

Enclosures.

Commonwealth of Australia :

MY LORD,—

Governor-General's Office, Melbourne, 25th July, 1910.

I have the honour to inform your Lordship that I am advised by His Majesty's Prime Minister of the Commonwealth that the Government are of opinion that, in order to secure a lower rate for telegrams with Europe *via* the Pacific cable, and also more accurate transmission, action should be taken to obtain the ownership and control of a cable across the Atlantic Ocean between Great Britain and Canada.

Further, it is considered by the Commonwealth Government that the telegraph-line between the landing-place of such proposed Atlantic cable and the point of junction with the Pacific cable should be owned and operated by the Canadian Government.

2. The High Commissioner of the Commonwealth has been requested to urge upon the Pacific Cable Board the desirableness of obtaining such a cable, either by purchasing one of the existing lines or by laying an independent cable.

3. The present apportionments on a Press message between Australia and the United Kingdom "*via* Pacific" are as follows : Atlantic cable, 5d. per word ; Canada, 1d. per word ; Pacific Cable Board, 2d. per word ; Australia, 1d. per word.

4. In dealing with this matter, the Commonwealth Postmaster-General points out the comparatively large amount allotted to the Atlantic section, and draws attention to the circumstance that the charge on public messages to places in Europe, other than the United Kingdom, exceeds 3s. per word, owing to the fact that the Atlantic cable companies will not agree to accept the same apportionment on these messages as they do on messages to the United Kingdom. This gives the Eastern Extension Company a practical monopoly of European business to places outside the United Kingdom.

5. The Prime Minister informs me that the Commonwealth Government will be glad if the Imperial authorities can see their way to co-operate with them on this question, with a view to securing the objects sought. I may add that similar representations are being addressed to the Government of Canada by the Commonwealth Government.

I have, &c.,

DUDLEY,

Governor-General.

The Right Hon. the Secretary of State for the Colonies.

MY LORD,—

Downing Street, 14th October, 1910.

I have the honour to acknowledge the receipt of Your Excellency's despatch, No. 170, of the 25th July, reporting that your Government suggest that action should be taken to obtain the ownership and control of a cable across the Atlantic between Great Britain and Canada, and that the telegraph-line between the landing-place of such cable and the point of junction with the Pacific cable should be owned and operated by the Canadian Government.

2. As regards the latter point, your Ministers are aware that arrangements have now been made for the operation by the Pacific Cable Board of a telegraph-line through Canada, and I presume that this arrangement will fully meet the wishes of your Government in this respect.

3. The question of the provision of a State-owned cable across the Atlantic received the fullest consideration of His Majesty's Government at the end of 1908 when similar proposals were made by Mr. Lemieux, the Postmaster-General of Canada. His Majesty's Government then decided that it was not possible to accept the proposal, one of the considerations which weighed with them being the inexpediency of incurring heavy outlay on trans-Atlantic cables at a time when great efforts are being made to provide effective long-distance services by means of wireless telegraphy.

4. Moreover, the existing trans-Atlantic service works with admirable efficiency, the terminal points of the cables are situated on British territory, and the landing licenses in this country guarantee complete control to the Government in case of emergency. There is, however, legitimate ground for dissatisfaction in that the rates press with undue severity on certain classes of the community. These grievances would be met, so far as the general public is concerned, if it should be found practicable to carry out a scheme based upon proposals made by the Postmaster-General of the Commonwealth, under which half-rates would be charged in respect of telegrams in plain language accepted on the condition that they may be liable to be deferred until traffic paid for at full rates has been disposed of. The Postmaster-General is at present in communication with the principal cable companies and Government telegraph administrations with a view to the adoption at an early date of a reduced tariff on this basis, and Mr. Samuel is not without hope that his efforts may prove successful.

5. His Majesty's Government sympathize strongly with the desire of the Australian Government for a further reduction of the rates for Press telegrams, and for the adaptation of these rates so as to admit of the Pacific Cable Board charging the same through rate on telegrams exchanged with countries on the Continent of Europe as on those exchanged with the United Kingdom. In view, however, of the important negotiations referred to in the preceding paragraph of this despatch the Postmaster-General deems it inexpedient for the present to press these particular points on the attention of the cable companies. The matter, however, will not be lost sight of when a suitable occasion for dealing with it presents itself.

I have, &c.,

CREWE.

Governor-General His Excellency the Right Hon. the Earl of Dudley,
G.C.M.G., G.C.V.O., &c.