

6. By reference to the Pacific Radiotelegraph Company's special chart it will be seen that facilities will be given for intercommunication between Australia, New Zealand, and the principal islands of the Pacific, as well as with shipping. Commercial, defence, and administrative interests would thus benefit greatly, whilst life and property would be safeguarded. The long-distance stations at Doubtless Bay, Southport, and Fiji would also be most useful at a stand-by for a supplementary service to the Pacific cable in case of breakdown, or interference in time of war.

7. In addition to the above practical advantages which the establishment of radiotelegraph communication offers, considerable increase of revenue would be obtained by the Pacific cables, as it is estimated that at least four-fifths of the islands' radiotelegraph business must pass over the Pacific cables either from Australia or from Europe *via* Canada.

It is understood that the New Zealand Government would benefit directly by one-fourth of this increase to the Pacific cable revenues, as its present contribution to the working-expenses of the cables would be reduced considerably thereby.

8. From a careful inquiry as to the amount of business which might reasonably be expected to follow on the establishment of the proposed communication, it has been found that the income from this source would be insufficient to enable the service to be maintained on a purely business basis. The project, however, has been very favourably received by all who have considered the scheme, and we have already been given to understand that subsidies and other material assistance will be forthcoming from the respective Governments and companies interested in the administration and development of the Pacific islands. It is also understood that the principal shipping companies trading in these waters are prepared to equip their ships with radiotelegraph apparatus as soon as land-stations are erected.

9. In view of the undoubted direct advantage to New Zealand, as well as the many facilities which this proposed radiotelegraph service will provide for communicating between the various islands and all parts of the world through the Pacific cable, as well as its great importance to shipping, defence, the administration and development of the islands, and also for the safety of life and property, my co-directors and I hope that the Government of New Zealand will agree to co-operate and contribute to the cost of establishing and maintaining the service. In this connection, we beg to suggest the following proposal:—

That, in consideration of the Pacific Radiotelegraph Company establishing and maintaining reliable radiotelegraph communication between Fiji, Ocean Island, Pleasant Island, the New Hebrides, the Solomon Islands, and Rarotonga, and also furnishing and erecting a complete radiotelegraph station at Doubtless Bay, and establishing reliable communication between Doubtless Bay and Fiji, the New Zealand Government will undertake to pay (a) the sum of £10,000, being the cost of installing the station at Doubtless Bay, (b) an annual subsidy of £3,000 at such periods as may be mutually convenient for a period of fifteen years, (c) grant suitable sites for the erection of the stations.

The cost of operating the Doubtless Bay station is to be borne by the Government.

Negotiations are now in hand with the British Government and the principal shipping and trading companies, as well as the Pacific Cable Board, and we have reason to believe that these will be brought to a successful issue, and that we shall be able to maintain the service independently of all foreign assistance.

My Board have heard with satisfaction that you are visiting this country to attend the Imperial Defence Conference, and I venture to hope therefore that it may be convenient to you to discuss the proposals with them.

My co-directors hope to hear that their proposals will meet with your approval, and that your Government will be willing to enter into a contract embodying them at an early date.

I have, &c.,

The Right Hon. Sir Joseph Ward, P.C.,

G. HUTCHINSON, Chairman.

C/o the High Commissioner of New Zealand, Victoria Street, London, S.W.

[Tel. 09/344(24).]

No. 33.

Mr. J. M. HAMILTON, Melbourne, to the Right Hon. the PRIME MINISTER, Wellington.

The Pacific Radiotelegraph Company (Limited),

SIR,—

100 Queen Street, Melbourne, 7th October, 1909.

Referring to the Pacific Radiotelegraph Company's proposal [No. 32], asking for the co-operation of the New Zealand Government in establishing radiotelegraph communication between New Zealand and the chief Pacific islands, I beg to advise that I have been requested by my co-directors to visit New Zealand immediately, to place all particulars of our scheme fully before you. I therefore propose coming to Wellington for the special purpose at the end of the present month, if convenient to you.

I am glad to be able to tell you that Mr. Deakin is in favour of assisting the establishment of the proposed radio service; we feel confident therefore, with your support assured us, that we shall be able to carry out our scheme successfully.

I take pleasure in forwarding a copy of a small pamphlet [not printed] which we are circulating, in order to give some particulars of the Pacific islands and the advantages to be gained by the establishment of radiotelegraph communication between them, New Zealand, and Australia.

I have, &c.,

J. M. HAMILTON.

The Right Hon. Sir Joseph Ward, P.C., Prime Minister, Wellington.

[Acknowledged 29th October, 1909.]