

Enclosure 3 in No. 41.

Governor-General Lord NORTHCOTE to the Earl of ELGIN.

(Telegram.)

Received, Colonial Office, 20th December, 1905.

REFERRING to your telegram of 8th December, Commonwealth Parliament has ratified the agreement subject to article twenty-five being replaced by the following: "This agreement shall be in substitution for the two agreements and the provisional arrangements mentioned in the fourth recital of this agreement. This agreement shall expire on 31st December, 1915." Also provided that the company shall within three months from the 1st January, 1906, execute the agreement as so amended. Commonwealth Government will, as already promised, allow Board to open such offices at once, and will also place a special wire at the Board's disposal between Sydney and Southport, but cannot give a wire between Melbourne and Sydney until one can be erected.

No. 42.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

SIR,—

23rd December, 1905.

I beg to transmit herewith for your information copies of cablegrams relating to the Pacific cable.

I have, &c.,

W. P. REEVES.

The Right Hon. the Prime Minister, Wellington, New Zealand.

For Enclosures 1 and 2 in No. 42 see Enclosures 2 and 3 in No. 41.

Enclosure 3 in No. 42.

The Hon. the POSTMASTER-GENERAL, Ottawa, to the HIGH COMMISSIONER FOR CANADA, London.

(Telegram.)

Ottawa, 20th December, 1905.

CANADIAN Government oppose any arrangement contemplating revival agreement between Eastern Company and New South Wales.

P.C. Rates 06/14.]

Enclosure 4 in No. 42.

The CHAIRMAN, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Melbourne.

(Telegram.)

[Copy not dated.]

COLONIAL Office has communicated to us Lord Northcote's telegram of 20th. Board trust that Commonwealth Government may be able to erect special wire from Sydney to Melbourne by end of February, before which General Manager expects to arrive to institute competition. Reply at once whether we may expect this.

No. 43.

The HIGH COMMISSIONER to the Right Hon. the PRIME MINISTER.

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

SIR,—

23rd December, 1905.

It will, I am sure, be satisfactory to you to know that final arrangements have been made by the Pacific Cable Board to open offices in Sydney and Melbourne, and commence active competition with the Eastern Company in Australia. This was finally settled at a meeting of the Board held yesterday afternoon, at which it was arranged that Mr. Reynolds, the General Manager, should leave on the 26th January to catch the outgoing mail-boat at Marseilles. Mr. Reynolds should, therefore, be in Melbourne at the end of February.

At the two previous meetings of the Board I had very strongly urged that further delay would place the Board in a most unfair position, and that we should intimate to the Governments concerned that, failing a definite veto from them, we propose to begin the competition with the new year. This intimation from us at last succeeded in extracting something like a definite reply from the Australian and Canadian Governments. Australia sent us a sort of guarded approval of competition. The Canadian message confined itself to stating that the Dominion was opposed to any arrangement which would contemplate a possible revival of the New South Wales agreement. We might just as well have had all these answers four months ago. Still, it is something to have the question settled one way or the other now. Why the Eastern Company did not waive the possible revival of the said agreement and offer us slightly better terms in the division of earnings puzzles me. I should have thought that it would have been greatly to their advantage to do this. However, they have not done so, and we are now committed to commercial warfare.