

from and to public direct at Adelaide, Perth, and Melbourne, as they have always done in Great Britain. This is absolutely necessary to prevent company being wholly at mercy of federated Australia, who might otherwise resort to unfair competition in event of Pacific cable proving unremunerative.

No. 2.—Should company's Cape proposal be accepted, would propose new rate 4s. be made uniform throughout Australia. If this acceptable, suggest Australian uniform tariff "ordinary," 6d. out of 4s.; Government, 5d. out of 3s.; Press, 4d. out of 1s. 6d. Would also suggest that revenue from this uniform terminal should be divided among Australian Administrations according to percentage given below. If not, company would notify uniform rate throughout Australia, and pay out to Australia exact risks, taking risk of average itself. In the latter case, assume South Australia would take 4d. ordinary, 4d. Government, and 3d. Press. To meet any possible objection to extending Perth cable to Glenelg, company prepared to pay South Australia same terminal at Adelaide as at Port Darwin, even if collection and delivery duties performed by company. We estimate value of all Australian transit and terminal rates, including Tasmanian cable rate and terminal, but excluding cable rate and terminal New Zealand, average two years 1897 and 1898, £66,332. Divided by percentage :—

							Per Cent.
South Australia	...	...	...	...	...	...	67·59
West Australia	...	...	...	...	...	...	19·39
Victoria	...	...	...	...	...	...	3·24
New South Wales	...	...	...	...	...	...	8·37
Queensland	...	...	...	...	...	...	0·89
Tasmania	...	...	...	...	...	...	0·08
Tasmania cable	...	...	...	...	...	...	0·44
Total	...	...	...	...	...	...	100·00

Average rate per word—Ordinary, 8d.; Government, 6½d.; Press, 4½d.

No. 3.—Western Australian Government having informed us they agree to company's latest proposal, hope soon learn that your Government also concur.

No. 4.—Referring last portion our offer to reduce tariff below 4s. on sliding scale, following are details proposition based on arrangement to be applied to South African traffic. Present Australasian guarantee figure is £227,000, to which would have to be added £123,000 to cover estimated yearly expenses in connection with new line between Africa and Australia, making total £350,000, or £15,000 less than average of last three years' Australasian revenue. When for three consecutive years total value of traffic to associated companies has averaged above amount tariff would be reduced to 3s. 6d. per word. If average value any three consecutive years exceeds £350,000, tariff reduced to 3s., and if average any other consecutive three years exceeds that sum, tariff reduced to 2s. 6d. Consequently, if tariff continues to average £350,000 after reductions, tariff for—

							s.	d.
First three years would be	...	...	...	...	...	...	4	0
Fourth year	...	...	...	...	...	...	3	6
Fifth year	...	...	...	...	...	...	3	0
Sixth year	...	...	...	...	...	...	2	6

No. 5.—Since giving you details of sliding scale, following basis, more beneficial to Government, has been arranged for South Africa, and we are prepared extend same basis to Australia. If associated companies' receipts from Australasian traffic at 4s. tariff in 1898, 1899, and 1900 average £350,000, rate would be reduced to 3s. 6d. in 1901. If average receipts maintained at £350,000 for 1899, 1900, and 1901, tariff would then be reduced in 1902 to 3s. If average receipts maintained at £350,000 in 1900, 1901, and 1902, tariff would be reduced in 1903 to 2s. 6d. Should average receipts not keep up to £350,000, any one of above reductions would be postponed until receipts averaged standard figure of £350,000 for three consecutive years.

No. 140.

The Hon. the PREMIER, Melbourne, to the Hon. the PREMIER, Wellington.

(Telegram.)

Melbourne, 31st August, 1899.

HAVE you any objection, as our partner in Pacific Ocean telegraph-cable scheme, to Victoria granting concessions asked for by Telegraph Company; which are fully known to you? Has similar proposition been submitted to you; if so, what action has been taken with regard to it?

No. 141.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne.

(Telegram.)

Wellington, 11th September, 1899.

INADVISABLE, I think, allow Eastern Company establish office for delivering and collecting their international telegrams. The concession, it appears to me, would place company in exceptionally strong and independent position as competitor, and prevent Government determining what traffic should be sent over Pacific cable. Proposals not made this colony, but I received from company copy of letter forwarded your Postmaster-General on 24th July. I replied that, as New Zealand was committed to Pacific-cable scheme, we could not support Cape-Australia cable.