

Extension Telegraph Company without any qualification, as soon as they are required. We consider that the Pacific Cable Board should forthwith be given such facilities, and that the Board should take steps to secure the largest possible amount of Australian traffic by all legitimate methods of business competition. This would, of course, involve the Board in very considerable expense in connection with local offices and with advertising and canvassing, and we think it might be left to the discretion of the Pacific Cable Board to negotiate an amicable arrangement with the Eastern Extension Telegraph Company, provided that no arrangement be finally concluded without the approval of the Governments concerned, nor unless the Commonwealth agreement is amended in the manner above suggested.

9. It has been suggested that the Commonwealth Government should reduce their terminal rate to the level of the rate for urgent internal messages. The majority of us are of opinion that the rate of 5d. per word is excessive, and we trust that the Government will see their way to reduce it.

10. We note that the Australian Government have undertaken to remit all Customs duties and other charges (as specified in clause 19 of the Commonwealth agreement with the Eastern Extension Telegraph Company) which have been or shall be levied on the Pacific Cable Board, and we hope that the Dominion Government will adopt a similar course.

11. In conclusion, we desire to recommend, with a view not only to the prevention of any misunderstanding, but also to the maintenance of cordial and friendly relations between the Governments in respect of the Pacific cable, that should any question hereafter arise in connection with terminal rates, or Customs duties, or proposed concessions or privileges to any cable or telegraph company, or respecting any other matters likely to affect the interests of the Pacific cable, such question should be referred to the Pacific Cable Board and the various Governments concerned for consideration before any final action is taken upon it.

12. The Pacific cable being the first enterprise of the kind undertaken by a number of British Governments in partnership, it need occasion no surprise if at the commencement of the enterprise some questions should have arisen touching the obligations of the various partner Governments towards the common undertaking, but inasmuch as they fully appreciate the far-reaching political consequences attendant on the success or failure of the Pacific cable, we feel assured that the fullest possible effect will be given to the foregoing recommendations and suggestions which we respectfully submit for the consideration of His Majesty's Government and the Governments of Canada, Australia, and New Zealand.

ALFRED LYTTELTON.
JERSEY.
WILLIAM MULOCK.
SANDFORD FLEMING.

GEORGE W. JOHNSON, Secretary.

Colonial Office, 28th July, 1905.

[P.C. Rates 05/98.]

Enclosure in No. 29.

THE PACIFIC CABLE BOARD.—International Traffic between Australasia and the United Kingdom, Europe, and America, carried by the Eastern and Pacific Cable Routes for the Calendar Years 1903 and 1904.*

State of Origin or Destination.	1903.			1904.		
	Eastern.	Pacific.	Total.	Eastern.	Pacific.	Total.
New South Wales and United Kingdom ..	Words. 367,065	Words. 128,327	Words. 495,392	Words. 385,857	Words. 118,084	Words. 503,941
Victoria and United Kingdom ..	405,908	83,410	489,318	467,493	86,468	553,961
Queensland and United Kingdom ..	24,064	75,313	99,377	17,111	81,464	98,575
South Australia and United Kingdom ..	352,478	4,797	357,275	371,445	10,103	381,548
West Australia and United Kingdom ..	289,816	7,934	297,750	270,884	10,090	280,974
Tasmania and United Kingdom ..	19,914	7,799	27,713	16,397	10,946	27,343
Total Australia and United Kingdom ..	1,459,245	307,580	1,766,825	1,529,187	317,155	1,846,342
Total New Zealand and United Kingdom ..	102,994	234,924	337,918	79,213	285,744	364,957
Total Australasia and United Kingdom† ..	1,562,239	542,504	2,104,743	1,608,400	602,899	2,211,299
Total Australia and Europe, America, &c.‡ ..	249,123	210,048	459,171	267,579	221,546	489,125
Total New Zealand and Europe, America, &c.‡ ..	13,035	51,785	64,820	13,380	60,845	74,225
Total Pacific Islands traffic ..	..	7,623	7,623	..	9,571	9,571
*Grand totals	1,824,397	811,960	2,636,357	1,889,359	894,861	2,784,220
Classification { Ordinary	1,537,734	716,624	2,254,358	1,628,448	773,664	2,402,112
{ Government	24,856	78,835	103,691	23,622	83,635	107,257
{ Press	261,807	16,501	278,308	237,289	37,562	274,851
Grand totals	1,824,397	811,960	2,636,357	1,889,359	894,861	2,784,220

* This statement does not include traffic between Australasia and China, India and the East, and the figures for traffic *via* Eastern have been compiled from statistics supplied by the company.

† Rates are similar by both routes.

‡ Rates vary with route, America cheaper by Pacific; and Continent of Europe generally cheaper by Eastern; with the result that, roughly speaking, the Eastern obtains the whole of the continental traffic and the Pacific the whole of the American traffic.

E. H. MOORE, Traffic Accountant.

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