	...	} representing the Governments of New South Wales, Victoria, and Queensland.
Hon. Sir Andrew Clarke, G.C.M.G.	...	...	...	...	
Hon. W. P. Reeves	...	...	...	...	} representing the Government of New Zealand.

3. The Pacific Cable Board shall be a body corporate by that name, with perpetual succession and a common seal, and with power to purchase, take, hold, and dispose of lands and other property for the purposes of this Act.

4. Any vacancy occurring in the office of the members representing His Majesty's Government, by reason of death, resignation, incapacity, or otherwise, shall be filled by the Treasury; and any such vacancy in the office of the representatives of any of the colonial Governments shall be filled by the Government or Governments which the member whose office is vacant represented.

5. The Treasury may appoint a member of the Board to be Chairman of the Board, and, so long as the Chairman does not hold any office of profit under the Crown or under any colonial Government, there shall be paid to him such salary, not exceeding six hundred pounds a year, as the Treasury direct.

6. The Board may appoint such officers and employ such persons, and take such other steps as they think necessary and expedient, for properly carrying out their duties, and may provide an office for the transaction of their business.

7. The Board may regulate their proceedings in such manner as they think fit, but on any matter on which the votes of the Board are equally divided the person presiding at the Board shall have a second or casting vote, and the quorum of the Board shall be three.

8. The Board may act notwithstanding any vacancy in their number.

No. 27.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 29th August, 1901.

I have the honour to acknowledge the receipt of your cablegram of the 31st ultimo, as follows [No. 20], and to confirm my cablegram of the 23rd instant [No. 23]. The following are the full names of the two officers mentioned: William Stafford Furby; Charles Henry McLeod Hawk.

I would suggest that, in the event of the acceptance of the nominations, the salary of Mr. Furby should be £500 a year, with a free residence, and that of Mr. Hawk £315 to £355 per annum, by two annual increments of £15 each and one of £10, with a free residence. No furniture to be provided, or allowance paid to either officer.

I send herewith copy of this Department's Classification List for the current year, from which may be gathered what would be fair salaries for the rank and file. The number and pay to be determined as the business develops. The quarters will be required to be furnished for the staff, exclusive of the Superintendent and Assistant Superintendent, and a married couple at an annual salary will be needed to take charge of the staff quarters. No further expense, it is anticipated, should be necessary.

It is assumed in the above proposals that all the expenses of the cable-station in New Zealand are to be shared equally by the Pacific Cable Board and the New Zealand Government.

I have, &c.,

J. G. WARD, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 28.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

London, 3rd September, 1901.

PLEASE proceed with Doubtless Bay buildings. Plans approved.

No. 29.

The SECRETARY, Auckland Harbour Board, Auckland, to the INSPECTOR of TELEGRAPHS, Auckland.

SIR,—

Auckland Harbour Board, Auckland, 4th September, 1901.

I have the honour to acknowledge the receipt of your letter of the 30th ultimo [not printed], in reference to the laying of cables by your Department between Point Resolution and Devonport, asking if the Board would give you authority that such might be done; and in reply beg to inform you that your letter was read at a meeting of the Board held yesterday, when it was resolved, "That the permission requested for laying cables between Point Resolution and Devonport be granted."

I have, &c.,

The Inspector of Telegraphs, Auckland.

J. M. BRIGHAM, Secretary.

No. 30.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the INSPECTOR of TELEGRAPHS, Auckland.

(Telegram.)

Wellington, 14th September, 1901.

PLEASE inform Mr. Harris that his offer of 14 acres of land for £10 an acre at Doubtless Bay has been accepted.

No. 31.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the INSPECTOR of TELEGRAPHS, Auckland.

(Telegram.)

Wellington, 14th September, 1901.

PLEASE inform Mr. Vickerman that the buildings for cable-station at Doubtless Bay are to be erected as soon as possible. He will hear further from his Department.

No. 32.

The SECRETARY, Auckland Harbour Board, Auckland, to the INSPECTOR of TELEGRAPHS, Auckland.

SIR,—

Auckland Harbour Board, Auckland, 18th September, 1901.

I have the honour to acknowledge the receipt of your letter of the 13th current [not printed], in reference to this Board protecting any cables that lie across the harbour, to prevent the same from being picked up by anchors or otherwise damaged. In reply, I beg to inform you that your letter has been referred to the Harbourmaster to take the necessary steps in the matter.

I have, &c.,

The Inspector of Telegraphs, Auckland.

J. M. BRIGHAM, Secretary.

No. 33.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
25th September, 1901.

SIR,—

Pacific Cable.

I beg to acknowledge the receipt of your cablegram of the 23rd August last, submitting names for the appointments of Superintendent and Assistant Superintendent at Doubtless Bay, and also suggesting that the rank and file of the staff be selected from the Government's trained staff, and in reference thereto to state that the same was placed before the Board at its first meeting after receipt, and that it will have the careful consideration of the Board when it proceeds to make the appointments in question.

I have, &c.,

The Hon. the Premier, Wellington, New Zealand.

W. P. REEVES.

No. 34.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the PREMIER, Wellington.

The Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,
3rd October, 1901.

SIR,—

Mr. Reeves handed to the Pacific Cable Board a copy of a telegram received from you on the 23rd August, suggesting that telegraphists in the service of the Government of New Zealand might possibly be employed to work the cable at the New Zealand stations. This subject has naturally received a good deal of attention from the Board, and I do not think that I can do better than forward you a copy of a letter which I wrote to the Postmaster-General of the Dominion of Canada on a similar suggestion to my Board.

Apart from any necessity of maintaining the staff under their own control for purposes of promotion and discipline, the Board feel that it would be almost hopeless to attempt to man some of their more remote stations (such as Fanning Island) unless the staff employed at these stations had the prospect of being removed from time to time to more agreeable places, like New Zealand and Australia.

At the same time the Board fully appreciate the advantages in the general working of the cable which seem likely to result from the employment of a fair proportion of both Imperial and colonial officials, and they will be only too glad to consider the claims of any competent telegraphist whom you may desire to bring before them for appointment.

Candidates should, if possible, have some experience in working long submarine cables.

I am, &c.,

The Hon. the Premier, Wellington.

S. WALPOLE, Chairman.

Enclosure in No. 34.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Ottawa.

Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,
1st May, 1901.

SIR,—

Lord Strathcona has forwarded to the Pacific Cable Board your letter of the 12th February last, and the Board had it under consideration at its meeting on the 29th ultimo.

In reference thereto, I am requested on behalf of the Board to assure you that its members are very anxious, in the selection of their staff, to give full weight to claims of candidates belonging to the various colonies interested in the cable, and, as far as practicable, to select their staff from representatives of those colonies as well as those of the Mother country.

The Board, however, regret that it would not be practicable to give effect to your suggestion that appointments in Canada should in all cases be reserved for Canadians, and appointments in Australasia for Australians, for the following reasons:—

1. However anxious the Board may be to give full weight to the claims of the various colonies, its first duty must evidently be to select the fittest possible officers, and it could not pledge itself to appoint, *e.g.*, a Canadian to a Canadian post if some other British subject were obviously better qualified for it.

2. The Board feel that, when the staff is once appointed, each member must be available for employment at any of the stations belonging to the Board at which his services may be required. It would not be practicable to insure that the Canadian member of the staff should always be stationed in Canada, or the Australasian member in Australasia.

3. Even in the interest of the staff such an arrangement is necessary. In the case of promotion or advancement, it will probably be found usually impracticable to leave the officer promoted or advanced in the station in which he has previously been employed.

4. It will probably be found impracticable and undesirable to have officers for long consecutive periods in isolated stations like Fanning Island, and it will possibly prove necessary that all the Board's operators shall take their turn in serving in the remoter stations.

While, therefore, the Board is anxious to give the fullest possible weight to the claims for employment of British subjects connected with the various colonies interested, it regrets that it would be impossible for it to give any undertaking that it would uniformly act on the lines of the recommendation which you have made to Lord Strathcona.

The Hon. W. Mulock, Ottawa, Canada.

I am, &c.,

S. WALPOLE, Chairman.

No. 35.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the INSPECTOR of TELEGRAPHS, Auckland.

(Telegram.)

Wellington, 8th October, 1901.

SPECIAL wire to be erected from Auckland to Doubtless Bay to meet Pacific cable. Put work in hand.

No. 36.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, Pacific Cable Board, London.

SIR,—

General Post Office, Wellington, 21st October, 1901.

I have the honour to acknowledge the receipt of your letter of the 3rd ultimo [not printed], confirming the cablegram advising that the plans for the buildings at Doubtless Bay had been considered and approved by the Pacific Cable Board.

In reply, I have to inform you that the work of erecting the buildings is now in hand. A monthly progress report will be furnished. I have, &c.,

J. K. LOGAN, for the Postmaster-General.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

No. 37.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to Mr. R. E. PEAKE, London.

General Post Office, Wellington, 30th October, 1901.

SIR,—

Pacific Cable Station, Doubtless Bay.

I have the honour to forward herewith copy of a memorandum [not printed] from the District Engineer, Auckland, and to inform you that the Public Works Department has been requested to specify the 31st January as the latest time by which the cable-hut should be completed. I have also asked that the officers' quarters and office be ready by the 31st March, and the two residences not later than the end of April. I have requested the Public Works Department to send me a special recommendation in connection with the water-supply, which will be submitted to the Minister, and, if approved, forwarded for the further approval of the Board.

I shall be glad to hear from you as early as possible whether you have any special wishes in regard to the fittings or furniture. It will be more convenient, I think, to make the greater part of these in the colony.

I have, &c.,

J. K. LOGAN, Superintendent of Electric Lines.

R. E. Peake, Esq., care of Messrs. Clark, Forde, and Taylor,
4, Great Winchester Street, London, E.C.

No. 38.

The AGENT-GENERAL to the Hon. the PREMIER.

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

28th November, 1901.

SIR,—

I beg to transmit herewith copy of a letter which I have received from the Pacific Cable Board, asking me to procure a price or prices from firms in New Zealand for supplying and erecting station buildings at Fanning Island. I also enclose the specifications [not printed], and I am sending the plans referred to in a separate enclosure.

The position of Fanning Island, and the absence of water thereon, make it essential that the buildings be fireproof, as in case they were destroyed it would, I understand, close the working of the telegraph-line for nearly a year. It will be observed, therefore, that the buildings are to be constructed of special material.

It has occurred to me that possibly the Telegraph Department might undertake the erection of these buildings. The Cable Board desire to know as soon as possible whether the work could be done by New Zealand, and will be glad, therefore, if a reply to their inquiry can be transmitted by cable.

The Hon. the Premier, Wellington.

I have, &c.,

W. P. REEVES.

Enclosure in No. 38.

The SECRETARY, Pacific Cable Board, to the AGENT-GENERAL.

The Pacific Cable Board, 24, Queen Anne's Gate, S.W.

SIR,—

27th November, 1901.

In compliance with a resolution passed at the last meeting, "That, in view of the large amount quoted by the San Francisco and Californian firms for supplying and erecting station-buildings at Fanning Island, further tenders be invited from English and colonial firms," I now hand you copy of the letter, and plans prepared by Messrs. Clark, Forde, and Taylor for this purpose, in order that you may have an opportunity of procuring a price or prices from such firms resident in New Zealand as might be willing to undertake the contract.

I am, &c.,

HUGH LATHAM, Secretary.

The Hon. W. P. Reeves, Agent-General for New Zealand.

No. 39.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

London, 11th December, 1901.

EXPECT cable reach New Zealand middle March. Hope buildings will be ready. Please order arrangements water-supply, furniture.

No. 40.

The UNDER-SECRETARY, Public Works Department, Wellington, to the SECRETARY, General Post Office, Wellington.

Public Works Department, Wellington, 12th December, 1901.

(Memorandum.)

Pacific Cable Station, Doubtless Bay.

REFERRING to my memorandum of 7th instant [not printed], I have now to advise you that the Cabinet on that date authorised the acceptance of the tender of Mr. C. H. Frankham, of Auckland, for the erection of the necessary buildings, in the amount of £4,779, and on Monday morning as soon as the papers were received the District Engineer at Auckland was instructed by telegraph to accept the tender accordingly.

In Mr. Logan's minute of 30th October [not printed] he requested that the time for completion of the several buildings should be fixed as follows—For the cable-hut, 31st January, 1902; for the office and officers' quarters, 31st March; for the two residences, 30th April—and the contract conditions were drawn accordingly. Mr. Vickerman now wires as follows: "As the time allowed for completion is rather short, can I extend it in respect of the officers' quarters and residence for twelve days in each case, as it is now twelve days since tenders received?" Though such extension would perhaps be equitable to the contractor in view of twelve days having been lost in accepting the tender, it is possible that your Department may not be able to see its way to grant any such extension of time for the completion of the buildings, as they may perhaps be actually required by the dates mentioned. Kindly let me know quickly whether the extension may or may not be granted.

H. J. H. BLOW, Under-Secretary.

The Secretary, General Post Office.

No. 41.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the UNDER-SECRETARY, Public Works Department, Wellington.

General Post Office, Wellington, 13th December, 1901.

(Memorandum.)

Pacific Cable Station, Doubtless Bay.

REFERRING to your memorandum of yesterday's date, I beg to inform you that this Department will offer no objection to the time for the contract being extended for twelve days.

J. K. LOGAN, Superintendent of Electric Lines.

The Under-Secretary, Public Works Department, Wellington.

No. 42.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the PREMIER, Wellington.

SIR,—

Ottawa, 7th January, 1902.

I beg leave to enclose, for the information of your Government, a letter recently addressed to the Honourable Mr. Mulock, Postmaster-General, in which two proposals under the con-

sideration of the Canadian Government are referred to—(1) the establishment of a State-owned cable across the Atlantic, and (2) the transfer of the land telegraphs of the Dominion to the Post Office Department.

In the discussions and negotiations leading up to the establishment of the Pacific cable, it has always been held that telegraphic communication between Australia, New Zealand, and the Mother country would be transmitted from Vancouver to London by an all-British route. The opinion is therefore entertained that an obligation rests upon Canada to see that such a route, when required, shall be available.

By the end of the present year the Pacific cable is to be completed, and the necessity for transmitting Australasian telegraph business between the terminus of the cable on Vancouver Island and the shores of Great Britain will then arise. The two proposals carried out will provide the desired route, and may be regarded as indispensable adjuncts to the Pacific cable. These measures will at the same time confer benefits of no ordinary kind, both local and general.

In my letter to Mr. Mulock I have pointed out that the charges on messages across the Atlantic may be reduced from 25 cents to 5 cents per word, and that an additional charge of 3 cents per word will suffice for transmission between the Atlantic and the Pacific. These two charges together make a total charge of 8 cents (or 4d.) per word between London and Vancouver.

As Vancouver is not far from half-way from Great Britain to Australia, obviously, if messages can be transmitted between London and Vancouver for 4d. the charge for the whole distance should not exceed 9d. or 1s. per word. This would be a reduction to about one-quarter of the present charges and to one-twelfth of the rates of a few years back. Such a reduction cannot but be regarded with much satisfaction by the Government and people of Australia and New Zealand.

Since the date of the accompanying letter I have had interviews with Signor Marconi on the subject of his recent successful efforts to signal across the Atlantic. The inventor is hopeful and confident that the Marconi system of electric telegraphy, when fully developed, will prove a commercial success, and that it will be possible to transmit messages across the Atlantic for half the rates above mentioned. The Government of Canada, impressed with the prospects and the great importance of the invention, offers Signor Marconi every encouragement and assistance in the development of this new system. The people of Canada will rejoice if the expectations formed come to be realised, as the advantages of cheap telegraphy is fully recognised by them. The policy which finds favour in Canada is to make telegraphy by sea and land not an expensive luxury to the few, but a common convenience to the many.

The expense of submarine telegraphy is practically prohibitive to the majority of people. It is only on matters of great urgency, or those in which large interests are at stake, that cablegrams are sent. Cables are employed by persons in official positions, by managers of large mercantile firms, by the rich, and by those engaged in stock operations, but the majority of people do not use them. By reason of the expense many who now use cables resort to them as seldom as possible.

It is in the general interests that all this should be changed, that telegraphy should be popularised, and every kind of hindrance to free intercourse removed. It is felt that there should be nothing to prevent cables and telegraphs being as freely employed as the penny post. We have placed at our command the means of conquering time and distance, and it only remains for us to take the fullest advantage of such means in order to draw closer kindred people on opposite sides of the ocean. A State-controlled Atlantic telegraph, with the Canadian land lines nationalised, will have this much-desired effect in so far as Great Britain and Canada are concerned. These countries will be the first to benefit therefrom; but the completion of the Pacific cable will admit of Australia and New Zealand enjoying the same. The advantages of cheap telegraphy will, however, eventually be shared by India and South Africa. So soon as Australia and New Zealand rates on messages to Great Britain come to be lessened to 1s. a word, it will not be long before India and South Africa will insist upon obtaining corresponding reductions. Cheap telegraphy by sea and land the world over is obviously not far off. The movement to bring about that great public boon is certain to become general. Its aim, its tendency, and its chief practical result will be, in no limited sense, to vitalise the kinship of the widely severed British people.

I have, &c.,

SANDFORD FLEMING.

The Right Hon. Richard J. Seddon, Prime Minister, New Zealand.

Enclosure in No. 42.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the POSTMASTER-GENERAL, Ottawa.

Postal Telegraph Service by Sea and Land.

SIR,—

Ottawa, 1st January, 1902.

I did myself the honour on the first day of the new century to address you, through the public Press, on the subject of "A State-owned Telegraph Service girdling the Globe." On the preceding day six British Governments practically inaugurated such a service by formally joining in the execution of a contract for establishing a trans-Pacific cable from Canada to Australia and New Zealand. This joint undertaking, known as the Pacific cable, may be regarded as the first great ocean link in a projected chain of Pan-Britannic telegraphs under State control.

I felt that I could not too strongly emphasize the importance of the undertaking and the far-reaching influence of the act of co-partnership entered into in the closing hours of the old century—an act, resulting from thirteen years' deliberation, which has been constitutionally ratified by the Imperial Parliament and by the Parliaments of Canada, New South Wales, Victoria, Queensland, and New Zealand.

Since the beginning of the year various public bodies throughout the Empire, and more particularly the General Council of the Australian Chamber of Commerce, have affirmed "the unspeakable importance of a system of State-owned telegraph and cable lines connecting all the severed portions of His Majesty's dominions." It is not surprising, therefore, that it gave great satisfaction when you announced to the Australian Chamber of Commerce on the 16th May last that you had been gathering information to submit to the Canadian Government in regard to the establishment of a State-owned cable across the Atlantic, and the transfer of the land telegraphs of the Dominion to the Post Office Department.

The announcement appeared in the Press the following day, and opened up the prospect to Australasians that they would soon be brought into telegraphic touch with the Mother country, through Canada, by a connected system of State-controlled lines of telegraph by sea and land; that they would by this means be emancipated from the thralldom "of a powerful company" which has long heavily taxed their intercourse with the outer world, and persistently employs every means to perpetuate its rich monopoly. The announcement did more: it gave a substantial impulse to the Pan-Britannic scheme to girdle the globe with a postal cable service which would practically bring into near neighbourhood all the King's subjects in both hemispheres.

The advantages to result locally and generally from the accomplishment of the proposals which you first made public in Australia are so manifest that, on careful examination, no one can doubt the wisdom of bringing them to fruition. I respectfully submit the following considerations respecting them.

A State-owned Atlantic Cable.

It appears to me that it would be advisable to lay the new cable across the Atlantic on a route distinct from and to the north of the zone in which the existing transatlantic cables are laid; but, whatever route may be selected, it may be regarded as reasonably certain that the undertaking would cost in round figures about \$2,000,000, and that the charges for interest and sinking fund to replace capital, together with the cost of operating and the cost of maintenance, calculated on the basis adopted by the Imperial Committee for the Pacific Cable, would reach the total sum of \$166,000 per annum.

By employing the latest improvements of Lord Kelvin, Dr. Muirhead, and other leading electricians the new Atlantic cable would be capable of transmitting more than twenty paying-words per minute, working duplex—*i.e.*, sending and receiving messages both ways at the same time. The duplex method of transmission is now coming into general use where the traffic is heavy, and it is recognised that it can perfectly well be employed continuously throughout the twenty-four hours of every day throughout the year.

The State-owned Atlantic cable, with a twenty-words-per-minute service, would be capable of transmitting a maximum of ten million paying-words per annum. This volume of traffic reckoned at the exceedingly small rate for transmission of 2 cents per word would give a gross return of \$200,000, a sum in excess of the total annual charges (estimated at \$166,000) for establishing, maintaining, and operating the line. Thus it appears that an Atlantic State-owned cable fully employed up to its maximum limit would be self-supporting if no higher rate per word were levied than 2 cents, or one-twelfth the rate now charged by the existing cable-lines.

The question to be considered is, to what reasonable extent would it be employed.

The sources of business for the new cable would be threefold—(1) Australasian, (2) Canadian, and (3) United States.

1. The Pacific cable is to be completed and in operation within the present year, and most of the traffic will require to pass through Canada and across the Atlantic. The favourable terms for transmission to be looked for by the new Atlantic cable will in themselves settle the matter of route between Vancouver and London, quite apart from the fact that the cable will provide an indisputably all-British route to be followed. Hence, as it appears to me, the new Atlantic cable may be regarded as an indispensable adjunct to the Pacific cable. The maximum business which may be transmitted by the Pacific cable is estimated at 8,000,000 paying-words per annum, and, in view of the great facilities for correspondence which the State Atlantic cable will offer, it certainly does not appear too sanguine to estimate that one-half the gross volume of Australasian business, or 4,000,000 words, would in the near future be drawn to it from that source. This business alone, at only 5 cents a word, would yield a revenue more than sufficient to meet all charges on the new Atlantic line.

2. The Canadian business is a constantly increasing quantity, but exact data as to its volume are wanting. After inquiries made among those best able to judge, the best information obtainable goes to show that probably not far from a million words pass annually between Great Britain and Canada. Whatever the volume, it cannot be doubted that with charges on messages reduced from 25 to 5 cents every word would be transmitted by the State cable. With so large a reduction as contemplated, we may reasonably assume that the volume of business would be increased in an inverse ratio.

3. The Canadian transatlantic cable would not be established for the purpose of competing with existing lines for United States traffic—its objects would be national; nevertheless, there would be no reason for rejecting any international business which might be offered, provided the line could accommodate it. The disparity of rates, greatly in favour of the new line, would tend to draw business from all quarters, and I apprehend there would be an overflow from New York and other cities of the United States which would give to the new line all the traffic desired over and above the Australasian and Canadian business.

From these various sources I am satisfied that a State-owned cable across the Atlantic would find abundant employment.

We shall in all probability be told by the representatives of existing cable companies that there can be no continuous sending of messages for twenty-four hours each day as I have assumed, and they will give as a reason that cable business is practically confined to the part of the day corresponding with the business hours of the locality. That is in part true. It is certainly to a large extent the case in such places as New York and London, where many messages are despatched in connection with Stock Exchange operations. It must, however, be borne in mind that, while stockbrokers and others feel that they can afford to pay high rates for telegraphing, there are a very much larger number of people who are more solicitous respecting the expense of messages than their speedy delivery. A large majority of persons would be satisfied to have transatlantic messages delivered within the day on which they may be despatched, provided the cost be reduced to, let us say, one-fifth the rate now charged. In case of urgent messages it would be easy to arrange to give them a preference by requiring for their transmission an extra charge, as in the case of special-delivery letters.

In view of these considerations I can see no reason why the standard rate chargeable for transmission by the State cable should not at once be made 5 cents per word for ordinary messages, and 25 cents for urgent messages. This low tariff would prove a boon to the people who are now debarred from cabling on business or social matters on account of the cost. The reduction to one-fifth the present charge would change all that; it would revolutionise transatlantic correspondence, greatly tend to promote and augment business, and exercise a powerful influence in bringing about closer union.

There is something to be said in favour of a gradual reduction, beginning, let us say, with 10 cents per word; but, as it is quite obvious that one-half the maximum business-capacity of the cable reckoned at 5 cents per word would yield a revenue considerably exceeding all annual charges, and as there is every prospect of obtaining from the three sources mentioned far more than half, we have the strongest reason for at once adopting a 5-cent tariff. I contend that the low tariff would so rapidly develop business that before very long such cables would require to be multiplied, and perhaps a still lower tariff adopted in order that the greatest freedom of intercourse may be promoted between the Mother country, Canada, and the other daughter nations beyond the seas.

Postal Land Telegraphs.

Every European nation has, I believe, nationalised its telegraph service. Before 1870 the telegraph-lines of the United Kingdom were owned by companies, but Parliament caused the whole to be expropriated and placed under the Post Office Department. India, South Africa, Australia, and New Zealand have likewise assumed the telegraph service. Canada is the only country within the Empire in which the land telegraph-lines are not State-owned and administered by the Post Office. No doubt here, as elsewhere, there will be some difficulty in effecting a transfer from private companies to the Government, but the transfer would be attended here, as elsewhere, with signal advantages to the public, and therefore the duty falls upon statesmen to devise means of overcoming such difficulties.

If we take the United Kingdom as a model we find that the postal telegraph service is remarkable for its utility and economy. It brings into immediate touch every part of England, Ireland, and Scotland at the smallest conceivable cost. For 6d. communication can be had with any person within three miles of the ten thousand postal telegraph-offices in the three kingdoms. For a few pence one in Cork can hold converse with another in Caithness or Cornwall.

In my open letter to you of this date last year I ventured to point out certain striking peculiarities of the electric telegraph which it is impossible to turn to public advantage while the cables and telegraphs remain in private hands. With a telegraph established and provided with a staff of operators, I contend—(1) that the working-expense is not governed by distance; (2) that a message can be sent a thousand miles at no greater working outlay than one mile; (3) that it does not add to the current expense to transmit many messages instead of a few; and (4) that it is really better to send a continuous stream of business over a telegraph-line than to employ it intermittently.

All that can be said on the other side is that it costs more to establish and maintain a long telegraph than a short one. Admitting that to be the case, it is equally true that to send a single message the line, whatever its length, must be in an efficient condition, and if it be in an efficient condition, with the operators at their posts, it cannot add to the expenditure to send a stream of messages.

Under these circumstances, who can question the wisdom of the policy followed by European nations in taking over the telegraph service and adopting low uniform charges for all distances? If in comparatively small countries, the policy has proved eminently successful, who will deny that, in view of the geographical conditions of the Dominion, there is no country on the face of the globe where the remarkable peculiarities of the electric telegraph can be turned to better account than here in Canada?

Private companies graduate the telegraph charges according to mileage, but this is done for revenue purposes. Revenue is not the only or chief purpose of the Government in establishing the means of communication for the people. It is, of course, desirable that the Post Office should be self-supporting, but to regard a State telegraph service as a source from which the public exchequer is to gain revenue would be to place the charges on messages in the same category as taxation. On this ground, if taxation is to be borne equitably by all, it does not appear quite clear that the inhabitants of the Dominion who are farthest apart should be the most heavily taxed. This points to the absolute fairness, apart from the question of expediency, of having a uniform charge for telegraph messages throughout the Dominion. The Imperial Government found it in the public interest to adopt uniform and low rates over the whole of the United Kingdom. Thirty

years' experience has proved the wisdom of the course followed. I cannot but think that the same wise policy will commend itself to the people of Canada.

The rates at present charged for the transmission of messages between Ottawa and points in the several provinces range as follows:—

		Highest.	Lowest.
		\$	\$
Between Ottawa and Nova Scotia	...	0.55	0.25
" Prince Edward Island	...	0.75	0.50
" New Brunswick	...	0.55	0.25
" Quebec	...	1.25	0.25
" Ontario	...	1.25	0.25
" Manitoba	...	1.00	0.50
" British Columbia	...	4.00	0.75
" The North-west Territories	...	5.75	0.75

The lowest charges are 25 cents for "day messages" of ten words, and the same sum for "night messages" of twenty-five words. Would not the adoption of these rates for all distances, as far as the telegraph-lines extend, be in the general interest? Would not a uniform tariff place our people in every province precisely on the same footing? We have long accepted the principle of uniform charges in the Department over which you preside. A 2-cent postage-stamp affixed to a letter secures its conveyance to any place near or remote, and yet it will be recognised that the carriage of a letter a thousand miles costs more than its carriage one mile. If the principle be acceptable in the postal service, is not a uniform charge for all distances far more justifiable in the telegraph service of the Dominion?

With becoming respect I submit these few paragraphs, the result of careful inquiry and much consideration. I have not alluded to the Marconi system of telegraphy. I shall only remark that, should the recent achievements result in providing an alternative means of transmitting messages across the Atlantic more speedily and more cheaply than by electric cable, so much the better will it be for the great objects we have in view in Canada. Meanwhile I have expressed the conclusions arrived at by me on two important matters before the Government. I shall rejoice if I have in the least aided in throwing light on these subjects. My investigations have led me to the conviction that both proposals can be carried out without risk and with very great advantage to the Canadian people. I am satisfied that they would, in no limited sense, tend to advance the prosperity and unity of the Empire. In what other respects the onward movement of the Empire would be promoted I shall seek another opportunity to point out.

The Hon. Wm. Mulock, Postmaster-General, Canada.

I have, &c.,

SANDFORD FLEMING.

No. 43.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

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

15th January, 1902.

I beg to transmit herewith, for the information and consideration of the Government, copies of the following letters from the Chairman of the Pacific Cable Board, namely:—

1. Letter dated the 17th December last, addressed to His Majesty's Treasury, with reference to the establishment of a Cable Maintenance and Renewal Fund.
2. Letter dated the 7th January, addressed to the Colonial Office, with reference to the policy to be pursued by the Board in connection with the projected American Pacific cable.

As regards establishing a Maintenance and Renewal Fund, I think the Government will concur with me in agreeing with the proposal made by the Chairman of the Board, and also with the suggestion made by him to the effect that the amount of the fund should in the first instance be fixed at £25,000 per annum.

With regard to the policy which it will be expedient to adopt in connection with the new submarine cable to be laid from San Francisco to Honolulu, I shall be glad if the Government would give the question their careful consideration, and communicate to me as soon as possible their views in respect thereto. I would only here say that, taking the matter into consideration from a practical point of view, the fact that a cable between Honolulu and Fanning Island would provide an alternative route in case of the working of the Pacific cable being interrupted is one that should have due weight in determining the question at issue.

As Mr. C. H. Reynolds, the Board's Manager, will be visiting New Zealand, you will have the opportunity of conferring with him on these and other matters connected with the Pacific cable.

I have, &c.,

W. P. REEVES.

The Hon. the Premier, Wellington.

Enclosure 1 in No. 43.

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

The Pacific Cable Board, 24, Queen Anne's Gate, S.W.,

SIR,—

17th December, 1901.

In preparing the estimates for the working-expenses and maintenance of the Pacific cable, I have the honour to state that I should be glad of the opinion of the Lords Commissioners of His Majesty's Treasury as to the manner in which the maintenance and renewal of the cable should be charged.

The sum required for the purpose from year to year cannot, of course, be accurately foreseen. Accidents which it is impossible to forecast, such as the fouling of the cable by an anchor, its friction on some rough bottom or shelving rock, or even some submarine volcanic disturbance, may at any time involve interruptions necessitating more or less costly repairs; while, apart from these causes, the deterioration which inevitably results from constant wear-and-tear may necessitate the renewal of the cable at some reasonably proximate period.

To provide against these contingencies it is the custom of telegraph companies to set aside out of the annual profits a sum which they carry to a reserve account, and I believe it is the custom—at any rate, it was the custom of the company with which I was personally connected—to debit the cost of all repairs to this reserve fund. If I may illustrate what I mean by the example of that company—the Direct United States—I may say that, with a capital of about £1,200,000, it has gradually accumulated a reserve of more than £400,000, that it annually sets aside out of its profits a sum of £20,000, which it carries to this reserve, but that it debits the cost of all repairs to the cable, whether small or large, to this fund.

It appears to me that the Pacific Cable Board should follow a similar course and carry annually a specific sum to a renewal and maintenance fund, and this course seems to have been contemplated both by the Pacific Cable Committee which reported in 1897 (see page 10 of the report) [page 5, F.—8a, 1899] and the later Committee which reported in 1900 (see page 1 of this report) [not printed]. The former Committee, indeed, considered that the maintenance or reserve fund should be placed at £40,000; the latter Committee thought it might be reduced to £25,000. I am not, however, at the present moment concerned with the amount of the fund; I am anxious rather to obtain the views of His Majesty's Treasury on the principle of instituting it.

There are, indeed, two circumstances connected with the Pacific Cable Board which differentiate it (1) from any ordinary company, and (2) from such a company as the Direct United States. In the first place, in the case of the Pacific cable it is proposed that the capital sunk in the undertaking should be gradually extinguished by the operation of a terminable annuity, and the extinction of the capital seems to be attended with the same effects as the institution of a renewal fund. The Committee of 1897, however (page 14 of report), contemplated and recommended this double sinking or maintenance fund. And, in the next place, the Board will maintain, and a comparatively small company like the Direct United States does not maintain, its own repairing-ship; and it will be readily understood that the expense of such a ship forms a very large item in the cost of these repairs.

These two circumstances undoubtedly point to the conclusion that the reserve which the Pacific Cable Board should maintain need not be so large as that which would be required by an ordinary cable company. But they do not remove the necessity for some reserve. Unless such a reserve, to which all repairs should be debited, is instituted, it seems impossible to equalise the charges for repairs; and the Governments interested in the cable, after perhaps enjoying some years of immunity, will probably be sooner or later confronted with some unexpectedly large demand for some very heavy repairs, a contingency to which all deep-sea cables are liable.

Experience can alone determine what the reserve fund should be. But I suggest for the consideration of the Treasury that it should in the first instance be fixed at £25,000 a year (the amount named for repairs by Sir F. Mowatt's Committee). If this sum should prove too large it will be easy to reduce it in later years; but if the sum fixed were too small it would not be equally easy to increase it.

I am, &c.,

S. WALPOLE, Chairman.

Enclosure 2 in No. 43.

The CHAIRMAN, Pacific Cable Board, London, to the UNDER-SECRETARY of STATE, Colonial Office.

The Pacific Cable Board, 24, Queen Anne's Gate, S.W.,
7th January, 1902.

SIR,—

The Pacific Cable Board has recently had under its consideration the fact that the Commercial Cable Company, acting, it is understood, in conjunction with an American Pacific Cable Company, and with the authority of the United States Government, has ordered of a British company a new submarine cable, to be laid from San Francisco to Honolulu, and thence by Midway Island and Guam to the Philippines. From the Philippines telegraphic communication can be obtained to all parts of the East.

It appeared to the Board that it was its duty to consider the effect which the construction of this cable would have on the enterprise which it has been charged to control, and specially on the question whether it was desirable to unite the new American cable at Honolulu with the British cable at Fanning Island. It seems to the Board, indeed, that the question is one which must be settled by the Governments interested in the British Pacific cable, and not by itself; but at the same time it considered that it would probably be convenient to these Governments if it stated clearly the reasons which could be urged for or against the connection. They appear to be as follows:—

1. So far as traffic is concerned, a good deal may be urged on both sides of the question. On the one hand, if the American cable were linked with the British cable, it is probable, or perhaps certain, that messages from the United States to Australia would be sent *via* Honolulu to Fanning, instead of *via* Vancouver, and that a portion of the profit of these messages would be diverted to the American cable. On the other hand, it seems certain that messages from India, China, and Japan to Canada, and possibly some messages from the East to Europe, would be sent *via* Honolulu and Fanning to Vancouver. Whether the traffic thus acquired would compensate or more

than compensate for the share of the traffic which would be lost is a very difficult question, which there are not sufficient data to decide. But it is certain that the increased telegraphic facilities which would be afforded would, at any rate, as far as Canada is concerned, be great, and any additional telegraphic facilities probably tend to create additional telegraphic business.

2. The weak point of the Pacific cable is that it is a single line, and every single line is necessarily liable to interruption. Such interruption may occur at any part of the cable. But it would be specially serious if it should occur on the Vancouver-Fanning section. That section represents the longest cable in the world; and it is also the farthest from the station (Fiji) where the repairing-ship of the company will probably be stationed. Any interruption in this section, therefore, will involve a voyage of many thousand miles before the very delicate repair required in a cable of such great length can be commenced. During the whole of this time the whole cable and its staff will practically be idle, and all telegraphic business between Australasia and Europe must again revert to the Eastern Extension Company. If, however, a connection between Fanning and Honolulu was established, an alternative route would at once be afforded, and temporary interruption between Vancouver and Fanning would cease to be of such significance if messages could be sent to Fanning *via* San Francisco and Honolulu. It is this fact which seems to constitute the strongest reason for connecting Fanning with Honolulu by a fresh cable.

3. It is true that the British Pacific cable is on an all-British route, and that the alternative route *via* San Francisco and Honolulu would pass over American soil, and presumably through the hands of American operators. But this deviation would only occur, except in specially routed messages, when the cable is broken. And even the most ardent advocates of an all-British route would hardly argue that it is better to stop all communication when the cable is broken than send it through stations of a friendly and allied nation.

4. The distance from Honolulu to Fanning is about, rather less than, a thousand miles. The cost of a cable between the two would probably amount to £200,000, and would certainly not exceed £250,000.

5. In the event of the Governments interested considering the connection desirable they would have further to consider—(1) whether they would lay the cable themselves; (2) whether they would encourage the American Pacific Cable Company to lay it; or (3) whether the cable should be the joint property of the American Pacific Cable Company and the Pacific Cable Board. Precedent and convenience—if the cable is to be made—seems to point to the last of these three alternatives.

You will observe that in this letter the Board has carefully avoided giving any opinion either for or against the construction of the cable. It seemed in the first instance far better to place the matter before His Majesty's Government in a shape which might assist the Government to arrive at its own decision upon it. But the Board is strongly of opinion that the Government should consider what its policy should be, and it is because its members are very sensible that it may be necessary for it to arrive at such a decision at any time that it has thought it right to lay before you the various considerations which must apparently be taken into account in arriving at it.

It is understood that the San Francisco-Honolulu cable will be completed and laid in the course of 1902.

I am, &c.,

S. WALPOLE, Chairman.

The Under-Secretary of State, Colonial Office, S.W.

No. 44.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, Pacific Cable Board, London.

SIR,—

General Post Office, Wellington, 4th February, 1902.

Adverting to my letter of the 21st October last, I have the honour to enclose copy of progress report, dated the 31st ultimo, furnished by the Under-Secretary for Public Works, on the work of erecting the Pacific cable station at Doubtless Bay.

I have, &c.,

THOMAS ROSE, for the Postmaster-General.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

Copy of Progress Report on Pacific Cable Station, Doubtless Bay.

CONTRACT: C. H. Frankham, £4,779.—This contract was accepted on the 10th December last. A good amount of timber has been shipped and the contractor has gone on with his men to start the work, and intends pushing it on as fast as possible.

H. J. H. BLOW, Under-Secretary.

Public Works Department, Wellington, 31st January, 1902.

No. 45.

The SUPERINTENDENT OF ELECTRIC LINES, Wellington, to the UNDER-SECRETARY, Public Works Department, Wellington.

General Post Office, Wellington, 7th February, 1902.

(Memorandum.)

Pacific Cable.

I HAVE now received, under date of the 11th December, confirmation of a telegram of the same date from the Secretary of the Pacific Cable Board, London, not received here, as follows: "Expect cable reach New Zealand middle March. Hope buildings will be ready. Please order arrangements water-supply, furniture."

Kindly see that the necessary arrangements for the water-supply and for furniture are made as requested. Your architect at Auckland should confer with the Inspector of Telegraphs there, and they should submit plans of furniture required for the present. As to the water-supply, the fitting-up of the tanks provided will, of course, be proceeded with; but the proposal to bring in a supply from the river may, I think, stand over until the Pacific Cable Board's officer arrives.

J. K. LOGAN, Superintendent of Electric Lines.

The Under-Secretary for Public Works.

No. 46.

The Hon. the PREMIER, Wellington, to the CHAIRMAN, Pacific Cable Board, London.

SIR,—

Premier's Office, Wellington, 13th February, 1902.

I have the honour to acknowledge the receipt of your letter of the 3rd October last, on the matter of telegraphists in this Government's service being employed to work the Pacific cable at the New Zealand station.

I note that the Board is of opinion that it would not be practicable to give effect to the suggestion that the appointments in New Zealand should in all cases be reserved for New-Zealanders, but that at the same time it fully appreciated the advantages in the general working of the cable which seem likely to result from the employment of a fair proportion of both Imperial and colonial officials, and that the Board will be only too glad to consider the claims of any competent telegraphists whom this Government may desire to bring before it for appointment.

I have, &c.,

Sir Spencer Walpole, K.C.B., Chairman,

J. G. WARD, for the Premier.

Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

No. 47.

The Hon. the POSTMASTER-GENERAL, Wellington, to the GENERAL MANAGER, Pacific Cable Board, Melbourne.

(Telegram.)

Wellington, 21st February, 1902.

I WELCOME you to the colonies, and hope to have the pleasure of meeting you shortly. What are your movements, and when do you arrive in New Zealand? A Press cable message announces that you have been discussing the rates to be applied to the New Zealand section of the cable. Chairman of the Board asks us to inform him what our terminal rates are to be, but in view of your early arrival here the reply perhaps should be deferred until we meet.

No. 48.

The GENERAL MANAGER, Pacific Cable Board, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 22nd February, 1902.

THANKS message welcome. Hope reach Wellington 12th. Kindly defer reply Board till we meet. Shall do nothing about rates till see you. Cable probably reach New Zealand twentieth. All well so far.

No. 49.

The INSPECTOR of TELEGRAPHS, Auckland, to the SUPERINTENDENT of ELECTRIC LINES, Wellington.

(Telegram.)

Auckland, 3rd March, 1902.

Re Doubtless Bay: Cable-house is finished.

No. 50.

The INSPECTOR of TELEGRAPHS, Auckland, to the SUPERINTENDENT of ELECTRIC LINES, Wellington.

(Telegram.)

Auckland, 4th March, 1902.

At Doubtless Bay office is practically finished. Only a little painting to be done.

No. 51.

Sir SANDFORD FLEMING, Ottawa, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Winterholme, Ottawa, 12th March, 1902.

I have the honour to transmit, for the information of your Government, a copy of an address delivered by me on the 28th ultimo to the Canadian Press Association in annual meeting on cheap telegraph rates.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

SANDFORD FLEMING.

Enclosure in No. 51.

CHEAP TELEGRAPH RATES.

Address delivered at the Annual Meeting of the Canadian Press Association, 28th February, 1902, by Sir Sandford Fleming.

MR. PRESIDENT,—

You have been good enough to invite me to address this meeting on cheaper telegraph rates, for the reason that my name for some years back has been identified with the subject. I regard it as a high privilege to be allowed to address a body of men representing the recognised organs of public opinion. You have paid me a great compliment, and my satisfaction is enhanced by the fact that I have been asked to speak on a subject to which I have long and earnestly devoted my attention.

Ruskin tells us that "the weakest among us has a gift, however seemingly trivial, which is peculiar to him, and which, worthily used, will be a gift to his race." Whether Ruskin be right or wrong, I have indulged the thought and acted on the belief that, however feeble the force, persistency of effort will in the long-run make up for lack of power. Imbued with this idea, I have for over twenty years imposed upon myself a task closely associated with the subject which you have given me—a task which has led me, without hope of personal reward, to visit five continents and traverse all the great oceans, one of them, the Atlantic, many times. In this self-imposed duty I can at least say that, however poor and inadequate the services, they have been given willingly and without stint. Such being the case, I rejoice to have the opportunity, which you have given me, to throw some light on a problem of great public importance which I have been doing my share in trying to work out.

I shall commence by expressing the satisfaction which I feel that this association is deeply interested in the same problem, and that at the last annual meeting you took important action respecting it. I am very proud to rank myself as a co-worker with you, inasmuch as I have the most exalted opinion of the power and mission of the Press. I feel that anything that I have done, or anything that I can do, is as nothing compared with what you can accomplish.

Examining your records, it appears that resolutions were unanimously passed at your last annual meeting in favour of the Government taking steps to establish a State-owned cable between Canada and Great Britain, and to nationalise the land telegraphs of the Dominion, the charges for the transmission of messages in both cases to be reduced to the actual operating-cost. Perhaps I may mention that on every suitable occasion during the past year I gave my advocacy and support to the policy and principles laid down in your resolution. Moreover, the present year had barely commenced when I made public a letter on postal telegraph service by sea and land, addressed to the Postmaster-General, the Hon. Wm. Mulock. It is dated the 1st January, 1902, and in the remarks I am about to submit I shall regard the contents as known to you. In that letter I pointed out the immediate advantages to the people of the Dominion which would result from carrying into effect the resolution which you passed. I desire on this occasion to go a little farther and indicate that, beyond the direct benefits to Canada, there is a great ulterior purpose to be served by the adoption by Parliament of the policy laid down by you. This ulterior purpose I shall with your kind permission endeavour to explain. Let me first, however, say a word respecting the marvellous system of telegraphy introduced by Marconi.

The Marconi System.

The distinguished inventor, before visiting Ottawa a few weeks ago, startled the world by his successful efforts to transmit electric wave-signals across the Atlantic. I had the great satisfaction to have several interviews with Signor Marconi, who is of opinion that only a few months will be required to develop and fully reveal the possibilities of his system. He confidently expects to be able to send telegraph messages between the two continents without the intervention of submarine cables, and that, in consequence of the comparatively small initial cost of apparatus, the charge for the transmission of messages will be very low compared with the present rates. If this proves to be the case we may certainly regard the Marconi system not as an opponent of, but as an ally of, cheap telegraphy. Negotiations opened by the Government resulted, as stated in the Speech from the Throne at the opening of Parliament, "in an arrangement through which, should the project prove a successful one, as is hoped for, the Government and people of Canada will enjoy the benefits of the invention on very favourable terms, including rates for transatlantic messages very much below those now existing."

While it is greatly to be wished that the highest expectations will be realised, we must recognise that doubts have been raised, and, notwithstanding the splendid results already achieved by the inventor of wireless telegraphy, some of the leading English authorities on electrical science—such as Professor Oliver Lodge, Sir William Preece, Dr. Muirhead, Lord Kelvin, and others—are of opinion that the system will be found to have its limitations, and that the greatest success possible for it will not suffice to render submarine cables unnecessary. Marconi himself, when on this side of the Atlantic, entertained no fear of failure; he was full of hope that he would prove his invention to be a complete commercial success, and he expressed the belief that he would be able to transmit messages across the Atlantic, with ample profit, at 1 or 2 cents per word. The impression formed in my own mind was that of admiration for the great inventor, who had already done marvellous things in wireless telegraphy, and whose hoped-for success in spanning the ocean, if realised, would pass his name on to future generations as that of a world-benefactor.

It appears, however, that there is a Marconi company to be reckoned with, and that in financial matters the distinguished inventor has not, I fear, all his own way. I would infer from what has come to light that the overruling company in this case, like other companies, is more bent on dividends and profits than on benefiting the public, and that it has adopted the policy of charging

rates very much higher than Marconi himself seemed at one time to consider necessary. This is, of course, merely the conclusion I have arrived at after learning the terms stipulated by the company in the arrangement with the Government. Instead of the very low rate expected, the Marconi Company claims 10 cents per word for the transmission of ordinary messages.

Taken by itself, a reduction from 25 cents to 10 cents per word is a great step in the right direction, and the arrangement entered into by the Government, to effect, if possible, the desired end, may be regarded as to a large extent satisfactory and wise. A reduction of 60 per cent. on present charges, assuming that the experiments and trials, soon to be undertaken, succeed, will prove a great public benefit, and its influence for good will be felt in many ways.

I confess, however, to a feeling of disappointment that the Marconi Company has not seen its way to make the rate considerably lower. In my letter to the Postmaster-General of January last I pointed out that by establishing a direct State-owned cable ordinary transatlantic messages could be transmitted for 5 cents a word, and that there would be the prospect of a further reduction as traffic increased. Under these circumstances it seems to me more than likely that, unless the Marconi Company can perform the service for half, or less than half, the rate stipulated, it will not be possible for it to give to the Canadian public permanent satisfaction. Our requirements demand the speediest and cheapest means of communication such as a self-supporting State-owned cable could give.

Atlantic Cable Service.

As judgment has to be suspended in the matter of the Marconi system, it may not meanwhile be without profit to consider the alternative. In doing so I shall not tax your patience by repeating the arguments I advanced in my letter to Mr. Mulock in respect to the establishment of a State-owned transatlantic cable. I furnished evidence to prove that such a cable, if employed only about two hours a day, would, at the existing tariff of charges, be self-supporting. I showed that there is practically within sight business to keep it going for twelve hours a day at the rate of 5 cents per word, and I pointed out that, if employed up to its maximum limit, the earnings would be sufficient to meet interest on cost, sinking fund to replace capital, maintenance, and all operating expenses if no higher rate be levied on messages than 2 cents per word. I do not recommend beginning with the extremely low rate of 2 cents, but I can see no reason why a 5-cent tariff should not be the standard for ordinary messages from the first. All such messages would be despatched in the order in which they would be received. Urgent messages for which a preference in delivery is desired would be subject to an extra charge for that privilege. Obviously a reduction from 25 cents a word to a standard rate of 5 cents for ordinary messages would popularise transatlantic correspondence, and render it available for purposes for which it has not hitherto been used. Possibly a fair price for Press despatches would be half-rate—that is to say, 2½ cents a word.

The proposal has been generally well received in Great Britain as well as in Canada. True, one or two anonymous letters have appeared in the *Times* and other London papers, written obviously in the interests of the cable companies, but my arguments in favour of the proposal remain unanswered. An Atlantic cable under Government control would, by lowering charges 80 per cent., interfere more or less with the existing cables. That interference would, however, be merely an incident, as the objects to be achieved by the establishment of the new cable are not competitive, but purely national. Should the effect be to lower generally transatlantic rates, the augmentation of business which certainly would follow in a few years would prevent revenue suffering to any great extent.

In order that the companies' business may be interfered with as little as possible, it may be advisable to introduce the reduced charges by a gradual process. For example, the average length of an ordinary message is probably six or seven words, costing for transmission 6s. or 7s. If by arrangement the minimum price of a message be placed in the first instance at 4s. (or \$1) by all cables, both old and new lines would transmit dollar messages; the only difference would be in the number of words transmitted—in the one case it would be six words, in the other twenty. Either way, there would be manifest advantages to the public. By some such arrangement a Canadian cable may be established across the Atlantic with a minimum of interference with existing cable-lines.

State Control of Land Lines.

To nationalise the land telegraphs of the Dominion is, probably, of the two questions, the one which concerns us in Canada most intimately. I shall therefore, with permission, submit some remarks on the criticisms relating to the proposal which have appeared in the Canadian Press. I have always pointed to the postal telegraph system of the United Kingdom as a model to be imitated in its essential features, for the reason that it is a remarkable public service, unparalleled in any part of the world. The telegraph-lines were owned in the first place by railway and other private companies. They were expropriated on the authority of an Act of Parliament, and have since then been controlled and extended for a period of over thirty years by the Government. By means of the State-owned telegraph system any person in the three kingdoms can send to any other person, however remote, a message of twelve words for 6d., and each additional word for ½d. Almost every post-office is a telegraph-station, and if the person to whom the message is addressed lives three miles away from an office the telegram is sent to him without extra charge, and the messenger instructed to receive a reply if one be required. Personal experience satisfies me that there is nothing to excel the British postal telegraph service for cheapness, accuracy, utility, and despatch. The proposal is to have the system, as far as practicable and applicable, introduced in Canada—of course, with such modifications as experience has proved to be advisable, and the conditions of the country suggest to be expedient.

Some of our newspapers in noticing the proposal suggest, very properly, that caution should be observed, and no irrevocable step be taken until its wisdom be well assured. The sugges-

tion is perhaps mainly owing to the fact that we are in the habit of hearing that, while the mail-service of the United Kingdom earns immense profits, the telegraph branch is a source of expense. To arrive at the actual facts I have made a careful examination of the Post Office returns to the Imperial Parliament and other official documents. In the last report of the Postmaster-General it appears that the total receipts of the telegraph branch for the year 1900-1 was £3,429,453, and the expenditure £3,812,569, showing a deficiency of £383,116.

With respect to this deficiency and the cause of it, there can be no better authority than the Postmaster-General himself. His report for 1895, and appended documents, point out that for the preceding twenty-five years, during which period the telegraphs had been under Government control, the receipts exceeded the expenditure by a total sum of £1,795,000, equal to an average annual surplus of £71,800. This does not, however, include the charge for interest on the purchase-money of the original lines, which is now, however, included and forms the major part of the deficiency. This interest-charge on capital is £298,000, but the report itself furnishes evidence to show that it is far larger than it should be.

The revenue is further burdened by various charges which, as it seems to me, are quite unnecessary. I have already mentioned one of these, the portage on messages sent three miles from the post-office free of charge. In all such cases the messages are usually carried by hand, and no doubt it is a great convenience to those who live a little way in the country, but it should not be done at the public expense. The remedy is simple—to charge for portage, or use a telephone, as we do in Canada.

Again, several railway companies had conceded to them thirty years ago the right to free transmission of all their telegrams, and it appears that these free telegrams have increased out of all proportion to the growth of public telegrams. It is estimated that the loss to the Treasury from this cause alone now exceeds the sum of £80,000 (or \$400,000) per annum.

But the matter which most seriously affects the receipts is the extremely low and unremunerative rates charged for Press despatches. The Postmaster-General states in his report of the 2nd August, 1901, that "the Press telegrams entail a heavy financial burden on the telegraph service." The charge for Press telegrams in the United Kingdom is the lowest in the world, and the amount of work performed for the Press is without a parallel in any other country. In the year ending the 31st March, 1901, the average weekly number of words in Press telegrams was 16,065,502, equal to about 835,000,000 words per annum. This enormous volume of business, involving not far short of half the domestic telegraph work of the country, was performed at a charge totally inadequate to meet the actual cost. During last year 1,083,000,000 words were transmitted in ordinary public telegrams, yielding £2,257,399, while 835,000,000 words were sent by wire in Press despatches which contributed to the revenue only £141,600. The former is at the rate of $\frac{1}{2}$ d. per word, the latter for Press work represents twelve words for $\frac{1}{2}$ d. In Canada the Press rates, as I am informed, range from 25 cents up to \$1 per hundred words: if the Press despatches of the United Kingdom were charged at the very lowest Canadian Press rate—that is to say, at $\frac{1}{4}$ -cent a word—there would be an annual surplus after paying interest on capital and every other charge.

Sir William Preece, lately at the head of the Telegraph Branch of the Post Office, states, in *St. Martin's-le-Grand* for last October, that "the unremunerative rates charged for Press despatches entail an actual loss to the Department roughly estimated at £400,000 a year." Another writer thus expresses his views in explanation of the course followed. Referring to the deficiency in the balance-sheet he says, "This, of course, means no more than that the Government are persuaded of the educational value of the Press that it gives a sum equal to this large shortage in the shape of a bonus to the newspapers. It is another form of applying the principle of aiding in the diffusion of newspaper information, which in Canada and the United States is done by nominal charges for transportation." These facts and explanations furnish reasons for the adverse balance as it appears in the accounts of the Telegraph Branch of the General Post Office and as the nominal deficiency is not owing to any defect in the general system, and as there is no actual loss to the public, both Parliament and taxpayer have no difficulty in overlooking the absence of a financial balance on the right side of the account, in view of the inestimable benefits which the service confers on the community.

There is one feature of the British telegraph service of peculiar importance, and that is the adoption of a uniform charge for all distances. As I have dwelt on this point at some length in my letter to Mr. Mulock, to which I have so frequently referred, I shall only reaffirm the view I hold, that in no country would a uniform charge for telegrams be of greater general advantage than in Canada. We have already, in common with the Mother country, adopted the principles of uniformity of charges in the mail-service. In both countries a postage-stamp will carry a letter to any place near or remote, and every argument in favour of applying the principle to the carriage of letters applies with tenfold force to the transmission of despatches by telegraph. Long experience in the British Islands, and, indeed, wherever the principle has been applied, amply confirms the wisdom of the policy of charging the same rate for all distances. It must, however, be distinctly borne in mind that in no country does it appear to have been possible to put the principle in practice without first placing the telegraph lines under Government control.

At present the rates charged are graduated, according to distance and range, from 25 cents a message and upwards. With the service brought under State control, the lowest rate should at once, I think, be made uniform for all distances.

With respect to the general principle of Government control little need be said. From the earliest days the Government of every civilised nation on the face of the earth has taken charge of the conveyance of letters and correspondence, and, as a rule, they have always employed the best available means of doing so. At one time the mails were carried on horseback, at another period by stage-coach. In more recent times the Governments have not hesitated to have the people's correspondence conveyed by steam-power. To-day a far speedier and, I may add, far

cheaper agency than steam—that is to say, electricity—is at command; and we may ask ourselves the question, Is it not incumbent on the Government to take the fullest advantage of this Heaven-sent means of conquering time and distance?

I submit for your consideration three remarkable facts:—

(1.) Canada remains the only country in the British Empire where the telegraph service is not State-owned.

(2.) With two single exceptions, Canada and the United States, the telegraph service of every civilised nation on the face of the globe is controlled by the State.

(3.) In Canada and the United States the charges for the transmission of telegraph messages are practically double the rates charged in all other civilised countries.

I leave it with you gentlemen of the “fourth estate” to determine how long this condition of affairs should last in this British Dominion.

Great Ulterior Benefits.

“A cheaper telegraph service.”—The subject on which I have been asked to address you is not simply a domestic question concerning Canada alone; it is a matter of Imperial and inter-colonial concern, and may well be considered not only by the Canadian Press Association, but by the statesmen who will be gathered together at the coming conference in London next June. On that occasion it may “be assumed that the bent of the Colonial Secretary’s mind will be found in accordance with the desire of the colonial representatives.”

At this stage in the history of the British people a widespread interest has arisen in Imperial matters. The South African war has given to the Imperial idea a great impulse. As we view it from a Canadian standpoint, we feel ourselves awakened to the fact that the Dominion of Canada forms no inconsiderable part of the surface of the globe which is designated British, and that if we do our part aright we should take a leading place in a great political organization—the British Empire—now in process of growth and development. Our geographical position is in itself commanding. Writing in 1894, the colonial editor of the *Times* said of Canada, “She possesses without question a position of central importance in the British Empire: the Atlantic Ocean gives her natural communication with the United Kingdom and South Africa; the Pacific offers her equally easy communication with India and Australia and the East. She commands the commercial highroad of two hemispheres.” Is it not fitting, then, that we should bestir ourselves; that we should not allow the besetting sin of apathy to obstruct itself; that we should in all respects perform the filial duties befitting the eldest daughter in the great family of British nations?

To-day the widely sundered groups of British people, comprising diverse races and creeds and languages, are animated by a community of sentiment; they have fallen heir to great possessions in all quarters of the globe; and it is surely one of their first duties to safeguard, to consolidate, and develop their magnificent heritage. To bring the Empire into shape and form many things are needed: in not a few of these we Canadians can render yeoman aid; in some things we may, indeed, as we have already done in the matter of Imperial penny postage, take a leading part. I propose to point out what Canada can do for the Empire by placing the telegraph service by land and sea, between Vancouver and London, under State control.

At the Press banquet last night, where I had the honour to be a favoured guest, it was pointed out very forcibly by the Premier that, in the interest of unity, stability, and progress, one of the most important offices of the Press is to cultivate friendly relations between the various elements of the population. “In my own time,” said Sir Wilfrid, “I have seen daily and yearly the work of unification of our country.” “The members of the association have done a great deal to promote that harmony”—this feeling would grow the more the people of the several provinces became acquainted with each other. Is not this beneficent function of the Press of wide application? I think you will all concede that the King’s subjects everywhere should be better acquainted than they now are; that, as far as possible, the several great groups of British people around the globe should be on terms of intimacy. I ask, does that condition now prevail? What intimacy have we with our nearest British neighbours on the western side? What do New-Zealanders and Australians know of us, or we of them? The answer is—next to nothing. And how under present conditions could any intimacy, if it existed, be maintained? As Professor Short pointed out in the last *Canadian Magazine*, the component parts of the Empire stand most in need of a better knowledge of each other. To this end we have to invoke the powerful good offices of the Press, aided by the telegraph, the most perfect means yet discovered or likely to be discovered for the free interchange of knowledge.

A comprehensive telegraph system, extending to every British possession in both hemispheres, has been projected, and in order to reduce the cost of transmission to the lowest charge it is held to be indispensable that the whole service should be under State control. The Pacific cable is regarded as the initial section of the Pan-Britannic system, and this great undertaking is now in progress under a Board of Management constituted by six British Governments. It will come to the memory of some present, and it will be remembered with pathetic interest, that the last public words spoken by a Canadian Premier, a few hours before he passed away at Windsor Castle, were in reference to and in support of this the pioneer section of the Pan-Britannic telegraph system.

The Pacific cable is under contract to be completed within the present year: if its establishment be followed by the nationalisation of the Canadian land telegraphs, together with a State-controlled means of telegraphy across the Atlantic, a new and exceedingly important stage in the development of the all-British globe-encircling telegraph system will have been reached. Then it will be possible for the sister colonies, New Zealand and Australia, to unite with Canada in extending the postal telegraph service of the Mother country across the Atlantic and across the Pacific. Then the Empire will be in possession of a continuous chain of State-controlled electric

wires from London to the Indian Ocean, embracing in their circuit 247 degrees of longitude—more than two-thirds of the circumference of the globe.

One important point remains to be touched upon—the cost of telegraphy by the Imperial system. It may be gathered from what I have stated that the charge for transmitting messages between London and Vancouver need not exceed 6 or 8 cents a word; and, as Vancouver is not far from half-way between the United Kingdom and Australasia, the charge for the whole distance should not be more than 14 or 18 cents per word. Of course, it is recognised that if the Marconi Atlantic service proves successful the laying of a State cable across the Atlantic may be deferred, and in that event the transatlantic rate will in all probability for a time be 10 cents—that is to say, 5 cents higher than I have estimated. But in any event the total charge for transmission between Australia, New Zealand, and the United Kingdom should not exceed 25 cents (or 1s.) per word. A shilling rate will be immensely appreciated in New Zealand and Australia, where they have been always accustomed to excessively high telegraph charges. When I visited Australia eight years ago I desired to telegraph friends in Canada and receive replies about once a week. On arriving at Sydney I sent one message, but it cost so much—the charge being 10s. 4d. per word—that I did not again indulge in the luxury of cabling to any extent.

This is not the place to allude to the powerful cable-monopoly or the struggle between private gains and public benefits which has, ever since the first inception of the Pacific cable, been going on. Suffice it to say that the triumph of the public interest has commenced; that the telegraph charges between Australia and London are now reduced, and it may possibly be claimed that the advocacy of the Pacific cable has had some effect in causing the reduction. The present charge is 4s. a word. The reduction to 1s. would be distinctly an outcome of the two Canadian proposals discussed and recommended by this association, and must hereafter be regarded as a service rendered by Canada, of inestimable value to the Empire. To make this plain we have only to bear in mind that, as New Zealand is antipodean to the British Islands, when the globe-encircling telegraph is completed there will be no place more remote from the Imperial centre than New Zealand. Obviously, therefore, the transmission charge on telegrams from any one of the King's possessions to any other, on any part of the surface of the globe, should not be greater than 1s. a word. The maximum charge may, indeed, be less than 1s. I am hopeful and sanguine enough to think that there are electrical discoveries yet in store, and that the triumphs of telegraphy will make still cheaper rates possible. Members of this association are awakened to the fact that existing charges for ocean telegraphy are far too high. We all know that the expense of cabling is practically prohibitive to the majority of people. It is only on matters of great urgency, or those in which large interests are at stake, that cablegrams are sent. Cables are employed by persons in official positions, by managers of large mercantile firms, by the very rich, and by those engaged in stock operations; but the majority of people do not use them. Moreover, by reason of the expense, many who use cables resort to them as seldom as possible.

It is in the general interests that all this should be changed, that telegraphy should be popularised, and every kind of hindrance to free intercourse be removed. It is felt that there should be nothing to prevent cables and telegraphs being as freely employed as the penny post. To popularise telegraphy, by sea as well as by land, is, to my mind, a movement which concerns the British more than any other people. We greatly require a postal telegraph service between all parts of the Empire, and, above all things, we need rates so cheap that the service may be freely used by all classes. I have furnished evidence to show that Canada can greatly assist in the development of such a service, and it must be clear to all that, when consummated, the improved and cheapened service will revolutionise the world's correspondence. In this age the ordinary mail is fast becoming too slow and inadequate. Year by year our wishes and our wants will more and more seek to be made known by telegraph.

In concluding these sentences, Mr. President, in which I have endeavoured to comply with your request, I have referred to the resolutions which the association passed a year ago with respect to nationalising the telegraphs of the Dominion and establishing a State-controlled means of telegraphy across the Atlantic. I am perfectly satisfied that by carrying into effect these resolutions Canada would secure for her people a much cheapened and more useful cable telegraph service, and that ulterior benefits of the very highest Imperial importance would be the outcome. Thus, in helping herself, Canada without further effort, without the smallest risk, and without any additional cost, would inaugurate a policy immensely far-reaching and beneficent. Almost immediately the kindred communities of New Zealand and Australia would feel its good effects; eventually its benefits would extend to India, South Africa, and elsewhere; and thus, in promoting our own domestic interests in the matter of telegraphy, we should contribute to the advancement and well-being of the whole Empire in a substantial, thoroughly practical, and effective manner.

ADDENDA.

It was said by one gentleman at the meeting that a single cable across the Atlantic might prove inadequate, and that as a protection against interruptions it would be advisable to have it laid in duplicate. I ask permission to add, by way of explanation, that a similar view was expressed before the Imperial Pacific Cable Committee which met in London in 1896. It was indeed urged by some witnesses that cables laid across any ocean should be laid in duplicate. I was then in London, and, in reply to the allegation, submitted to the Committee as follows (*vide* Canadian Parliamentary Return No. 51 for 1899, page 77):—

"In the evidence submitted to the Committee it has been alleged as absolutely necessary, if a trans-Pacific cable be laid at all, that it should be laid in duplicate. Curiously enough, the gentlemen who have laid greatest stress on the necessity for two cables across the Pacific are among those most adverse to the establishment of a Pacific cable under any circumstances. It has been made to appear that a single cable has been rarely laid in any part of the

world, and that in cases where two cables are not laid side by side at the same time duplication immediately follows. Mr. Preece could not recall an instance of any company relying on a single cable. The impression conveyed was that provision is made for laying both cables from the start, or directly on the completion of one cable the work of laying the second invariably is proceeded with. I take the liberty of mentioning that this course is not universally followed.

The Eastern Extension Company's cable from Madras to Penang was single for twenty-one years. The first cable was laid in 1870; it was duplicated in 1891.

The cable of the same company from Penang to Singapore was laid in 1870; it was duplicated in 1892, twenty-two years afterwards.

The same company laid a single cable from Australia to Tasmania in 1869, and duplicated it in 1887, after a lapse of eighteen years.

The same company laid a single cable from Australia to New Zealand in 1876. The second cable was not laid until 1885. [? 1890: see No. 3.]

The Cape of Good Hope had telegraphic communication established by a single cable in 1879. Duplication was not effected until ten years afterwards.

A single cable was laid from Portugal to Brazil in 1874, and it was not duplicated until 1884.

There are many other instances. I have, however, mentioned a sufficient number to make plain that there is no such rule invariably followed as that alleged. The duplication of a cable is a matter which is entirely governed by circumstances; generally it is proceeded with when additional facilities are required by the traffic, or warranted by the prospect of a rapid development of business. I am perfectly satisfied that eventually many cables will be required across the Pacific, but to my mind there is no necessity for establishing more than one at present.

The Imperial Committee decided to recommend the establishment of one cable, leaving its duplication to be followed at some future time "when the success of the undertaking warranted a fresh outlay of capital." That was the wise decision reached by the Committee presided over by Lord Selborne, and of which Lord Strathcona and the Hon. A. G. Jones, Lieut.-Governor of Nova Scotia, were members. My own frequently expressed views in harmony therewith are that one cable will be sufficient until a second is really demanded by increased telegraph traffic, and that meanwhile a substitute for duplication of both Atlantic and Pacific cables may be obtained in quite another far more useful and far more effective way—that is to say, by taking steps to extend State control over deep-sea cables from Western Australia *via* the Cape to England. By so doing both Atlantic and Pacific cables will form portions of the "round-the-world system," when every point touched will be doubly connected with every other point. It will be at once recognised that this arrangement would obviate any necessity for incurring a double capital expenditure on cables to lie idle at the bottom of the ocean, waiting for an interruption which may not happen. The same expenditure would go a long way towards completing the globe-girdling telegraph system which would admit of messages being transmitted either westerly or easterly, and should any emergency arise to prevent them crossing the Atlantic they could still, under ordinary circumstances, be sent in the opposite direction. Obviously, instead of sinking money on two cables laid side by side, one of which for the present would be little used, the wiser policy would be to inaugurate the Pan-Britannic telegraph service so as to cheapen communications and provide the freest means of intercourse for the several groups of British people in the four quarters of the globe. Assuredly one of the first results of such a service would be to reduce greatly the cost of telegraphy all over the world; while its undoubted tendency would be to vitalise the broadest patriotism and realise the dream of the United Empire loyalists, and all imbued with the true Canadian spirit.

No. 52.

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

SIR,—

General Post Office, Wellington, 13th March, 1902.

I have the honour to forward herewith, for the information of your Board, copy of Proclamation [not printed] extracted from the *New Zealand Gazette* No. 12, of the 13th ultimo, permanently reserving land in the Mangonui district to the Crown as a site for the New Zealand Pacific cable station.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

No. 53.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 15th March, 1902.

PACIFIC CABLE: Not advisable we undertake erection or obtain tenders Fanning Island buildings. Postmaster-General discussed matters generally with Reynolds yesterday. Terminal rate fixed one penny per word all messages. Advise Chairman.

No. 54.

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

SIR,—

General Post Office, Wellington, 15th March, 1902.

I have the honour to forward, for your information, copy of cable message which is being sent to the Agent-General [No. 53]. You will no doubt desire to advise the Chairman of the Board of the decision of the Government in respect to the Fanning Island buildings and the terminal rate.

I have, &c.,

W. GRAY, Secretary.

C. H. Reynolds, Esq., General Manager,
Pacific Cable Board, Royal Oak Hotel, Wellington.

No. 55.

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

SIR,—

Wellington, 15th March, 1902.

With reference to the correspondence that has passed between the Pacific Cable Board and the New Zealand Government on the subject of the selection of the staff for the Doubtless Bay Station, I beg to report, for the information of the Postmaster-General, that my Board desired me to ascertain, on arrival in New Zealand, if the New Zealand Government had any qualified officer of the Telegraph Department who was willing to join the service of the Pacific Cable Board, and subscribe to all the conditions of that service, whom the Government could recommend for the important position of Superintendent of the Doubtless Bay Station.

In accordance with these instructions, I approached you on the matter, and you were good enough to bring to my notice Mr. Charles Louis Hertslet, at present Acting Chief Postmaster of Blenheim, an officer of twenty-eight years' service, with marked electrical abilities and an unblemished record as to character. Having seen Mr. Hertslet, I am quite satisfied that that officer is well fitted for the Pacific cable service, and his colonial experience and departmental knowledge will be of special value to the Board in starting the new station with an English staff.

Mr. Hertslet has passed the necessary medical examination, and I shall be prepared to appoint him to the service of the Board, with effect from the date that he ceases his connection with the New Zealand Postal Department.

I beg you will convey to the Hon. Sir Joseph Ward my thanks for placing so efficient an officer at the disposal of the Board.

I am, &c.,

C. H. REYNOLDS,
General Manager, Pacific Cable Board.

The Secretary, General Post Office, Wellington.

No. 56.

The SECRETARY, General Post Office, Wellington, to the CHAIRMAN, Harbour Board, Auckland.
(Telegram.)

Wellington, 21st March, 1902.

POSTMASTER-GENERAL desires me to ask whether your Board would be so good as to relieve all cable-steamers belonging to the Pacific Cable Board, or engaged in laying or repairing the cable, or in other cable business, from payment of all port and harbour dues when visiting Auckland. The "Anglia," which is laying cable between Queensland, Norfolk Island, and New Zealand, is due at Doubtless Bay on Sunday next, and will probably come on to Auckland for coal and provisions. Sir Joseph Ward would feel much obliged if you could have this question settled before the "Anglia" reaches Auckland.

No. 57.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Harbour Board, Wellington.

SIR,—

General Post Office, Wellington, 21st March, 1902.

I have the honour, by direction of the Postmaster-General, to ask whether your Board will be so good as to relieve cable-steamers belonging to the Pacific Cable Board from port dues while at Wellington. As you are no doubt aware, the Pacific cable, while under the control of a Board, is purely a Government undertaking, to which this colony is a party.

I have, &c.,

The Secretary, Wellington Harbour Board, Wellington.

W. GRAY, Secretary.

No. 58.

The SECRETARY, Harbour Board, Wellington, to the SECRETARY, General Post Office, Wellington.

SIR,—

Wellington Harbour Board, Wellington, 21st March, 1902.

In reply to yours of to-day's date, asking whether the Wellington Harbour Board will relieve steamers belonging to the Pacific Cable Board from port dues whilst in Wellington:

I shall have pleasure in placing your letter before the Wellington Harbour Board at its meeting on Thursday next, when I am certain that your request will receive every consideration. In the meantime I shall be glad if you will point out to me, or, if you think it desirable, obtain the opinion of the Crown Law Officers, whether under the Harbours Act or any other legislation the Board has the power to make the remission of charges sought by the Postmaster-General. So far as I am personally aware, such a power of remission does not exist.

I am, &c.,

WILLIAM FERGUSON, Secretary.

The Secretary, General Post Office, Wellington.

No. 59.

The Hon. the POSTMASTER-GENERAL (at Doubtless Bay) to the Right Hon. J. CHAMBERLAIN, Secretary of State for the Colonies, London.

(Telegram.)

Doubtless Bay, 26th March, 1902.

THE first section of the Pacific cable, connecting New Zealand with Norfolk Island and Australia, finally completed to-day at Doubtless Bay. I have specially attended, to be present at the landing of the cable. I send you the first message, and hope by the end of the year to have the satisfaction of cabling you *via* Vancouver. The work, when completed, will further weld another important link in the chain which binds the whole of the British Empire.

No. 60.

The Hon. the POSTMASTER-GENERAL (at Doubtless Bay) to the Right Hon. the Marquess of LONDONDERRY, Postmaster-General, London.

(Telegram.)

Doubtless Bay, 26th March, 1902.

THE first section of the Pacific cable, connecting New Zealand with Norfolk Island and Australia, finally completed to-day at Doubtless Bay. I have specially attended, to be present at the landing of the cable, and I send you one of the first messages. I hope the cable will be completed by the end of the year, thus forming another important link in the chain which binds together the whole of the British Empire. The cable will probably be open to the public by the first of May.

Telegrams of same text sent to the Chairman, Pacific Cable Board, London; the Hon. W. P. Reeves, Agent-General for New Zealand, London; J. H. Henniker Heaton, Esq., M.P., London; the Hon. W. Mulock, Postmaster-General, Ottawa; and Sir Sandford Fleming, K.C.M.G., Ottawa.

No. 61.

The Hon. the POSTMASTER-GENERAL (at Doubtless Bay) to His Excellency the GOVERNOR-GENERAL of AUSTRALIA, Melbourne.

(Telegram.)

Doubtless Bay, 26th March, 1902.

I HAVE attended at Doubtless Bay to-day and have had the pleasure of witnessing the landing of the first section, and the completion of the Pacific cable between New Zealand, Norfolk Island, and Australia. I offer you my congratulations on the important historical event, and I hope that by the end of the year the cable will be completed to Vancouver. I have no doubt it will be of material advantage to the inhabitants of the contracting colonies.

Telegrams of same text sent to the Right Hon. E. Barton, Prime Minister of the Commonwealth, Melbourne; the Hon. the Postmaster-General, Melbourne; Sir John Madden, Chief Justice, Melbourne; the Hon. A. Peacock, Premier, Melbourne; the Hon. J. See, Premier, Sydney; the Hon. R. Philp, Premier, Brisbane; the Deputy Postmasters-General, Melbourne, Sydney, and Brisbane; and the Presidents of the Chambers of Commerce, Melbourne, Sydney, and Brisbane.

[Other telegrams of similar import despatched to various local bodies.]

No. 62.

The Right Hon. the Marquess of LONDONDERRY, Postmaster-General, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

London, 26th March, 1902.

LORD LONDONDERRY thanks Sir Joseph Ward for telegram announcing completion first section Pacific cable, which he trusts will have good results anticipated.

No. 63.

The SECRETARY, General Post Office (at Auckland), to the ASSISTANT SECRETARY and INSPECTOR, General Post Office, Wellington.

(Telegram.)

Auckland, 26th March, 1902.

DOUBTLESS Bay reports that cable through to Norfolk Island at 3.15 p.m. Inform Press Association and newspapers.

No. 64.

The GENERAL MANAGER, Pacific Cable Board, Mangonui, to the Hon. the POSTMASTER-GENERAL (at Auckland).

(Telegram.)

Mangonui, 26th March, 1902.

YOUR wire [not printed] about the proposed cable reserve: I presume that views your Government will be communicated to Pacific Cable Board. Will not desire to reserve any unnecessarily large sum, but impossible to forecast accurately when repairs will be required, or their extent or cost. Five years' experience should teach us much; but to insure prompt repairs, however large, and prevent disorganization of Budgets in bad years, it is found essential to accumulate gradually sufficient reserve.

No. 65.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Wellington Harbour Board, Wellington.

SIR,—

General Post Office, Wellington, 26th March, 1902.

Referring to your letter of the 21st instant, in answer to mine of the 20th idem as to the relief from port dues of steamers belonging to the Pacific Cable Board whilst in Wellington, I beg to inform you that an opinion of the Solicitor-General has been obtained on the points raised by you, and is forwarded herewith. [Not printed; states that the Harbour Board has the power to remit the dues.]

Yours, &c.,

THOMAS ROSE, for the Secretary.

The Secretary, Wellington Harbour Board, Wellington.

No. 66.

The Hon. the ELECTRIC TELEGRAPH COMMISSIONER, Wellington, to the Hon. the COMMISSIONER OF TRADE AND CUSTOMS, Wellington.

SIR,—

General Post Office, Wellington, 27th March, 1902.

In connection with the laying and maintenance of the Pacific cable, and the maintenance of offices at Doubtless Bay, I have the honour to request that you will be so good as to arrange to exempt from Customs dues all telegraphic material, stores, furniture, &c., which may be imported on behalf of the Pacific Cable Board or the contracting Governments, and to relieve the "Anglia," now about due, and other cable-steamers to arrive in the colony on business connected with the Pacific cable, from light dues, &c. Generally, the same concessions should be extended to the Pacific Cable Board as are granted the Eastern Extension Telegraph Company under their several agreements with the New Zealand Government.

I have, &c.,

J. G. WARD.

The Hon. the Commissioner of Trade and Customs, Wellington.

No. 67.

His Excellency the GOVERNOR-GENERAL of Australia, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 27th March, 1902.

I RETURN you my grateful thanks for your kind message, and heartily reciprocate your congratulations on the auspicious event, the completion of which will do so much towards more closely uniting the interests of Australia and New Zealand with those of the Mother country.

No. 68.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

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

SIR,—

27th March, 1902.

I beg to acknowledge the receipt of your cablegram of the 26th instant, conveying to me the gratifying intelligence that the first section of the Pacific cable, connecting New Zealand with Norfolk Island and Australia, had been finally completed; and in reference thereto I desire to express my thanks to you for sending to me one of the first messages by that route.

I join with you in the hope that the end of the year will see the completion of this important enterprise.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

W. P. REEVES.

No. 69.

The Hon. the POSTMASTER-GENERAL, Ottawa, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Ottawa, 27th March, 1902.

REJOICE with you in successful completion of New Zealand section Pacific cable. Trust like success may attend remainder of work. Pacific cable, when completed, must have far-reaching effect upon commercial and political life of British Empire.

No. 70.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

London, 27th March, 1902.

I SHARE your pleasure at completion first links cable, which I trust will be laid throughout before close year, and unite still more closely Australasia with Mother country.

No. 71.

His Excellency the GOVERNOR to the Hon. the POSTMASTER-GENERAL.

Government House, Wellington,
29th March, 1902.

(Memorandum.)

THE Governor has been requested by the Secretary of State for the Colonies to thank the Postmaster-General for his telegram announcing the landing of the Pacific cable at Doubtless Bay. He appreciates receiving the first message sent over the Australasian section, and shares in the hope of its speedy completion, the project being of such importance and significance to the whole Empire.

The Hon. the Postmaster-General.

RANFURLY.

No. 72.

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

(Telegram.)

Melbourne, 29th March, 1902.

MANY thanks for your telegram. I join with you in believing that the new cable will be of material advantage to Australia and New Zealand.

No. 73.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 29th March, 1902.

HEARTY greetings. Am looking forward to the completion of the cable as another long step in the direction of free intercourse with New Zealand, Canada, Great Britain, and Europe.

[Other replies in similar terms received.]

No. 74.

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

SIR,—

General Post Office, Wellington, 29th March, 1902.

I have the honour to acknowledge the receipt of your letter of the 15th instant, stating that you wished to secure the services of Mr. C. L. Hertslet, an officer of this Department, for the Pacific Cable Board as Superintendent at your station at Doubtless Bay, and to inform you that the Postmaster-General, while regretting to lose Mr. Hertslet, has much pleasure in placing him at your disposal.

Mr. Hertslet, who has already been released from duty, will sever his connection with this Department as from the 31st instant, and has been informed that by his resignation from this Service he forfeits all rights to compensation and other privileges as a Civil servant of the colony acquired during his service in this Department.

The Postmaster-General much appreciates the honour conferred on the Department by the selection of one of his officers for so important a position.

C. H. Reynolds, Esq., C.I.E.,

General Manager, Pacific Cable Board, Melbourne.

I have, &c.,

W. GRAY, Secretary.

No. 75.

The GENERAL MANAGER, Pacific Cable Board, Auckland, to the SUPERINTENDENT of ELECTRIC LINES, Auckland.

SIR,—

Auckland, 30th March, 1902.

With reference to your letter of the 30th October, 1901 [No. 37], to the address of Mr. R. E. Peake, on the subject of the water-supply at Doubtless Bay, I wish to request that the work be proceeded with without delay under the specifications and conditions contained in the letter of the District Engineer at Auckland, which accompanied your letter above referred to.

Your letter was duly submitted to the Board, and sanction to the work at a cost of £600 was duly conveyed in the Board's telegram of the 11th December to the Premier.

I note that the estimate depends on the work being done while the contractor's staff is in Doubtless Bay. Under these circumstances, I am sure you will be good enough to press the matter at once on the attention of the proper authorities.

I am, &c.,

C. H. REYNOLDS.

General Manager, Pacific Cable Board.

The Superintendent of Electric Lines, Auckland.

No. 76.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the UNDER-SECRETARY, Public Works Department, Wellington.

General Post Office, Wellington, 2nd April, 1902.

(Memorandum.) *Doubtless Bay Cable-station: Water supply.*

REFERRING to previous correspondence, I beg to send you the following copy of a letter which has recently been addressed to me by Mr. C. H. Reynolds, General Manager to the Pacific Cable Board, intimating that his Board has approved of the provision of a water-supply at the Doubtless Bay cable-station at a cost of £600. I shall be obliged if you will arrange for the work being at once proceeded with at the expense of the Board. [Read No. 75.]

The Under-Secretary, Public Works Department, Wellington.

J. K. LOGAN.

No. 77.

The SECRETARY, Harbour Board, Auckland, to the SECRETARY, General Post Office, Wellington.

SIR,—

Auckland Harbour Board, Auckland, 2nd April, 1902.

I have the honour, by direction of the Board, to acknowledge the receipt of your telegram of the 21st ultimo, stating that the Postmaster-General desired you to ask if this Board would relieve the cable-steamers belonging to the Pacific Cable Board, or engaged in laying or repairing the cable, or in other cable business, from payment of harbour and port dues when visiting Auckland, and requesting that, if possible, the question might be settled before the s.s. "Anglia" visited the port.

In reply, I am directed to inform you that the s.s. "Anglia" arrived and left the port before the Board had held a meeting, and consequently dues were levied upon the vessel in conformity with the by-laws of the Board. Your telegram was read at a meeting of the Board held yesterday, when I was directed to state that, as it has not been shown that vessels employed by the Pacific Cable Board come under the exemptions mentioned in section 132 of "The Harbours Act, 1878," the Board regrets that the remissions applied for cannot be made.

I have, &c.,

The Secretary, General Post Office, Wellington.

J. M. BRIGHAM, Secretary.

No. 78.

The Hon. the COMMISSIONER of TRADE AND CUSTOMS, Wellington, to the Hon. the ELECTRIC TELEGRAPH COMMISSIONER, Wellington.

SIR,—

Department of Trade and Customs, Wellington, 3rd April, 1902.

Referring to your letter of the 27th ultimo, I have to inform you that the Collector will be instructed to admit free telegraph materials, stores, and furniture which may be imported on behalf of the Pacific Cable Board or the contracting Governments in connection with the laying and maintenance of the Pacific Cable and maintenance of offices at Doubtless Bay. The terms "stores" and "furniture" to be understood to be telegraph stores and furniture, and not supplies for the use or maintenance of officers of the Board or of the contracting Governments who may be stationed in New Zealand.

The question of remitting harbour dues and light dues will be dealt with in the Marine Department, from which a reply will be sent to you shortly.

I shall be glad to know who will be responsible for passing entries for material landed.

I have, &c.,

The Hon. the Electric Telegraph Commissioner, Wellington.

C. H. MILLS.

No. 79.

The SECRETARY, Harbour Board, Wellington, to the SECRETARY, General Post Office, Wellington.

SIR,—

Wellington Harbour Board, Wellington, 4th April, 1902.

In further reply to your letter of the 21st March, and in acknowledgment of your letter of the 26th March, relative to the relief from port dues of steamers belonging to the Pacific Cable Board whilst in Wellington, and in which latter letter you forwarded me a copy of an opinion received from the Solicitor-General on the subject:

In view of the opinion of the Solicitor-General—that if the cable-steamer arrives in port on the Pacific cable service she is exempt under section 132 as being in the service of His Majesty (subsection 1), and (under subsection 3) as being in the service of the Governments of the British colonies concerned—and of the fact, as pointed out by him, that "The Pacific Cable Authorisation Act, 1899," shows that the cable is being constructed by the Governments of Great Britain and the colonies specified in the schedule to that Act, and, further, that although the ship is nominally in the service of the Cable Board she is actually in the service of the Governments mentioned, it is clear that in the opinion of the Solicitor-General the vessel is exempt from dues, and therefore the question of a special exemption by the Board from dues does not arise. You will no doubt, in the event of the vessel arriving in Wellington, notify the Collector of Customs as to the views of the Solicitor-General, and he will be guided by that opinion.

I am, &c.,

WILLIAM FERGUSON, Secretary.

The Secretary, General Post Office, Wellington.

No. 80.

The AGENT-GENERAL to the Hon. the PREMIER.

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

7th April, 1902.

SIR,—

I beg to transmit herewith copy of letter and enclosure received from the Pacific Cable Board, raising the question whether the Governments interested in the cable will incur the charge of insuring the Board's repairing-vessel, or whether they will prefer to take the risk which the absence of such insurance would involve; and in reference thereto I shall be glad if the Government will convey to me their wishes by cable.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure in No. 80.

The SECRETARY, Pacific Cable Board, to the AGENT-GENERAL.

SIR,—

Pacific Cable Board, 24, Queen Anne's Gate, S.W., 4th April, 1902.

I enclose copy of the Board's correspondence with His Majesty's Treasury on the question of proposed insurance of the cable-repairing vessel, now in course of construction, and, in pursuance of the resolution passed at the last Board meeting, am to ask you to be kind enough to communicate with your Government with a view to learning their policy in this matter.

I am, &c.,

The Agent-General for New Zealand.

HUGH LATHAM, Secretary.

Sub-enclosure 1 to Enclosure in No. 80.

The SECRETARY, Pacific Cable Board, to the SECRETARY, Imperial Treasury,

SIR,—

Pacific Cable Board, 24, Queen Anne's Gate, S.W., 5th March, 1902.

I am instructed to state, for the information of the Lords Commissioners to His Majesty's Treasury, that in preparing the detailed estimates of the annual cost of their repairing-vessel the Board learn that the rate of insurance payable in respect of the vessel will amount to not less than $4\frac{1}{2}$ per cent. of her value—i.e., the contract price, amounting to £63,900, together with a further sum amounting to, say, £16,100 for cable-machinery and instruments—representing an annual expenditure of some £3,500 to £4,000 per annum.

The Board think it a matter for consideration of His Majesty's Government, and other Governments interested in the Pacific Cable, whether they will incur this heavy charge for insurance, or whether they will prefer to take the risk which the absence of such insurance would involve.

The matter is of more importance, because in any case the Board assumes that they should annually set aside a sum to write down the capital value of the vessel, and this policy as the cost of insurance is added to it will involve a very heavy charge.

I am, &c.,

The Secretary, His Majesty's Treasury.

HUGH LATHAM, Secretary.

Sub-enclosure 2 to Enclosure in No. 80.

The SECRETARY, Imperial Treasury, to the CHAIRMAN, Pacific Cable Board.

SIR,—

Treasury Chambers, 22nd March, 1902.

In reply to Mr. Latham's letter of the 5th instant, I am directed by the Lords Commissioners of His Majesty's Treasury to say that it is not the practice for the Government to insure its own vessels or any property which it may send by sea.

Unless, therefore, the other Governments concerned should desire that the repairing-vessel of the Pacific Cable Board, and the machinery and instruments carried thereon, should be insured, My Lords do not think that it is necessary to do so.

I am, &c.,

The Chairman, Pacific Cable Board.

E. HAMILTON.

No. 81.

The Hon. the MINISTER of MARINE, Wellington, to the Hon. the ELECTRIC TELEGRAPH COMMISSIONER, Wellington.

SIR,—

Marine Department, Wellington, 8th April, 1902.

With reference to your letter of the 27th ultimo [No. 66], addressed to the Commissioner of Trade and Customs, in which you ask that the "Anglia" and other cable-steamers connected with the Pacific cable may be exempted from light dues, &c., I have the honour to state that the law does not provide for the remission of dues on those steamers. In the case of light dues the Act only provides for the exemption of vessels belonging to His Majesty or to the Government of the colony; and, as regards harbour dues, which are revenue of Harbour Boards at ports where these bodies are constituted, the only exemptions are those provided for in section 133 of "The Harbours Act, 1878," which would not apply to the Pacific cable steamers.

I have, &c.,

WM. HALL-JONES.

The Hon. the Electric Telegraph Commissioner, Wellington.

No. 82.

The Hon. the POSTMASTER-GENERAL, Wellington, to the OFFICER ADMINISTERING the GOVERNMENT, Suva.

(Telegram.)

Wellington, 9th April, 1902.

JUST been advised of completion Fiji section of Pacific cable, and have the privilege and pleasure of sending you first message. You no doubt agree with me that the linking of Fiji by telegraph cable with New Zealand and other countries is event of immense importance historically and commercially. I offer you and people of Fiji my warmest congratulations, and express the hope that the connection may further cement the ties between our countries, and assist in the development of trade relations advantageous to the people of both colonies.

No. 83.

The SECRETARY, General Post Office, Wellington, to Captain LEACH, Mr. F. R. LUCAS, and Mr. H. A. TAYLOR, Steamship "Anglia," Fiji.

(Telegram.)

Wellington, 9th April, 1902.

HEARTILY congratulate you on the completion of the Fiji section of the cable. Hope that the Fanning Island and Vancouver sections may be as successfully laid. . . .

No. 84.

The SECRETARY, General Post Office, Wellington, to the COLONIAL POSTMASTER, Suva.

(Telegram.)

Wellington, 10th April, 1902.

My congratulations on your being brought into touch with civilisation by telegraph cable. This, indeed, is a red-letter day in the history of your colony.

No. 85.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Marine Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 10th April, 1902.

I SHOULD be glad if you would cause mariners and others concerned to be notified of the landing-place of the Pacific cable at Doubtless Bay, a tracing of which I enclose.

Perhaps you would also be good enough to arrange for the captain of the s.s. "Tutanekai" or of the s.s. "Hinemoa" to have erected four small beacons on the line of approach of the cable as a warning to vessels not to anchor in the neighbourhood of the cable.

J. K. LOGAN, Superintendent of Electric Lines.

The Secretary, Marine Department, Wellington.

No. 86.

The Hon. the ADMINISTRATOR of the GOVERNMENT, Suva, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Suva, 11th April, 1902.

RECIPROCATe congratulations on connection of Fiji with New Zealand by cable. Despatched message to Lord Ranfurly.

No. 87.

The COLONIAL POSTMASTER, Suva, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Suva, 11th April, 1902.

MANY thanks for your congratulations that Fiji is brought into touch with civilisation by telegraph cable. It is a great event for Fiji.

No. 88.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Harbour Board, Auckland.

(Telegram.)

Wellington, 12th April, 1902.

YOUR letter of 2nd April *re* harbour dues: As regards last paragraph of your letter, Solicitor-General has given an opinion that when cable-steamers on Pacific cable service they are exempt under section 132, subsection (1), as being in the service of His Majesty, and under subsection (3) as being in the service of the Governments of the colonies concerned. It is pointed out that "The Pacific Cable Authorisation Act, 1899," shows that the cable is being constructed by the Governments of Great Britain and the colonies specified in the schedule to that Act; and, further, that, although the ship is nominally in the service of the Cable Board, it is actually in the service of the Governments mentioned; and it is clear, in the opinion of the Solicitor-General, that the

vessel is exempt from dues, and therefore the question of special exemption by the Board does not arise. Much obliged if you would have matter again submitted to your Board, and dues already paid by the "Anglia" refunded. Wellington Board has already agreed to exempt steamers of Cable Board from dues.

Confirmed by letter of same date.

No. 89.

The Hon. the PREMIER to the AGENT-GENERAL.

Premier's Office, Wellington, 14th April, 1902.

SIR,—

Pacific Cable.

In connection with the mission to the colonies of Mr. C. H. Reynolds, General Manager to the Pacific Cable Board, I have the honour to advise you that he arrived in Wellington on the 12th ultimo. He met the Postmaster-General two days later, when the question of the cable rates, buildings, staff arrangements, and, generally, matters requiring consideration before the working of the cable commenced were discussed. Among other subjects dealt with were the following:—

Through and Terminal Rates.

Although a basis was arrived at, the rates, particularly those to and from Australia, were not definitely settled owing to the Federal Post Office not having fixed the Australian terminal rates, which has necessitated Mr. Reynolds returning to Melbourne. The Federal Postmaster-General has since proposed that New Zealand should reduce her terminal charges on messages to and from Australia from 1d. to $\frac{1}{2}$ d. per word, in the event of Australia adopting one uniform terminal rate of 1d. a word throughout the Commonwealth, in place of the separate terminal and transit rate at present paid to each State. So far the Postmaster-General has been unable to accept the proposal. You will be at once advised when the matter is definitely settled.

Customs Duties, Light, Harbour, and Port Dues.

The Postmaster-General was of opinion that it would be proper to relieve the Pacific Cable Board from all Customs duties on material and furniture for the use of the Doubtless Bay station, and from all light, harbour, and port dues. The Commissioner of Customs readily acquiesced, and has agreed to admit free all telegraph material, stores, and furniture which may be imported on behalf of the Pacific Cable Board or the contracting Governments in connection with the laying and maintenance of the cable, and the maintenance of the office at Doubtless Bay. The term "stores and furniture" is to be understood to be telegraph stores and furniture, and not supplies for the use or maintenance of officers of the Board or of the contracting Governments stationed in New Zealand. The Marine Department has not yet settled the question of light dues, but I have no doubt that these will not be enforced.

As regards port, harbour, and wharfage dues, the Harbour Boards at Auckland and Wellington were immediately communicated with. The Boards considered that they had no power under their Acts to remit dues. The question was submitted to the Solicitor-General, who gave an opinion to the effect that the cable-steamers were exempt from dues under section 132 of "The Harbours Act, 1878." The ships, although nominally in the service of the Pacific Cable Board, would actually be in the service of the Governments mentioned in "The Pacific Cable Authorisation Act, 1899." As this opinion may be of value to the Board, under similar circumstances, in respect to other countries, I shall, if you desire, obtain the Solicitor-General's consent to the full text of the opinion being forwarded to you. On the Wellington Harbour Board being advised of the result of the reference to the Solicitor-General, it at once agreed to exempt the "Anglia," and any steamer of the Pacific Cable Board, from all port dues; and you will no doubt suggest to the Cable Board the advisability of making an acknowledgment to the Wellington Harbour Board. The Auckland Harbour Board, unfortunately, had no meeting before the "Anglia" arrived and left that port, but the Postmaster-General is now in communication with the Chairman with a view to the remission of the charges paid on behalf of that vessel.

Staff.

After very full discussion it was mutually agreed between the Postmaster-General and Mr. Reynolds that it would be practicable, as well as a very convenient and economical arrangement, to have only one staff at Doubtless Bay for the cable and land-line work. Mr. Hertslet, an officer of the Post and Telegraph Department of this colony, who possesses a good reputation for business as well as electrical ability, was selected by Mr. Reynolds as Superintendent. Mr. Hertslet completely severs his connection with this Government's service. Two New Zealand telegraph operators will also be transferred to the service of the Board to complete the staff at Doubtless Bay. Under this arrangement the Cable Board will become responsible for the whole of the cost of the buildings and for other expenditure involved in fitting up the Doubtless Bay station, and the Post and Telegraph Department will pay to the Board the equivalent of the salaries of the two operators to be employed on the land-line circuits. I understand that Mr. Reynolds has advised the Board of this. The selection of one of our officers for the important position of Superintendent is regarded as a marked compliment to the Post and Telegraph Service of this colony.

Reserve Fund, and Connection with Honolulu.

The proposal of the Chairman of the Cable Board, conveyed in your letter of the 15th January last, to fix the annual amount payable to reserve at £25,000 has been agreed to, and I shall be obliged if you will be so good as to formally advise the Board. The question of connecting Fanning Island with Honolulu by cable, dealt with in the same letter, is favoured by Cabinet. Authority of Parliament is, however, necessary, and steps will be taken to obtain this next session, so soon as the views of the other Governments and the final decision of the Board are known. In the meantime I am of opinion that steps should be taken to determine more decisively than has been done up to the present the effect the connection may have on the traffic and revenue of the Pacific cable, and on the cost of working. The third alternative of the Board—that the cable should be the joint property of the American Pacific Cable Company and the Pacific Cable Board—is probably what should be followed; but this would, of course, largely depend upon the constitution of the American company, or its proposals for working the cable and dealing with the traffic.

Landing of the Cable at Doubtless Bay.

Immediately after his visit to Wellington Mr. Reynolds proceeded to Doubtless Bay. It had been arranged to place the "Tutanekai" at his disposal to enable him to visit Norfolk Island on completion of the landing of the cable at Doubtless Bay; but, as the services of the vessel were urgently required for other purposes, owing to the "Hinemoa" being laid up for repairs, I regret that the original intention could not be carried out. In the meanwhile Mr. Reynolds found it necessary to return to Melbourne for the reasons already stated, and he had therefore to abandon his intention to visit Norfolk Island for the present. If, however, it should be convenient for him to do so after his business in Australia is completed, the "Tutanekai" will, I hope, be again placed at Mr. Reynolds's disposal.

You have already been advised that the shore end of the Norfolk Island–New Zealand section of the cable was landed at Doubtless Bay on the 24th ultimo, and the final splice made on the 26th. The Postmaster-General, Mr. Reynolds, the Secretary of the Post and Telegraph Department, the Superintendent of Electric Lines, one of the Auckland members of the House of Representatives, as well as representatives of the Press, were present at Doubtless Bay on the landing of the cable, and the important event was celebrated on the "Anglia" in a very hearty manner, and with some ceremony. I forward a copy of the *New Zealand Herald* of the 25th ultimo, containing a report of the proceedings, including the speeches made. The landing and completion of this section of the cable has been the subject of hearty congratulations by the principal Chambers of Commerce and public bodies throughout the colony. That the cable is likely to be opened for through traffic by the end of the year has given marked satisfaction, as well as relief to the public, recognising as they now do that this great scheme is so near complete realisation. Already they are impatient to have the Australian section opened for traffic.

The Fiji section of the cable, I may mention, was completed on the afternoon of the 10th instant, and congratulatory messages were exchanged between Lord Ranfurly, the Postmaster-General, and the Administrator of the Government of Fiji. I earnestly hope that the Fiji–Fanning Island–Vancouver sections may be as successfully laid as those just finished, and that the cable may be opened for through traffic by the end of the year.

I have, &c.,

J. G. WARD, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 90.

The SECRETARY, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,
15th April, 1902.

I am instructed by the Pacific Cable Board to acknowledge the receipt of Mr. Rose's letter of the 4th February, informing them that the contract for the station buildings at Doubtless Bay, amounting to £4,779, had been accepted on the 10th December, 1901, and to inform you that the Board note with satisfaction that the work is being pushed on with all possible speed.

I am, &c.,

The Hon. the Postmaster-General, Wellington.

HUGH LATHAM, Secretary.

No. 91.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Marine Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 17th April, 1902.

Light and Harbour Dues on Pacific Cable Vessels.

I HAVE to acknowledge the receipt of your memorandum of the 14th instant [not printed], forwarding copy of letter, dated 8th idem [No. 81], from the Commissioner of Customs to the Electric Telegraph Commissioner, stating that the law does not provide for the remission of dues on the Pacific cable steamers; that in the case of light dues the Act only provides for the exemption of vessels belonging to His Majesty or to the Government of the colony; and that, as regards

harbour dues, which are the revenue of the Harbour Boards at the ports where those bodies are constituted, the only exemptions are those provided for in section 133 of "The Harbours Act, 1878," which would not apply to the Pacific cable steamers.

I beg to inform you that the Wellington and Auckland Harbour Boards are now being communicated with in respect of harbour dues, and the Wellington Board has already agreed to waive such charges.

For your information I attach copy of the Solicitor-General's opinion on the matter, which is to the effect that the Pacific cable vessels are practically in the employ of the contracting Governments, if not of His Majesty.

W. GRAY, Secretary.

The Secretary, Marine Department, Wellington.

No. 92.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 18th April, 1902.

REFERRING to telegram Secretary of State for the Colonies addressed to Governor of New Zealand, 8th April [not printed], on subject of arrangement with Eastern Telegraph Company or alternative by connection between Fanning and Honolulu, am informed that Lord Kelvin and others believe that wireless telegraphic communication could be worked between those places. Whole question should be carefully considered. No necessity for hasty decision.

No. 93.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 21st April, 1902.

REFERRING to your telegram of 18th, Eastern Telegraph Company and Fanning Island, Honolulu : No definite commitment will be made.

No. 94.

The SECRETARY, Marine Department, Wellington, to the SUPERINTENDENT of ELECTRIC LINES, Wellington.

(Memorandum.)

Marine Department, Wellington, 21st April, 1902.

I HAVE to acknowledge the receipt of your memorandum of the 10th instant, and, in reply, to state that a notice to mariners regarding the position of the cable at Doubtless Bay will be published in the next issue of the *New Zealand Gazette*; and when a Government steamer is next at that bay the master will be instructed to erect four small beacons on the line of approach of the cable as a warning to vessels not to anchor in the neighbourhood of it.

GEORGE ALLPORT, for Secretary.

The Superintendent of Electric Lines, Wellington.

No. 95.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, Customs Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 21st April, 1902.

Customs Dues on Telegraph Material, &c., for Pacific Cable Station at Doubtless Bay.

REFERRING to the Electric Telegraph Commissioner's letter of the 27th ultimo to the Commissioner of Trades and Customs, asking that all telegraph material, stores, furniture, &c., imported on behalf of the Pacific Cable Board or the contracting Governments might be exempted from payment of Customs dues, and to our conversation by telephone this morning respecting the refusal of your Auckland officer to pass free imported stationery for the cable-office at Doubtless Bay, I beg to direct your attention to the fact that the Pacific cable, the station buildings, &c., at Doubtless Bay are the property of the contracting Governments, which include the Government of New Zealand. The Pacific Cable Board is really the managing body appointed by the Governments concerned for the proper working of the new cable system. You informed me that, while you regarded printed forms and books as entitled to exemption from duty, stationery, you contended, did not come within the same category. In my opinion, however, stationery for office purposes is just as essential for the proper working of the Doubtless Bay office as printed forms and books, and I am unable to determine on what grounds you purpose excluding stationery from the list of articles exempted from duty. I shall therefore be obliged if you will reconsider the matter, and direct the proper officer to pass stationery for the Doubtless Bay station without payment of duty.

The Secretary for Customs, Wellington.

W. GRAY, Secretary.

No. 96.

The GENERAL MANAGER, Pacific Cable Board, Southport, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Southport, 22nd April, 1902.

AM opening cable to-morrow. Adopting temporarily present terminal rates in Australia and New Zealand for intercolonial traffic. Hope you will soon be able to announce reduction, as rates unfavourable to Pacific Cable.

No. 97.

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

(Telegram.)

Wellington, 23rd April, 1902.

MR. REYNOLDS'S service to Sir Joseph Ward *re* cable being open to-day. Is international business to be accepted? As yet public had not been informed of opening, Mr. Reynolds's former message [No. 127] merely expressing hope that would probably open twenty-third. Please reply at once.

No. 98.

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

(Telegram.)

Doubtless Bay, 23rd April, 1902.

Yes. Open for international traffic. Please advise Press Association.

No. 99.

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

(Telegram.)

Wellington, 23rd April, 1902.

I NOTE that international business is accepted. Will advise Press Association.

No. 100.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the UNDER-SECRETARY, Public Works Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 25th April, 1902.

Cost of erecting Buildings, &c., at Doubtless Bay Cable-station.

THE arrangement come to by the General Manager, Pacific Cable Board, and the Postmaster-General was that the Pacific Cable Board should pay the whole of the cost of the buildings, land, &c., at Doubtless Bay, without any interest being charged. Accounts, to be transmitted to the Pacific Cable Board through the Agent-General, for payment in London, should therefore be rendered for all outlay by this Government in the direction stated.

J. K. LOGAN, Superintendent of Electric Lines.

The Under-Secretary, Public Works Department, Wellington.

No. 101.

The SECRETARY, Customs Department, Wellington, to the SECRETARY, General Post Office, Wellington.

(Memorandum.)

Department of Trade and Customs, Wellington, 30th April, 1902.

REFERRING to your letter of the 21st instant, I am directed by the Commissioner of Trade and Customs to inform you that the Collector of Customs at Auckland will be instructed that stationery, lamps, clocks, and other office equipments imported by the Pacific Cable Board are to be regarded as telegraph stores and furniture, and admitted free.

THOS. LARCHIN, for Secretary and Inspector.

The Secretary, General Post Office, Wellington.

No. 102.

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

(Telegram.)

Wellington, 1st May, 1902.

CUSTOMS Department now informs me that Collector of Customs, Auckland, will be instructed that stationery, lamps, clocks, and other office equipment imported by the Board are to be regarded as telegraph stores and furniture, and admitted free.

No. 103.

The SECRETARY, Marine Department, Wellington, to the SECRETARY, General Post Office, Wellington.

(Memorandum.)

Marine Department, Wellington, 3rd May, 1902.

I HAVE to acknowledge the receipt of your letter of the 17th ultimo, with reference to the remission of light and harbour dues on the Pacific cable steamers; and in reply I have been directed by the Minister of Marine to state that in future these vessels will be exempted from light dues, but that

the question of exemption from harbour dues should be settled between your Department and the Harbour Boards concerned, as such dues are revenue of Harbour Boards.

GEORGE ALLPORT, for Secretary.

The Secretary, General Post Office, Wellington.

No. 104.

The ACTING-SECRETARY, Harbour Board, Auckland, to the SECRETARY, General Post Office, Wellington.

SIR,— Auckland Harbour Board, Auckland, 15th May, 1902.

I have the honour to acknowledge the receipt of your letter of the 12th ultimo, *in re* refund of harbour and port dues on steamship "Anglia"; and, in reply, beg to inform you that at a meeting of the Board held yesterday it was resolved, "That the Postmaster-General be requested to supply further information as to the charter of the vessel."

As you are aware, the charges on the steamship "Anglia" were paid by the agents of the vessel, and I should be obliged by your informing me whether, in the event of a refund being made, your Department or the owners of the vessel would benefit by the same.

I have, &c.,

M. H. LAIRD, Acting-Secretary.

The Secretary, General Post Office, Wellington.

No. 105.

The Hon. the POSTMASTER-GENERAL, Wellington, to Sir SANDFORD FLEMING, Ottawa.

SIR,— General Post Office, Wellington, 15th May, 1902.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 12th March last, forwarding copies of an address on "Cheap Telegraph Rates" delivered by you at the annual meeting of the Press Association of Canada on the 28th February.

I have read your address with much interest, and I shall have pleasure in embodying it in the telegraph-cable papers to be presented to the New Zealand Parliament this year.

I have, &c.,

J. G. WARD, Postmaster-General.

Sir Sandford Fleming, K.C.M.G., "Winterholme," Ottawa.

No. 106.

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

(Telegram.)

Wellington, 20th May, 1902.

"ANGLIA" paid port dues at Auckland. Will amount be charged against Cable Board? This inquiry in connection with our applying for refund.

No. 107.

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

(Telegram.)

Suva, 22nd May, 1902.

BOARD not responsible for "Anglia's" port dues.

No. 108.

The SECRETARY, General Post Office, Wellington, to the ACTING-SECRETARY, Harbour Board, Auckland.

SIR,— General Post Office, Wellington, 26th May, 1902.

I have the honour to acknowledge the receipt of your letter of the 15th instant on the subject of refund of harbour and port dues payable by vessels of the Pacific Cable Board; and, in reply, to inform you that the contractors for laying the Pacific cable, and not this Department, would benefit by a refund of the port dues paid in respect of the visit to Auckland of the cable-steamer "Anglia."

I have, &c.,

W. GRAY, Secretary.

The Acting-Secretary, Auckland Harbour Board, Auckland.

No. 109.

The Hon. the ACTING-PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 31st May, 1902.

YOURS of 7th April: Would suggest "Colonia" be insured for voyage until Fanning-Vancouver section laid; afterwards Board take own risk.

RATES ; AND ROUTES OF TELEGRAMS.

No. 110.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL Wellington.

SIR,—

24, Queen Anne's Gate, London, S.W., 29th July, 1901.

I have the honour, on behalf of this Board, to forward to you the accompanying copy of a communication which has been addressed to it by the Postmaster-General in reply to an application that he would be so good as to transmit all unrouted messages to Australasia on the line of this company, so soon and so long as its cable shall be in efficient operation. [See also No. 10.]

I am asked by the Board to express a hope that the Government of New Zealand will be so good as to give the same preference, on the same condition, to messages from Australasia for Europe.

I am, &c.,

The Hon. the Postmaster-General, Wellington.

S. WALPOLE, Chairman.

Enclosure in No. 110.

The SECRETARY, General Post Office, London, to the CHAIRMAN, Pacific Cable Board.

SIR,—

General Post Office, London, 2nd July, 1901.

With reference to your letter of the 12th ultimo, explaining the arrangements which the Pacific Cable Board propose to make for the transmission between this country and Vancouver of telegrams to and from Australasia, and renewing your application that all "unrouted" telegrams from the United Kingdom for stations in Australasia included in the system of the Pacific cable may be forwarded by that route, I am directed by the Postmaster-General to acquaint you that this Department will be prepared to comply with your request, provided that the rapidity of the service by the Pacific route is as great as, and the rates not higher than, by any other route, on the understanding that any question with regard to the comparative rapidity of transmission is to be determined by this Department within its own discretion.

I am, &c.,

The Chairman, Pacific Cable Board.

G. H. MURRAY.

No. 111.

The AGENT-GENERAL to the Hon. the PREMIER.

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

6th December, 1901.

SIR,—

I beg to transmit copy of letter from the Pacific Cable Board, asking for information as to the terminal and transit charges which the Government determine to fix from or to the frontier station of Doubtless Bay.

The Board are anxious to obtain this information as soon as possible, and I therefore venture to suggest that, if necessary, the decision of the Government with respect to these rates be transmitted to me by telegraph.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

Enclosure in No. 111.

The GENERAL MANAGER, Pacific Cable Board, to the AGENT-GENERAL.

The Pacific Cable Board, 24, Queen Anne's Gate, S.W.,

3rd December, 1901.

SIR,—

Transit Rates for Messages to and from the Pacific Cable.

In order to get out the necessary message registers, abstracts, &c., which are to be brought into use at the Pacific cable station at Doubtless Bay, New Zealand, and to make all other arrangements for the settlement of message accounts between the New Zealand Government and the Pacific Cable, it is desirable that the Board should be advised as early as possible—

- (1.) What the terminal charges per word will be for messages originating in or addressed to New Zealand which traverse any portion of the Pacific cable, and are transferred to this cable or received from it at Doubtless Bay station ;
- (2.) The transit charge per word for any Pacific cable traffic which may traverse the lines of the New Zealand Government between the Doubtless Bay station of the Pacific cable and the terminal station in New Zealand of the Eastern Extension Company's cables, or the terminal station of any other cable that may be laid from the shores of New Zealand.

It is expected that the cable from Australia to New Zealand will be opened for public traffic to Norfolk Island and the Fijis in April or May next, and it is necessary to notify to the various

telegraph administrations of the world, as well as to the authorities at the Fijis and Norfolk Island, the charges for messages to and from the Fijis and Norfolk Island and the rest of the world.

Until the Pacific cable is open throughout to Vancouver all traffic between the Fijis and Europe will traverse the Eastern Extension Company's cables from Australia westward. The Australian and New Zealand routes to the Fijis converge at Norfolk Island, and it is necessary to consider the contingency of the Queensland and Norfolk Island cable being interrupted, necessitating traffic to the Fijis being sent *via* New Zealand. Similarly, in the event of the New Zealand and Norfolk Island cable being interrupted, New Zealand-Fiji traffic to or from the Pacific cable would have to be sent *via* Australia and the Eastern Extension Company's cables. Senders of messages might also in some cases prescribe the particular route for their messages to follow, even when the routes were both open. Hence it is necessary to determine and notify the charges, both terminal and transit, of the New Zealand Government from or to the frontier station of Doubtless Bay. A similar application has been made to the Federal Government for the terminal and transit charges of Australia from or to the frontier station of Southport, in Queensland.

If the cable to the Fijis is to be open for traffic in April or May there is little time to be lost in fixing the details of the traffic, and possibly an inquiry on the subject by wire is advisable.

I am, &c.,

C. H. REYNOLDS, General Manager.

The Hon. W. P. Reeves, Agent-General for New Zealand.

No. 112.

The Hon. the POSTMASTER-GENERAL, Wellington, to the CHAIRMAN, Pacific Cable Board, London.

SIR,— General Post Office, Wellington, 3rd January, 1902.

I have the honour to acknowledge the receipt of your letter of the 29th July last, enclosing copy of a communication addressed to your Board by the Postmaster-General, London, agreeing to comply with the Board's request that the Imperial Post Office should forward by way of the Pacific cable all "unrouted" messages to Australasia.

In reply to your inquiry, I have to inform you that this administration will give the same preference to messages from New Zealand for Europe on the conditions made by the London Post Office—namely, that the rapidity of the service by the Pacific route shall be as great as, and the rates not higher than, by any other route, and that this Department shall determine any question of speed of transmission.

I shall be obliged if you will furnish me with a copy of the whole correspondence on this subject that has been passed between your Board and the Imperial Post Office.

I have, &c.,

J. G. WARD, Postmaster-General.

The Chairman, Pacific Cable Board, 24, Queen Anne's Gate, S.W., London.

No. 113.

The SECRETARY, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

The Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,
11th March, 1902.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 3rd January last, in which you state, for the information of the Pacific Cable Board, that your administration will give the same preference to messages from New Zealand to Europe as that granted by the London Post Office in the case of messages from Europe to New Zealand.

I am desired to convey the thanks of the Board for this preference, and to enclose, as requested, the correspondence with the Imperial Post Office.

I am, &c.,

The Hon. the Postmaster-General, Wellington.

HUGH LATHAM, Secretary.

Enclosure 1 in No. 113.

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

The Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,
1st May, 1901.

SIR,—

I am instructed to state, for the information of the Postmaster-General, that the Pacific cable is now in the course of construction, and it is anticipated that it will be available for messages during the coming year.

The Board will be glad to know whether, in view of the Imperial nature and scope of the scheme, the Postmaster-General will feel justified in undertaking to forward all unrouted messages for any of the stations included in its system by the Pacific cable route.

I am, &c.,

The Secretary, General Post Office, E.C.

HUGH LATHAM, Secretary.

Enclosure 2 in No. 113.

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

SIR,—

General Post Office, London, 14th May, 1901.

With reference to your letter of the 1st instant, requesting on behalf of the Pacific Cable Board that all "unrouted" telegrams for any of the stations included in the system of the Pacific cable may be forwarded by that route, I am directed by the Postmaster-General to say that, before answering definitely, His Lordship would be glad to be informed what arrangements the Board propose to make with regard to the transmission of Australian traffic over the route between this country and Vancouver.

I am, &c.,

The Secretary, Pacific Cable Board.

G. H. MURRAY.

Enclosure 3 in No. 113.

The CHAIRMAN, Pacific Cable Board, to the SECRETARY, General Post Office, London.

The Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.,

SIR,—

12th June, 1901.

The Pacific Cable Board has had under its consideration your letter of the 14th ultimo, in reference to the application already made to the Postmaster-General that he would be so good as to send all unrouted telegrams to Australia *via* the Pacific cable so soon as the cable should be completed, and so long as it should be in efficient working-order.

In reply, you are instructed by the Postmaster-General to ask by what route the Board proposes to send its messages to Vancouver, and I am to state that the Board is desirous to carry out the intention of the various Governments interested in the cable, and to confine the route between this country and Vancouver to lines solely passing through British territory and worked by British operators.

The Postmaster-General will probably recollect that the Committee on which you yourself served reported that the Commercial Cable Company and the Canadian Pacific Railway would agree to transmit messages to Vancouver at the rate of 1s. a word. The Board since its appointment has ascertained that the Commercial Cable Company intended the rate to apply when the through rate from London to Australasia is 3s., but that when the through rate is higher than 3s. one-third of the rate shall apply to London and Vancouver until the rate reaches the present rate of 37 cents per word. The Board has duly ascertained, through the Anglo-American Telegraph Company, that the British Atlantic companies would carry their messages to Vancouver at the same rate as the Commercial Cable Company. In either case the Board has ascertained that arrangements would be made in Canada under which the messages would pass over exclusively British territory and be handled by British operators.

In these circumstances, and having regard to the fact that the Committee on which you served have apparently decided that the Commercial Cable Company, notwithstanding its foreign domicile, fulfilled all the conditions of the various Governments concerned, the Board is of opinion that it is its duty to divide the traffic to Vancouver between the Commercial Cable Company and the British companies. The precise manner in which this should be done may depend on the exact effect of the agreement under which the Canadian Pacific Railway undertakes to transmit all homeward messages on the Commercial Cable Company's cable. If that agreement is applied to the new Australasian traffic, the Board consider that it will be fair to give the whole outward traffic to the British companies. If, on the contrary, it is modified, the Board would propose that the outward and homeward traffic should be divided as equitably as possible between the Commercial Cable Company and the British pool companies.

With this explanation, I am again to inquire whether the Postmaster-General will be so good as to undertake to send all unrouted messages to Australasia on the Pacific cable. I am to add that it is important for the Board to have early information on this point. The Board is anxious as soon as it shall receive the Postmaster-General's reply to address a similar inquiry to the Governments of the Australian Commonwealth and of New Zealand.

I am, &c.,

The Secretary, General Post Office, E.C.

S. WALPOLE, Chairman.

Enclosure 4 in No. 113.

The SECRETARY, General Post Office, London, to the CHAIRMAN, Pacific Cable Board.

SIR,—

General Post Office, London, 13th June, 1901.

I am directed by the Postmaster-General to acknowledge the receipt of your letter of the 12th instant, respecting the application of the Pacific Cable Board that all unrouted telegrams to Australia might be sent by the Board's cable.

The matter will at once be considered, and the Postmaster-General hopes to be able to let you have an early reply.

I am, &c.,

The Chairman, Pacific Cable Board.

L. T. HORNE.

For Enclosure 5 in No. 113 see Enclosure in No. 110.

[See No. 53.]

No. 114.

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

(Telegram.)

Wellington, 10th April, 1902.

MR. REYNOLDS has informed Postmaster-General purport of your proposals for uniform penny terminal rate throughout Commonwealth on New Zealand-Australian traffic. While Sir Joseph Ward exceedingly pleased to learn that there is prospect of uniform minimum Australian rate, he altogether fails to understand why this should be conditional on our rate being reduced to one halfpenny, and he will be glad to know the reasons therefor. Local circumstances governing the handling and delivering of messages in this colony altogether overlooked. Our principal business centres much in same position as individual States Commonwealth. They extend from Auckland to southernmost part of South Island, a distance of over one thousand miles from Doubtless Bay. . . . Minister trusts that you will reconsider matter so far as affects our rate, and favour me with early reply.

No. 115.

The GENERAL MANAGER, Pacific Cable Board, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Melbourne, 11th April, 1902.

I forward for your information a copy of my letter of this date to the Postmaster-General, Melbourne, respecting the tariffs of the Pacific Cable Board, already approved by the New Zealand Government.

It is my present intention to open the cables for traffic on the 1st May, but circumstances may alter this date. I shall immediately wire you when the date is fixed.

I conclude you will notify Berne of the extension from Doubtless Bay to the Fijis and Norfolk Island.

I have, &c.,

C. H. REYNOLDS,
General Manager to the Pacific Cable Board.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 115.

The GENERAL MANAGER, Pacific Cable Board, Melbourne, to the Hon. the POSTMASTER-GENERAL, Melbourne.

SIR,—

Melbourne, 11th April, 1902.

I have the honour to report that the Pacific Cable Board has sanctioned the following tariffs on the various sections of the Pacific cable, which I submit for your approval:—

	Ordinary.	British Government.		Press.
		d.	d.	
Southport-Doubtless Bay	3	2	1	
Southport-Norfolk Island	2	1	...	
Doubtless Bay-Norfolk Island	2	1	...	
Southport-Suva (Fiji)	7	5	3	
Doubtless Bay-Suva (Fiji)	7	5	3	
Norfolk Island-Suva (Fiji)	5	4	...	

The British Government rate would include colonial Governments.

Press messages at the reduced rates would only be sent under the usual conditions that govern such messages, and other telegrams would take precedence of them.

It is proposed to work the cables generally under the regulations of the International Convention, as I have already reported to you. The formal adherence of the Pacific Cable Board to the International Telegraphic Union is a matter that may, I think, stand over for the present. On my return to London it would be time enough for the Board to go into the question. Meanwhile the views of your Government on this point might be communicated to the Board. The only difficulty of the Board becoming a full member of the International Telegraphic Union lies in the fact that the Eastern Extension Company does not so belong, and therefore in the matter of changes of its tariffs, and in other particulars, it is not bound by the regulations of the Conven-

tion. Another objection is that the Canadian Pacific Railway telegraphs are also outside the Convention. For these reasons the matter might advisedly stand over till I can report to the Board on my arrival in London.

I will duly communicate to you the date we propose to open the cable for traffic, and I shall be obliged if you will then immediately notify the tariffs by wire to the International Office at Berne.

I have, &c.,

C. H. REYNOLDS,

General Manager to the Pacific Cable Board.

The Hon. J. G. Drake, Postmaster-General to the Commonwealth of Australia.

No. 116.

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

(Telegram.)

Melbourne, 11th April, 1902.

YOUR wire tenth instant, transit and terminal rates Australian-New Zealand business Pacific cable: Postmaster-General considers that, if 45,000 miles Australian lines placed at your disposal for penny rate, only reasonable and fair that your lines, about 7,000 miles, should carry same business for half that amount. Area must also be considered. United Kingdom, with about same area as New Zealand, carries all business at halfpenny rate. Hope your Minister will agree, and thus enable a low and uniform rate between Australia and New Zealand, instead of existing differential rates, which otherwise must stand.

No. 117.

The Hon. the POSTMASTER-GENERAL, Wellington, to the GENERAL MANAGER, Pacific Cable Board, Melbourne.

(Telegram.)

Wellington, 13th April, 1902.

MELBOURNE Press message yesterday announces that Fiji cable available for official messages. If this be so, could you not arrange for Government messages being transmitted over cable, Doubtless Bay and Southport? Queensland no doubt would agree to distribute.

[See No. 89.]

No. 118.

The Hon. the PREMIER to the AGENT-GENERAL.

Premier's Office, Wellington, 14th April, 1902.

SIR,—

Pacific Cable.

I have the honour to acknowledge the receipt of your letter of the 6th December last, covering copy of one of the 3rd idem from the General Manager to the Pacific Cable Board, asking for information as to the terminal and transit charges which the New Zealand Government determines to fix from or to the cable-station at Doubtless Bay.

As you have been advised in another letter, this matter was discussed between the Postmaster-General and Mr. Reynolds when the latter was recently in Wellington.

I have, &c.,

J. G. WARD, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

No. 119.

The GENERAL MANAGER, Pacific Cable Board, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 14th April, 1902.

JUST leaving for Brisbane. Will try and arrange for Government telegrams, and wire again from Southport.

No. 120.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Melbourne,

(Telegram.)

Wellington, 16th April, 1902.

MR. SCOTT's telegram 11th, transit and terminal rates [No. 116]: His arguments scarcely on sound basis. Assumption that we have only seven thousand miles of telegraph-line is incorrect. As a matter of fact, our mileage is over twenty thousand, besides two hundred and fifty miles cable. Matter of area hardly applies, and a sparsely peopled country like New Zealand cannot be compared with Great Britain. Besides, minimum rate Great Britain is sixpence, which obviates loss on short telegrams under twelve words. Our inland rate is one halfpenny per word for first twelve words, and one penny for each additional word, so that terminal rate of one halfpenny a word on

cables would be below the rate charged on inland telegrams. With this further information hope you will reconsider, and agree to a terminal rate of one penny in New Zealand as well as Australia. I sincerely trust that no attempt will be countenanced by you to force New Zealand to adopt a rate lower than exists within our own colony.

No. 121.

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

(Telegram.)

Melbourne, 16th April, 1902.

MR. REYNOLDS pressing for settlement question of terminal rates. Please furnish immediate reply. Reduction of our rate to one penny involves larger loss of revenue than your reduction to halfpenny.

No. 122.

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

(Telegram.)

Wellington, 17th April, 1902.

SIR JOSEPH WARD's message of yesterday to Hon. Mr. Drake *re* terminal rates crossed yours to me.

No. 123.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 17th April, 1902.

SCOTT's telegram compared miles of line stated in your annual report for 1900 as 7,249, not miles of wire, which, of course, much greater both in New Zealand and Commonwealth. Consider area fair argument both as regards Britain and Commonwealth. Latter more sparsely peopled in proportion to area than New Zealand. Think that when proposal made to reduce our rates from one penny, twopence, and threepence a word to uniform one penny, quite fair to ask you to reduce your one-penny rate to halfpenny. If you cannot do this we can only accept suggestion that you make rate same as inland—first twelve words halfpenny, additional words one penny—Commonwealth reserving right to make rate first twelve words twopence. Would much regret loss of uniformity and new principle as far as terminal and transit rates are concerned.

No. 124.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Melbourne.

(Telegram.)

Wellington, 18th April, 1902.

TERMINAL rates: Sorry any misunderstanding whether telegraph line or wire meant, but this in no way weakens my objections to our being required to reduce our terminal rate to halfpenny, because it may be possible for you to adopt uniform penny throughout Australia. I much regret that you should consider it necessary to stipulate what our terminal rate on intercolonial messages should be. I have not in any way suggested what yours should be. I am, however, willing to meet you on the following lines: You have so far not agreed to the introduction of our letters at the one-penny rate into the Commonwealth of Australia, although from a revenue point of view this would not detrimentally affect the Commonwealth, and you are the only British country that has said "No" to request for the introduction of our penny letters. The request, I think, is not unreasonable particularly in view of the fact that it does not affect your revenue. You say "Yes" to the introduction of our penny letters into Australia, and I will say "Yes" to the halfpenny terminal rate.

No. 125.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 19th April, 1902.

TELEGRAM received. I shall send you answer on Tuesday next.

No. 126.

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

(Telegram.)

Wellington, 21st April, 1902.

SIR JOSEPH WARD hopes that intercolonial terminal rates will be definitely settled to-morrow. Meantime, could you send me particulars of the other rates? Assume that cables will be opened for traffic first proximo, and that it will be arranged for the transmission of international business. Hear that you are leaving to-night for Fiji. Wish you a very pleasant voyage. Regret you could not return to Auckland, and visit Norfolk Island in "Tutanekai."

No. 127.

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

(Telegram.)

Southport, 21st April, 1902.

I POSTED you from Melbourne on eleventh full particulars of our rates. We hope to open cable on Wednesday, 23rd, before I leave. As *via* Southport normal and cheapest route to Fiji for international messages, have asked Australia to wire Berne to circulate rates—sevenpence per word Fiji, twopence word Norfolk Island, *plus* rate from Queensland to destination. Same additions apply New Zealand. You may like to notify Berne also on seeing my letter. Our rates, excluding terminals, &c., are: Southport-Suva, Doubtless Bay-Suva—sevenpence ordinary, fivepence British and Colonial Government, threepence Press; Southport-Norfolk Island, Doubtless Bay-Norfolk Island—twopence ordinary, one penny Government; Southport-Doubtless Bay—threepence ordinary, twopence Government, one penny Press; Norfolk Island-Suva—fivepence ordinary, fourpence Government. Directly intercolonial rates settled please wire me. Many thanks to Sir J. Ward, Logan, and yourself for your help and kindness.

[See Nos. 96-99.]

No. 128.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 22nd April, 1902.

I ACCEPT your proposal for New Zealand halfpenny terminal rate Australian traffic Pacific cable, and agree to accept your letters prepaid penny rate, Government having agreed to accept such letters from all parts of British Empire.

No. 129.

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

(Telegram.)

Melbourne, 23rd April, 1902.

ARE we correctly informed that New Zealand transit rate on ordinary Government telegrams to Norfolk Island and Fiji *via* Doubtless Bay will be one penny per word? If so, what will be the rate on Press business by the same route, and what will be your terminal rate on Press business from and to Australia?

No. 130.

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

(Telegram.)

Wellington, 24th April, 1902.

OUR transit rate on ordinary and Government telegrams for Norfolk Island and Fiji *via* Doubtless Bay one penny per word. Press rate same route sixpence per hundred words or fraction. Similar rate for Press to and from Australia.

No. 131.

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

(Telegram.)

Wellington, 24th April, 1902.

UNDERSTOOD your uniform penny terminal rate to be adopted forthwith, we doing same halfpenny. Brisbane last night advised that penny each State to be paid. This raises our rates to Victoria, New South Wales, to sevenpence and to sixpence, as against sixpence and fivepence *via* Sydney and strangles traffic over Pacific cable. Glad if you would put right and advise me at once. Brisbane also announced through Pacific cable authorities that rate Southport onward for our international messages five and penny. This makes our rate five and fivepence, as against five and twopence *via* Sydney cable, and effectually shuts out our international traffic over Pacific cable. Through rate should be same as *via* Sydney. Early reply will oblige. Urgent that public be informed of rates.

No. 132.

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

(Telegram.)

Melbourne, 24th April, 1902.

NOTIFICATION of rate for business over Pacific cable could not be issued until your final approval received, which only came yesterday afternoon. Instructions have now been given as to uniform rate of fourpence-halfpenny Australian-New Zealand traffic. Rate for onward business *via* Queensland now receiving attention. Will advise when settled.

No. 133.

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

(Telegram.)

Wellington, 25th April, 1902.

WHAT is your rate Australia—New Zealand Press?

No. 134.

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

(Telegram.)

Wellington, 25th April, 1902.

FOLLOWING are our cable rates announced to public to-day. Berne advised. Australia, ordinary, fourpence-halfpenny; Government, threepence-halfpenny. Tasmania, ordinary, fivepence-halfpenny; Government, fourpence-halfpenny. Government rate applies to Pacific cable only. (Waiting hear from you *re* Press rates.) Norfolk Island, ordinary, threepence; Government, twopence. Fiji, ordinary, eightpence; Government, sixpence; Press, threepence, *plus* sixpence per hundred words or fraction. We are accepting international messages Pacific cable, charging five and twopence.

No. 135.

The SECRETARY, General Post Office, Wellington, to the UNDER-SECRETARY, Colonial Secretary's Office, Wellington.

(Memorandum.)

General Post Office, Wellington, 26th April, 1902.

Government Cable Telegrams to be sent by Pacific Cable.

Now that the Pacific cable is open for intercolonial and European traffic, it has been decided that all Government cable messages shall be sent by that route. Will you therefore see that the Departments are duly advised of this? The messages should be marked in the instructions "*Via Pacific*."

W. GRAY, Secretary.

The Under-Secretary, Colonial Secretary's Office, Wellington.

No. 136.

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

(Telegram.)

Wellington, 28th April, 1902.

CAN you now advise me *re* Press and international rates?

No. 137.

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

(Telegram.)

Melbourne, 28th April, 1902.

YOUR wire 25th instant: Charges on Press telegrams from and to Commonwealth and New Zealand *via* Southport and Pacific cable as follows: For telegram not exceeding ten words, including address and signature, one shilling, *plus* cable charge of one penny per word; each additional word up to thirty-three words, one halfpenny per word, *plus* cable charge; exceeding thirty-three words and up to one hundred words, two shillings, *plus* cable charge; each additional fifty words, one shilling *plus* cable charge; each additional one hundred words, one shilling and sixpence, *plus* cable charge. This is same as now in operation between New Zealand and New South Wales. The rate for transit on international telegrams has not yet been decided. Considered that rate for your business *via* Queensland cannot be reduced unless that for Queensland reduced to same extent. Under agreement Eastern Extension Company entered into with certain States [No. 176, F.—8., 1900], schedule C of table shows elevenpence transit and terminal for that State, but now considering whether rate for States outside those which made agreement, including New Zealand, cannot be made uniform at fivepence. Our negotiations for penny rate intended to apply to Pacific cable only for present. Understand your halfpenny rate is applied to both cables, but suppose this compulsory with you in consequence of your agreement with Eastern Extension Company.

No. 138.

TABLE of NEW ZEALAND RATES, being Schedule to Order in Council dated 28th April, 1902.

THE New Zealand terminal rate to be levied on cable telegrams to and from the Commonwealth of Australia shall be fixed at $\frac{1}{2}$ d. per word, and to and from Norfolk Island and Fiji at 1d. per word.

The following shall be the charges (inclusive of terminal rates) for cable telegrams from New Zealand to the places specified :—

To	Ordinary Telegrams, each Word.			Government Telegrams, each Word.		
	£	s.	d.	£	s.	d.
New South Wales	0	0	4½	0	0	3½
Victoria	0	0	4½	0	0	3½
Queensland, including Thursday Island	0	0	4½	0	0	3½
South Australian (except offices on overland lines)	0	0	4½	0	0	3½
Tasmania	0	0	5½	0	0	4½
Western Australia	0	0	4½	0	0	3½
Norfolk Island	0	0	3	0	0	2
Fiji	0	0	8	0	0	6

No. 139.

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

(Telegram.)

Wellington, 29th April, 1902.

Re rates: I note amended Press rates, and that only applied to Pacific cable. Regret difficulty *re* our international messages. Unless there is reduction we shall have to confine international traffic, except Government, to Eastern Extension Company's cables. My Minister understood reduced terminal rates New Zealand-Australian traffic applied to both routes. This, too, was view of Mr. Reynolds who strongly favoured uniformity both routes, and was against any cutting. If you intend enforce penny a word each State on our messages *via* Eastern Company's cables, important you advise me forthwith, but hope rate will stand.

No. 140.

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

(Telegram.)

Wellington, 1st May, 1902.

REGRET troubling you, but urgent we should know at once your terminal rate our international messages *via* Pacific cable.

No. 141.

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

(Telegram.)

Melbourne, 1st May, 1902.

YOUR wire to-day: Will advise fully soon as decision is arrived at.

No. 142.

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

(Telegram.)

Wellington, 5th May, 1902.

How are you treating New Zealand messages to and from the Commonwealth by Eastern Extension Company's cables? Company just informed me that your reduced terminal rate is not applied to traffic passing over its cables. This is contrary to Sir Joseph Ward's understanding. He concluded that the reduced terminal rate would be applied to all messages, irrespective of route. Our rates fixed accordingly. Company quotes against your action International Telegraph Convention Regulation No. 27, and contends that terminal rate must be same by both routes.

No. 143.

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

(Telegram.)

Wellington, 5th May, 1902.

HOPE you are now able definitely reply *re* rate our international messages *via* Pacific.

No. 144.

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

(Telegram.)

Melbourne, 6th May, 1902.

YOUR wire of 5th instant *re* New Zealand messages to and from Commonwealth: Those over Eastern Extension reduced by a halfpenny, consequence reduction of your rate, otherwise rates by

that route remain as before. Our uniform terminal rate of one penny for whole Commonwealth applies to Pacific only. This was made clear in all our messages. Cannot understand how any misunderstanding can have arisen. We do not admit that regulation applies to private enterprises such as Eastern Extension Company, which has not officially adhered to Convention.

No. 145.

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

(Telegram.)

Wellington, 7th May, 1902.

PRESS message this morning states that Commonwealth Postmaster-General now agreed charge same terminal rates on New Zealand messages passing over Eastern Extension and Pacific cables. If correct you will presently confirm. But, referring to yours of last night, it was not until after cable opened that we learned that you had intended not to apply reduced terminal rates to Eastern Company. Our rates then fixed. Your wire of 11th ultimo, which was first direct communication from you, did not indicate that Extension Company's traffic would not participate. My service of 29th advised you that Postmaster-General understood reduced terminal rates applied both routes. I added that if penny a word each State to be enforced on our messages Eastern cables, important you advise me forthwith. Not receiving reply, it was assumed old rates not being enforced. Postmaster-General trusts announcement this morning's paper correct.

No. 146.

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

(Telegram.)

Melbourne, 9th May, 1902.

YOUR wire 7th instant: Statement that Postmaster-General had agreed charge same terminal rates on New Zealand messages passing over Eastern Extension and Pacific cables is not correct. Our uniform penny rate for New Zealand business applies to that over Pacific cable only. Previous rate company's cable reduced by halfpenny in consequence of your reduced rate. Negotiations all through understood by us to refer to Pacific only. See ours of eleventh, twenty-second, twenty-fourth, and twenty-eighth. No decision yet arrived at as to onward business *via* Southport. Endeavouring to get rate of fivepence per word adopted for Victoria and Queensland, or for all States if I can.

No. 147.

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

(Telegram.)

Wellington, 12th May, 1902.

POSTMASTER-GENERAL much disappointed determination your office not to apply your uniform terminal rate to Australian-New Zealand messages *via* Extension, and exceedingly regrets that he should have to raise the rates *via* Extension to meet your demand for penny per State. Throughout the negotiations Sir Joseph Ward, in the absence of any specific statement by you that the uniform rate was not to be applied to the Extension cables, assumed that the public were to be given the benefit of the reduced rates by both routes. Mr. Reynolds, with whom the negotiations originated, in no way indicated that your proposals were not to have uniform application, and, as was known, he was against anything like "cutting." In your telegram of the 11th ultimo, urging our acceptance of your proposals, you said, "Hope your Minister will agree, and thus enable a low and uniform rate between Australia and New Zealand, instead of the existing differential rates *which otherwise must stand*." In the face of this we could scarcely assume that, after all, the reduced rates were to be restricted to the Pacific cable only. The increased rates *via* Extension come into operation to-morrow, our terminal rate, however, remaining at one halfpenny. I assume you will not debit us with the penny-per-State rates for the period from 24th ultimo to to-day.

No. 148.

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

(Telegram.)

Wellington, 12th May, 1902.

ANY decision international rates?

No. 149.

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

(Telegram.)

Wellington, 13th May, 1902.

POSTMASTER-GENERAL has deferred raising intercolonial rates *via* Extension to meet your terminal charges. Sir Joseph Ward now wishes to be definitely informed whether you can legally maintain your right to charge higher rates for Extension cables than *via* Pacific (*vide* paragraph four, article ten, and article seventeen and regulation twenty-seven, International Telegraph Conven-

tion). Again, with differential rate, what would be the treatment of traffic diverted from Pacific to Extension, as we have to do to-day on account of line-faults? Sir Joseph urges for immediate and definite reply.

No. 150.

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

(Telegram.)

Melbourne, 13th May, 1902.

UNDER tentative arrangement just made with Eastern Extension Company following arrangements will obtain: Australian terminal and transit rate on New Zealand business by Eastern Extension Company cable same as *via* Pacific cable, to come into force at once. Our terminal rate on international business will be fourpence, Government; fivepence, ordinary; and twopence, Press; to take effect after notification by Berne, terms Convention.

No. 151.

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

(Telegram.)

Melbourne, 14th May, 1902.

YOUR wire yesterday: Scarcely necessary to reply, in view of telegram already sent advising that we have tentatively agreed to rate being same for both cables at present. Advised believe our position quite legal. The articles of Convention, service regulations, quoted do not apply to private enterprises such as cable companies, or to lines connected therewith, when international business is not affected, particularly when, as in the case of the Eastern Extension Company, they are not parties to International Convention.

No. 152.

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

(Telegram.)

Wellington, 14th May, 1902.

POSTMASTER-GENERAL much gratified receipt your message announcing that your terminal and transit rate on New Zealand business by Eastern Company's cable is now to be the same as *via* Pacific cable, and reduction terminal rate on international traffic to fivepence per word. Sir Joseph Ward highly appreciates action your administration. It will now be possible to reduce our international through rate on ordinary messages to four shillings and elevenpence per word. From what date do you adopt new rate?

No. 153.

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

SIR,—

General Post Office, Wellington, 16th May, 1902.

I have the honour, by direction, to acknowledge the receipt of your letter of the 11th ultimo, forwarding copy of your communication of the same date to the Postmaster-General of the Commonwealth of Australia, reporting the tariffs of the Pacific Cable Board. I beg to forward herewith, for your information, copy of an Order in Council issued on the 28th ultimo, giving the rates for cablegrams from New Zealand to the Australian States, Norfolk Island, and Fiji. [See schedule, No. 138.]

I have, &c.,

W. GRAY, Secretary.

The General Manager to the Pacific Cable Board, Suva.

No. 154.

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

(Telegram.)

Wellington, 19th May, 1902.

MY service 14th: Kindly say from what date our international rate may come into force. Will there be further reduction beyond four and elevenpence?

No. 155.

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

(Telegram.)

Wellington, 19th May, 1902.

WHEN lines interrupted last week a message for Norfolk Island diverted *via* Extension inadvertently. As you are aware, no rate for such route. Would it be well to have alternative rates *via* Extension for both Norfolk Island and Suva; and, if so, what should they be?

No. 156.

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

(Telegram.)

Suva, 20th May, 1902.

ASSUMING Australian intercolonial transit rate La Perouse-Southport one penny and Extension rate threepence, through rates for messages from New Zealand to Suva or Norfolk fourpence per word higher *via* Extension than Doubtless Bay and *vice versa*. Similarly, traffic between Australia and Norfolk or Suva fourpence higher *via* Extension and New Zealand than direct *via* Southport. These alternative rates should, I think, be notified to public for use in case interruption

No. 157.

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

(Telegram.)

Wellington, 21st May, 1902.

INTERNATIONAL rate: Oblige me by advising from what date we may reduce and whether participate in Australian three-shilling rate. We also have to advise Berne.

No. 158.

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

(Telegram.)

Melbourne, 21st May, 1902.

YOUR wire 19th: It is expected reduced rates will operate from 1st June. So far as I am aware, New Zealand will not be lower than four and elevenpence. Eastern Extension Company claim that New Zealand rates will be unaltered.

No. 159.

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

(Telegram.)

Wellington, 21st May, 1902.

EASTERN Extension Company just advised us that it has "asked Federal Attorney-General to give undertaking that extending reduced international rates to New Zealand will not prejudice existing agreements. (See article 1, Adelaide agreement [No. 176, F.-8, 1900], last sentence, inserted by contracting States). Rates would therefore be—ordinary three shillings, Government two shillings, Press one shilling, *plus* New Zealand cable rate and your terminal rate in each case." Company has asked what our rates will be. I therefore assume that from 1st proximo our rate on international ordinary messages will be three and fourpence a word. Do you confirm?

[Telegram of text as above from Mr. Warren to Sir Joseph Ward is dated the 21st May.]

No. 160.

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

(Telegram.)

Melbourne, 22nd May, 1902.

YOUR two wires of yesterday: Our intimation to Berne of uniform terminal and transit rates, of which you were advised, includes New Zealand European business. Our rate from June first will be—ordinary, two and sevenpence cable and fivepence terminal; total, three shillings. It will be necessary for you to arrange with Eastern Extension Company as to cable rate, including out-payments, and to add cable charge New Zealand to Australia, your own rate, and our transit of fivepence. If company makes same terms with you as with us, your ordinary rate will be three shillings and fourpence, Government and Press proportionate.

No. 161.

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

SIR,—

General Post Office, Wellington, 22nd May, 1902.

I have the honour, by direction, to acknowledge the receipt of your letter of the 11th March last [No. 113], in reply to the Postmaster-General's letter of the 3rd January, and to thank you for the copy, which you were good enough to send therewith, of correspondence exchanged between the Imperial Post Office and your Board in connection with the request that all "unrouted" cablegrams to and from Australasia should be forwarded by the Pacific cable route.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

9—F. 8.

No. 162.

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

(Telegram.)

Wellington, 23rd May, 1902.

WHAT is Press rate to Tasmania?

No. 163.

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

(Telegram.)

Melbourne, 24th May, 1902.

YOUR wire yesterday: The Press rate to Tasmania is the Commonwealth rate as arranged between Australia and New Zealand, *plus* Tasmanian cable charge, which is two shillings per hundred words.

No. 164.

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

(Telegram.)

Wellington, 27th May, 1902.

ASSUME that reduced intercolonial Press rate applies Eastern Extension cable as well as Pacific. If so, from what date? May I also assume that your uniform penny terminal rate will now be applied to New Zealand business *via* Extension as from date opening Pacific cable? I also express hope that you will not debit us with higher terminal rate than eightpence a word on our international traffic *via* Pacific from date opening of cable to first proximo.

No. 165.

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

SIR,—

General Post Office, Wellington, 6th June, 1902.

I have the honour to forward herewith copy of telegrams exchanged with your office on the subject of terminal, transit, and international cable rates, and on other matters relating to cable traffic, between the 10th April and the 27th ultimo, which I think covers the whole of the messages.

The Postmaster-General much regrets that there should have been any misunderstanding on his part of your intention not to apply your uniform penny terminal rate to New Zealand business sent *via* the Eastern Extension Company's cables. It is quite true that the Hon. Mr. Drake, in his reply of the 22nd April, did say, "I accept your proposal for New Zealand halfpenny terminal rate Australian traffic Pacific cable"; but this did not suggest to Sir Joseph Ward that the penny rate was to be restricted to the Pacific cable. In his proposal to the Hon. Mr. Drake, he, as a matter of course, assumed that the reduced rates were to cover traffic by both routes. Mr. Reynolds in no way indicated that the Commonwealth terminal penny rate was not to be applied to both cables, and your telegram of the 28th April seemed to bear this out.

The Postmaster-General is exceedingly gratified that your minimum terminal and transit rates on international business have been applied to New Zealand messages, and that the colony should also have secured an international rate of 3s. 4d. per word; and I am to convey to you Sir Joseph Ward's appreciation of any action of your Department in assisting to secure the concessions. It is assumed that Victoria and Queensland have secured the three-shilling rate without being committed to any of the conditions in the agreements between the Eastern Extension Company and the Governments of South Australia and New South Wales.

Referring to my service of the 27th ultimo, I am to express the hope that you may see your way to claim no more than 1d. a word on our messages to Australia *via* Extension during the interregnum, and that you may be able to apply the same terminal rates on our international business *via* Pacific as *via* Extension from the date of the opening of the Pacific cable until the end of last month.

I have, &c.,

W. GRAY, Secretary.

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

No. 165A.

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

Commonwealth of Australia,

SIR,—

Postmaster-General's Department, Melbourne, 21st June, 1902.

I have the honour, by direction, to acknowledge the receipt of your communication of the 6th instant, forwarding copies of telegrams exchanged with this office on the subject of terminal, transit, and international cable rates, and on other matters relating to cable traffic, between the 10th April and the 27th ultimo.

The Postmaster-General regrets that a misunderstanding should have arisen with regard to the intention of this Department not to apply the uniform penny terminal rate to New Zealand business sent *via* the Eastern Extension Company's cables, and that his telegram of the 22nd April was not sufficiently explicit to prevent any misconception. So far as this Department is concerned, the negotiations throughout had reference only to the terminal rate affecting the Pacific cable, which rate could not be extended to that of the Eastern Extension Company until that company was prepared to make their cable rates uniform throughout the Commonwealth.

Mr. Drake notes with much pleasure the gratification of Sir Joseph Ward with respect to the extension of the reduced transit and terminal rates of the Commonwealth to all New Zealand business, including the international; and also with regard to the rate of 3s. 4d. per word now enjoyed by New Zealand as the outcome of the negotiations between the Commonwealth Government and the Eastern Extension Company. He regrets, however, that the reduced rates, so far as this Department is concerned, cannot be made retrospective.

The 3s. rate has been secured for Victoria and Queensland without any concessions having been made to the company beyond the granting of a uniform transit and terminal rate for all international business through or to the States of the Commonwealth.

I have, &c.,

ROBT. J. SCOTT, Secretary.

The Secretary, General Post Office, Wellington.

CAPE—AUSTRALIA CABLE.

No. 166.

The MANAGER IN AUSTRALASIA, Eastern Extension Company, Melbourne, to the Hon. the PREMIER, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 21st October, 1901.

SIR,—

I have the honour to inform you that the laying of the direct Cape cable—Durban to Fremantle—was completed on the 19th instant, and is expected to be officially opened for traffic between Australasia and South Africa on the 1st proximo.

My company will have much pleasure in forwarding any congratulatory telegrams that you may wish to send to South Africa and Mauritius.

I have, &c.,

W. WARREN,

Manager in Australasia.

The Hon. the Premier, Wellington.

No. 167.

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

(Telegram.)

Melbourne, 24th October, 1901.

CAPE cable will be officially opened first November. Rate from New Zealand to Cocos 2s. a word, and to Rodriguez 3s. From same date cable rate for troop messages to South Africa *via* Cocos will be reduced to one shilling a word.

No. 168.

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

(Telegram.)

Pietermaritzburg, 1st November, 1901.

HEARTY congratulations on establishment direct telegraphic communication with Australia.

No. 169.

The Hon. the POSTMASTER-GENERAL, Wellington, to the POSTMASTER-GENERAL, Natal.

(Telegram.)

Wellington, 2nd November, 1901.

HEARTILY reciprocate congratulations on establishment direct telegraphic communication.

No. 170.

The Hon. the POSTMASTER-GENERAL, Wellington, to the POSTMASTERS-GENERAL, Mauritius and Cape Town.

(Telegram.)

Wellington, 2nd November, 1901.

HEARTY congratulations on establishment direct telegraphic communication.

No. 171.

The POSTMASTER - GENERAL, Cape Town, to the Hon. the POSTMASTER - GENERAL, Wellington.

(Telegram.)

Cape Town, 3rd November, 1901.

RECIPROCATÉ your congratulations, and trust that the direct wire may result in a closer connection between not only our Departments, but the colonies we serve, to the mutual advantage of both.

No. 172.

MESSRS. WILLIAM WOOD and Co., Christchurch, to the SECRETARY, General Post Office, Wellington.

SIR,—

183, Hereford Street, Christchurch, 22nd November, 1901.

I understood we were to look for a reduction in the cable rates at the beginning of December this year. Is that so? We have a meeting next week of our Chamber of Commerce. Can you tell me where the cable is laid to now on the line to England *via* Africa? Thanking you in anticipation,

We have, &c.,

The Secretary, General Post Office, Wellington.

WM. WOOD AND CO.

No. 173.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Eastern Extension Company, Wakapuaka.

(Telegram.)

Wellington, 25th November, 1901.

KINDLY inform me what sections Cape-Australia cable have been laid, and when the section between South and Western Australia will be completed.

No. 174.

The SUPERINTENDENT, Eastern Extension Company, Wakapuaka, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Wakapuaka, 25th November, 1901.

COMPLETED Durban to Mauritius, Mauritius to Rodriguez, Rodriguez to Cocos, Cocos to Perth. Perth to Adelaide will be laid by "Scotia" last week in January, 1902. Later on will be laid Cocos to Colombo and Cocos to Singapore.

No. 175.

The SECRETARY, General Post Office, Wellington, to Messrs. WILLIAM WOOD and Co., Christchurch.

(Telegram.)

Wellington, 26th November, 1901.

CABLE rates and your letter 22nd instant: It is announced that the cable rate between Australia and Great Britain will be reduced January next from 3s. 6d. to 3s. a word, but reduction will not affect New Zealand, as it is not a party to the Eastern Extension Cable Company's agreement; nor is Victoria or Queensland. The Cape cable is now completed from Durban to Western Australia, and the final section, Perth to Adelaide, expected to be laid last week in January. [The whole line Durban to Adelaide was opened on the 1st March.]

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