

With regard to New Zealand's position in the matter of the terminal rate, I expressly told the Board that I could not guarantee that my Government would hold its hand much longer. I told the members that I had asked you not to put up our terminal rate until the other Governments had had a chance of considering the Chairman's pooling proposal. Having done that I could do no more. It was impossible for me to say how long you would think proper to wait, and I certainly did not suppose that you would hold your hand for an indefinite time.

I have had two or three personal interviews with Lord Strathcona on the question of the Australian agreement with the Eastern Company, and we agreed that he should ask Mr. Chamberlain to grant us a personal interview. Mr. Chamberlain has promised to see us, but has asked us not to press for an interview until after Easter, as since his return from South Africa he is overwhelmed with work. When he does see us, I propose to press upon him strongly the necessity for a conference in order to bring Australia into line if possible. Lord Strathcona seems anxious to co-operate in this direction.

I may add that I have personally seen the Chairman this afternoon, and have said to him very much what I am now saying to you. There is no doubt that the line taken by Australia is most unsatisfactory and is militating against the success of the cable.

In conversation with Lord Strathcona I told him that I thought it would shortly be advisable for the General Manager to pay a visit to Canada, Australia, and New Zealand, in order to personally discuss with the various Governments any steps that could be taken to improve our business and counteract the manœuvres of the Eastern Company.

I have, &c.,

The Hon. the Premier, Wellington.

W. P. REEVES.

P.S.—With my letter of the 17th March I enclosed copy of letter which I addressed to the Colonial Office, and herewith I annex a copy of the reply which I have received thereto.—W. P. R.

Enclosure in No 30.

The SECRETARY of STATE for the COLONIES, London, to the AGENT-GENERAL.

SIR,—

Colonial Office, S.W., 28th March, 1903.

I am directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 11th of March, respecting the proposed agreement between the Government of the Commonwealth of Australia and the Eastern Extension Telegraph Company, and to transmit to you, for your information, copy of a telegraphic correspondence with the Governor-General of the Commonwealth on the subject. A further communication will be addressed to you on the receipt of Lord Tennyson's reply to Mr. Chamberlain's telegram of the 27th instant.

I am &c.,

The Agent-General for New Zealand.

H. BERTRAM COX.

Sub-enclosure 1 to Enclosure in No. 30.

The GOVERNOR-GENERAL of the AUSTRALIAN COMMONWEALTH to the SECRETARY of STATE for the COLONIES.

(Telegram.)

Melbourne, 27th March, 1903.

MINISTERS advise that Government are about to enter into agreement with Eastern Extension Company in substitution for agreement entered into by the company and the Governments of New South Wales, South Australia, Tasmania, Western Australia. New agreement will be for ten years, subject thereafter to two years' notice on either side. The right as to opening offices, &c., conferred on company under former agreements will be continued, and extended to Victoria and Queensland. Company will not dispose of any of their rights or cables without first giving option for the purchase to Governments of Australian Federation and British Government at a price agreed on by arbitration. There will be reduction of present rate between Australia, India, and the East. It is considered that advantage is gained by fixing of definite term in lieu of interminable agreements with the four States named, which more than compensates for additional privileges granted to the company, and will ultimately prove to be great service to the Pacific cable. My Responsible Advisers request you will be good enough to inform Pacific Cable Board of the action intended to be taken.

Sub-enclosure 2 to Enclosure in No. 30.

The SECRETARY of STATE for the COLONIES to the GOVERNOR-GENERAL of the AUSTRALIAN COMMONWEALTH.

(Telegram.)

London, 27th March, 1903.

REFERRING to your telegram of 27th March: In view of representation which has been made to me by the Government of New Zealand, I hope that before agreement is submitted to Commonwealth Parliament your Ministers will consent to questions arising out of it being discussed at a conference between representatives of various partners in Pacific cable. See letters from Colonial Office to Agents-General for New South Wales, Victoria, and Queensland of 11th April, 1901, of which copies are, no doubt, on record locally. Canada and New Zealand agreed to conference proposed therein, but no replies received from Australia [see Nos. 61-67, F.-8, 1902]. Please telegraph views of your Ministers as soon as possible, and let me know when I may expect copies of agreement.