UNITED STATES PACIFIC CABLE.

No. 313.

The Hon. the Acting-Premier to the Agent-General.

Sir,—

I have the honour to refer to the current report that competition to the Pacific Cable Board for the traffic between New Zealand and North America will shortly appear in the Pacific Commercial Company as well as in the Eastern Extension, Australasia, and China Telegraph

Company.

Probably you are already aware of the particulars of the agreement between the United States Government and the Pacific Commercial Company to lay a cable between San Francisco, Honolulu, Guam, China, and Manila; but for convenience of reference I transcribe on a separate sheet what its conditions in the main are pronounced to be. This report, therefore, has all the appearance of authenticity, an appearance that is strengthened by the denial which the Manager of the Commercial Cable Company has seen fit to make—namely, that, so far as his company is concerned, the statement that it is intended to lay a cable from Honolulu to Fanning Island is untrue. I attach on a separate sheet copies of the telegrams which have been published herein.

Under the circumstances, it has seemed to me prudent to advert formally to this matter of competition, for the information of the Pacific Cable Board, to which I request you will be so good

as to refer it.

I have, &c., J. G. WARD, Acting-Premier.

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

Enclosure 1 in No. 313.

[Melbourne Age, 13th September, 1902.]

CONDITIONS OF THE CONTRACT ENTERED INTO BETWEEN THE UNITED STATES GOVERNMENT AND THE PACIFIC COMMERCIAL COMPANY TO LAY A SAN FRANCISCO, HONOLULU, GUAM, CHINA, AND MANILA CABLE.

1. The Government shall have at all times priority in the privilege of using the cable; Government despatches shall go ahead of all other despatches sent by private individuals or other Governments.

2. The Postmaster-General shall have the right to fix the rates at which Government matter

shall pass over the wires.

3. In time of war the cable shall pass absolutely under Government control.

4. The Government shall have the right to take over the cable at any time at a price fixed by a Board of Arbitrators selected in the usual manner.

5. The Cable Construction Company shall have the right to use the soundings made by the

Government with a view of constructing the cable.

6. The present concession being for a line from San Francisco to Honolulu, to Guam, to China, where it will connect with the British line from Hongkong to Manila, it is stipulated that the company will, as soon as it is practicable, construct an independent line from the Chinese coast to Manila, so that the line from San Francisco to Manila shall be altogether an American-owned line

Enclosure 2 in No. 313.

(Telegram.)

London, 14th October, 1902.

Reuter's San Francisco agency reports that the Pacific Commercial Company states that the New Zealand Government's plan for a cable from Honolulu to Fanning Island has been practically accepted.

(Telegram.) New York, 15th October, 1902. The Manager of the Commercial Pacific Cable Company states that, so far as that company is concerned, the statement that it is intended to lay a cable from Honolulu to Fanning Island is untrue.

No. 314.

The Director, International Bureau of Telegraph Administrations, Berne, to the Secretary, General Post Office, Wellington.

(Telegram.) [Translation.] Berne, 5th January, 1903. Commercial Pacific Cable Company of New York announces the laying of its cable between San Francisco, California, and Honolulu, Oahu Island, Hawaiian Group, and its opening to the public from Monday the 5th January. The tariff between San Francisco and Honolulu will be 50 cents, or 2.60 fr. per word. Telegrams are subject to the rules of the extra-European system, and should bear the indication "via Commercial Pacific." The Anglo-American Telegraph Company announces that from the opening of the San Francisco-Honolulu cable the rates for telegrams despatched from Brest, Havre, or London will be 4.50 fr. per word, and will be applicable to the five North Atlantic companies.

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