

the New Zealand Government: "Wellington, 23rd December, 1914.—Failing Cable Board reduction rate to 2s. 8d. this Government proposes in immediate future to increase terminal rate to 5d. Inform Board."

The High Commissioner would be glad to learn as early as possible the reply that can be given to the above message. If you have received from the Colonial Office a reply to your printed memorandum of the 18th ultimo, it may enable the more complete answer to be given to the New Zealand Government. I may mention for your information that when sending the above cablegram the New Zealand Government were probably unaware of your memorandum, as, acting on the statement contained in the last paragraph of your letter of the 14th November [not printed], the High Commissioner refrained from sending copies of the memorandum to his Government until you were able to inform him that the Secretary of State saw no objection to its transmission. Perhaps therefore you will kindly say whether copies of the memorandum may now be forwarded to New Zealand.

I should be greatly obliged for an early reply, in order that the Dominion Government may be informed by cable of the exact position, taking it for granted they do not at present know the contents of your printed memorandum.

I have, &c.,

C. F. W. PALLISER,

Secretary to the Department.

P.S. When I saw your representative to-day I was under the impression that the memorandum had been sent to New Zealand.—C. F. W. P.

The Chairman, Pacific Cable Board, London.

### Enclosure 3 in No. 27.

The SECRETARY, Pacific Cable Board, London, to the SECRETARY TO THE HIGH COMMISSIONER, London.

Pacific Cable Board, Queen Anne's Chambers, London S.W.,

1st January, 1915.

SIR,—

I am directed to acknowledge receipt of your letter of the 30th ultimo, intimating that a cablegram from the Prime Minister of the Dominion Government has been received by the High Commissioner, announcing the intention of the Government to increase the terminal rate on international cable business from 1d. to 5d. per word in the immediate future unless the ordinary rate between the United Kingdom and New Zealand is reduced to 2s. 8d.

I note that the High Commissioner refrained from sending the memorandum dated the 18th November, dealing with the matter of terminal rates, to his Government, in view of the fact that it was understood that the Colonial Office would communicate this memorandum.

I am now advised by the Colonial Office that they are in communication with the Treasury on the subject, but have, so far, not despatched copies of the memorandum to the partner Governments concerned. It is obvious, therefore, that the Dominion Government are not in possession of this memorandum, acquaintance with the contents of which would probably have modified their decision.

The Board would be glad if you would be good enough to cable out a summary of the proposals in the memorandum, and more especially of those contained in the last section of paragraph No. 12, with an intimation that the Colonial Office are sending out by this mail copies of the memorandum. The Colonial Office have been approached in this matter, and they offer no objection to this course being taken.

I have, &c.,

The Secretary to the High Commissioner.

F. J. ADYE, Secretary.

### No. 28.

The Right Hon. the SECRETARY OF STATE FOR THE COLONIES to His Excellency the GOVERNOR.

(Telegram.)

London, 5th January, 1915.

WITH reference to your despatch of 2nd July, His Majesty's Government have considered further memorandum by Pacific Cable Board on terminal rates. Memorandum intimates intention to reduce ordinary New Zealand rate to 2s. 8d. as from 1st April next. It recommends that Australian terminal charge should be reduced from 5d. to 2d., and states that if this could be done ordinary Australian rate would be reduced to 2s. 8d. also. His Majesty's Government hopes that Government of Commonwealth of Australia will be able to accept this suggestion, so that reduction may take place in case of Australia as well as New Zealand as from 1st April next. They have so informed Government of Commonwealth of Australia. Text of memorandum follows by mail [see sub-enclosure to enclosure 1 in No. 27.]

### No. 29.

The Right Hon. the SECRETARY OF STATE FOR THE COLONIES to His Excellency the GOVERNOR.

MY LORD,—

Colonial Office, Downing Street, 5th January, 1915.

With reference to my telegram of to-day, I have the honour to transmit to Your Excellency, for the information of your Ministers, copies of a memorandum by the Pacific Cable Board [see sub-enclosure to enclosure 1 in No. 27] on the subject of terminal rates in Australia and New Zealand.