

No. 66.

The HIGH COMMISSIONER to the Hon. the PRIME MINISTER.

SIR,— Westminster Chambers, 13 Victoria Street, London S.W., 18th December, 1913.

Referring to your letter of the 1st October, I have the honour to state that, having made inquiry of the General Post Office here, I have received this day a letter from the Department (copy of which is enclosed herein) showing that arrangements are being made by His Majesty's Government to obtain control of cable rates, and giving draft of a clause to be inserted in licenses granted to cable companies by which such control is to be obtained.

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

I have, &c.,

THOS. MACKENZIE.

Enclosure in No. 66.

The ASSISTANT SECRETARY, General Post Office, London, to the HIGH COMMISSIONER FOR NEW ZEALAND.

SIR,— General Post Office, London, 17th December, 1913.

With reference to your letter of the 9th instant [not printed], I am directed by the Postmaster-General to inform you that arrangements are being made by His Majesty's Government to obtain control of cable rates by means of a clause in the terms of the annexed draft, which it is proposed to insert in all fresh licenses granted to cable companies in respect of cables landed in the United Kingdom, as well as in all licenses renewing existing landing-rights for such cables.

This clause will be inserted in the new licenses, which are at present under consideration, for cables belonging to the Anglo-American, Western Union, Direct United States, Great Northern, and Direct Spanish Companies. A similar obligation has also been imposed upon the Eastern and Eastern Extension Telegraph Companies in licenses granted by several Colonial Governments for new cables between Gibraltar and Alexandria and between Suez and Hong Kong; and the obligation will be extended to other sections of the Eastern and associated companies' system as opportunity offers.

The High Commissioner for New Zealand.

I have, &c.,

E. W. FARNALL.

Sub-enclosure in Enclosure in No. 66.

DRAFT CLAUSE FOR CONTROL OF RATES.

(1.) THE company will from time to time furnish to the Postmaster-General, at his request, all such information as to their rates of charge for telegrams, the extent and conditions of their business, their income and expenditure, and their financial position as the Postmaster-General may from time to time require.

(2.) The Postmaster-General may at any time, by notice in writing delivered to the company, object to the rates of charge of the company, or any of them, on the ground that they are not just and reasonable in the interests of the public (whether in the United Kingdom or abroad).

(3.) If when any such objection has been made the Postmaster-General and the company are unable to agree as to the rates of charge which are the subject of the objection, the difference shall stand referred to the Railway and Canal Commission, which shall have power to fix such rates of charge as they may think fit; but the Commission shall fix the rates only after giving due and full consideration to the cost of maintenance, operation, and renewal of the cables, together with the capitalization and financial obligations of the company.

(4.) The company may at any time after an interval of twelve calendar months from the determination of such difference by the Railway and Canal Commission, by notice in writing delivered to the Postmaster-General, object to the rates of charge so fixed, or any of them, on the ground that they are unremunerative to the company, and that a higher rate or rates would be just and reasonable (due regard being had to the interests of the public).

(5.) If when any such objection as last aforesaid has been made the Postmaster-General and the company are unable to agree as aforesaid, the difference shall stand referred to the Railway and Canal Commission with the like consequences as aforesaid.

(6.) The provisions of the Telegraph (Arbitration) Act, 1909, shall apply to the determination of any such difference as is referred to in this clause.

Approximate Cost of Paper.—Preparation, not given; printing (1,600 copies), £22 10s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1914.

Price 9d.]