

gain under the terms and conditions of the agreement proposed by the Government of the Commonwealth.

Taking, therefore, into consideration the fact that the advantages thus proposed to be given to the Eastern Extension Company will have the effect of lessening the earnings of the Pacific cable, and thus increase the deficiency for which the contracting Governments will have to provide, my Government are prepared to co-operate with the Imperial and Dominion Governments in making a strong protest against the action which is proposed to be taken by the Government of the Commonwealth.

The Under-Secretary of State for the Colonies.

I have, &c.,

W. P. REEVES.

[A copy of this letter sent to the High Commissioner for Canada and to the Chairman of the Pacific Cable Board.]

Enclosure 2 in No. 28.

The CHAIRMAN, Pacific Cable Board, London, to the AGENT-GENERAL.

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

DEAR MR. REEVES,—

13th March, 1903.

I thank you for your letter. I have thought it best, as a first step, to forward a copy of it to the Colonial Office, in reference to the resolutions passed at our first Board meeting in the following terms:—

"1. That the agreement entered into with the Eastern Extension Company by the Government of New South Wales is prejudicial to the Pacific cable.

"2. That it is desirable that a conference representing the Governments concerned in the enterprise should be held to discuss the effect of the agreement on the Pacific cable.

"3. That this resolution be forwarded to the Secretary of State for the Colonies for transmission to the Governments concerned."

I have asked the Colonial Office whether they have taken any steps to carry out our suggestion of a conference.

Yours, &c.,

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

S. WALPOLE.

No. 29.

The SECRETARY OF STATE for the COLONIES to His Excellency the GOVERNOR.

MY LORD,—

Downing Street, 7th April, 1903.

I have the honour to state, for the information of your Government, that the adhesion of the Eastern Extension, Australasia, and China Telegraph Company to the International Telegraph Convention of the 10th July, 1875, has been notified by His Majesty's Ambassador at Vienna to the Austro-Hungarian Government, and by that Government to the Governments which took part in that Convention.

I have, &c.,

J. CHAMBERLAIN.

Governor the Right Hon. the Earl of Ranfurly, G.C.M.G., &c.

No. 30.

The AGENT-GENERAL to the Hon. the PRIME MINISTER.

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

SIR,—

7th April, 1903.

In continuation of my letter of the 17th March, I have to inform you that at a meeting of the Pacific Cable Board held on the 30th March the question of the proposed new agreement between Australia and the Eastern Extension Company was discussed. The Chairman informed the Board that he had written to the Colonial Office pointing out that two years ago the agreement between New South Wales and the Eastern Company had been made the subject of a resolution by the Board. The Board had then suggested that a conference of the partners in the Pacific cable should be held. As a matter of fact, the British Government, Canada, and New Zealand were willing to hold the conference, but no answer had ever been received from Australia on the subject. The Chairman now urged that a conference should be held to consider the new Australian agreement. The Board indorsed the opinion of the Chairman in writing as above to the Colonial Office, and also expressed an earnest hope that the conference would be held. The Australian representative, Mr. Copeland, protested, and indicated that he did not consider the agreement between Australia and the Eastern Company would injure the Pacific cable. The other members of the Board, however, took a different opinion.

I should like to point out that there are now several matters which, in my opinion, ought to be considered by the Governments who own the Pacific cable. The first of these is the proposed Australian agreement above mentioned. The second is the excessive terminal rate charged by Australia. The third is that Australia is charging customers a fee for registering addresses. The fourth is that the Canadian Government intends to levy full Customs duty on all stores, machinery, and dutiable goods imported by the Board into the Dominion. They mean to go so far as to charge us even on all cable above low-water mark. In my opinion it is urgently necessary that all these matters should be discussed by the representatives of the various Governments, who should be empowered, if possible, to settle them. The present position is most unsatisfactory. . . .