

1893.
NEW ZEALAND.

TELEGRAPH CABLES.

(FURTHER PAPERS RELATING TO)

[In continuation of F.—5, 1892, presented on the 7th October, 1892.]

Presented to both Houses of the General Assembly by Command of His Excellency.

REDUCTION OF RATES.

No. 1.

EXTRACT from REPORT of PROCEEDINGS of the POSTAL AND TELEGRAPH CONFERENCE held in MELBOURNE, in AUGUST, 1892.

“ General Post Office, Melbourne, 15th August, 1892.

* * * * *

“ The Hon. J. H. Gordon read a telegram which he had just received from the Hon. John Forrest, Premier of Western Australia, to the effect that if all the other contracting colonies agree to accept New Zealand's proposal [*vide* No. 3, F.—5, 1892], Western Australia will agree too.

“ The Hon. J. Kidd moved, and the Hon. the President seconded: ‘That in view of the heavy loss sustained by the principal colonies in connection with the cable guarantee, dated 31st March, 1891, it be a recommendation to the respective Governments concerned that the following alteration in the tariff be adopted, with the concurrence of the Eastern Extension Cable Company, and brought into operation on the 1st October next—viz., ordinary messages to be increased from 4s. to 4s. 9d. per word.’—Carried.

“ The Hon. J. H. Gordon moved, and the Hon. J. Kidd seconded: ‘That the Hon. the President of the Conference be authorised to communicate with the Eastern Extension Cable Company and the Governments of the other agreeing colonies (other than New South Wales and South Australia) conveying the result of this Conference,’ &c.—Carried.

“ The Hon. J. H. Gordon moved, and the Hon. J. Kidd seconded: ‘That the proposal by the Government of New Zealand to join the Colonies of New South Wales, Victoria, South Australia, Western Australia, and Tasmania in the present guarantees to the Eastern Extension Cable Company and the Government of South Australia be accepted by the colonies mentioned.’—Carried.”

No. 2.

The MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the POSTMASTER-GENERAL.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 20th September, 1892.

SIR,—

With reference to the proposed reduction of the New Zealand intercolonial tariff, and the increased European rate, I have the honour to send you copies of the agreements to be entered into between the contributing colonies and this company [not printed]; also, a copy of the principal agreement therein referred to.

The agreements cannot be signed until the European administrations have given their assent to the proposed increased rate. When they do so, you will be immediately advised.

A representative of the New Zealand Press Association called on me lately, and asked that the rate for Association messages may be reduced to 2d. per word. After duly considering the application, I informed him that if the Association guaranteed 75 per cent. increase of business I would recommend my Board to authorize the reduction, and I submitted this proposal for the consideration of the Chairman. The Chairman replies: “As basis of the proposed agreement with the New Zealand Government includes maintenance of the existing tariff for Press Association messages,

the company cannot entertain any application for reduction except through the Government, and as part of the guarantee arrangement."

If you, therefore, approve of the concession being granted conditionally that the Association increase their expenditure for intercolonial telegrams by 75 per cent., the Association must make a formal application through you, and furnish the required guarantee.

You will, I think, see the object I have in view—namely, that no loss of revenue is to be sustained by making this reduction, either by the Government or the company, that would interfere with the proposed guarantee for reduction of rates.

Seventy-five per cent. increase of business would, however, give a slight increase of revenue to the respective administrations, and help to lessen their liabilities on account of the guarantee.

I have, &c.,

WM. WARREN,

Manager in Australasia.

The Hon. the Postmaster-General, New Zealand.

Enclosure in No. 2.

AN AGREEMENT dated the 31st day of March, 1891, and made between Her Most Gracious Majesty the QUEEN, of the one part, and the EASTERN EXTENSION AUSTRALASIA and CHINA TELEGRAPH COMPANY, Limited (hereinafter called "the Extension Company") of the other part.

WHEREAS these presents are entered into on behalf of Her Majesty by the authority of the respective Governments of New South Wales, Victoria, Province of South Australia, Western Australia, and Tasmania (hereinafter referred to as "the contracting colonies"): And whereas the telegraphic traffic of Australasia with other countries is carried by the cables and telegraphic lines of the Extension Company, in connection with lines belonging to the Indo-European Telegraph Department of Her Majesty's Indian Government, the Eastern Telegraph Company (Limited), and the Indo-European Telegraph Company (Limited), and the lines and cables connected therewith (hereinafter called "the Cis-Indian administrations"): And whereas the terminal stations in Australia of the Extension Company's submarine cables are situated at Port Darwin, in the Province of South Australia, and Roebuck Bay, in the Colony of Western Australia: And whereas the transmission of telegraphic messages to and from the terminal stations in Australia (hereinafter referred to as "the Australasian traffic") is now charged for at the rates specified in the First Schedule hereto (hereinafter referred to as "the existing rates"): And whereas the total receipts for the year 1889 of the Extension Company and the Cis-Indian administrations in respect of the Australasian traffic under the existing rates, after deducting out-payments to other telegraphic administrations, have for the purposes of this agreement been agreed between the parties at the sum of £237,736: And whereas it has been proposed that the existing rates shall be reduced upon the terms and in consideration of the guarantee hereinafter contained:

Now these presents witness, and it is hereby agreed and declared, as follows:—

1. The Extension Company will, from and after the 1st day of May, 1891, transmit or procure the transmission of all telegraphic messages exchanged between the places mentioned in the Second Schedule hereto and South or Western Australia (except messages to or from Queensland or New Zealand) at the rates specified in the Second Schedule hereto (hereinafter referred to as "the reduced rates").

2. The Governments of the colonies parties hereto will, from and after the 1st day of May, 1891, transmit or procure the transmission between the said terminal stations of the company and other places in the contracting colonies of all telegraphic messages exchanged between the Australasian Colonies and other places at the rates specified in the Third Schedule.

3. If in any year while the reduced rates shall continue in force by virtue of these presents the total receipts of the Extension Company and the Cis-Indian administrations in respect of the Australasian traffic, after deducting all out-payments to other telegraphic administrations, shall be less than the sum of £237,736, Her Majesty will cause to be paid to the Extension Company out of the consolidated revenue funds of the contracting colonies a sum equal to half the amount by which such receipts shall be less than the said sum of £237,736.

4. Any sum of money payable under clause 3 hereof shall be paid to the Extension Company in London in sterling money, free from all deductions, within three calendar months from the close of each year.

5. If there shall at any time in any year while the reduced rates continue in force by virtue of these presents be a total interruption of telegraphic communication between Australia and Europe, arising otherwise than by reason of war or any such like cause, which shall continue for more than one calendar month inclusive of the day on which the interruption shall begin, a deduction of 1-365th part of any sum payable under clause 3 hereof in respect of such year shall be made for every day beyond the said month during which there shall be such total interruption, inclusive of the day on which it ceases: Provided always that if such interruption shall arise by reason of war or any such like cause no such deduction shall be made, but the Extension Company will restore or procure the restoration of such communication with all possible despatch, the costs of so doing being in such case borne by Her Majesty.

6. While the reduced rates continue in force by virtue of these presents the provisions contained in the 4th article of a certain agreement dated the 6th day of May, 1879, and made between Her Most Gracious Majesty the Queen (on behalf of the Colonies of New South Wales and Victoria) of the one part and the Extension Company of the other part as to the rates to be charged by the Extension Company shall be suspended, and notwithstanding such article the Extension Company shall not be bound to make any rebate or allowance in respect of Government messages or Press messages except as herein expressly provided.

7. The words "Government messages" and "Press messages" in these presents shall have the same meaning as they have under articles 5 and 6 of the said agreement of the 6th day of May, 1879, and all existing rules with regard to such messages, and any modification which may be made therein shall apply to such messages respectively under the reduced rates.

8. The reduced rates shall continue in force until the expiration of a notice given in manner next hereinafter mentioned. The said notice shall be not less than two calendar months' notice in writing, expiring either on the 30th day of April, 1892, or on the 30th day of April of any subsequent year, and may be given either by the Extension Company to the Agent-General of South Australia on behalf of the colonies parties hereto by leaving the notice at the office in London of such Agent-General, or by such Agent-General to the company by leaving such notice at the office of the Extension Company in London.

9. Immediately upon the expiration of any notice given in accordance with clause 8 hereof the existing rates for the Australasian traffic shall again come into operation: provided that the rate to and from Europe shall not exceed eight shillings, unless a higher rate shall be required to make up the receipts from the Australasian traffic to the sum of £237,736.

10. The Extension Company will not during the continuance of this agreement, directly or indirectly, in any manner howsoever, alter the rates specified in the Third Schedule hereto without the consent in writing of the contracting colonies.

In witness whereof Sir Arthur Blyth, K.C.M.G., C.B., the Agent-General for South Australia, duly authorized to execute these presents on behalf of Her Most Gracious Majesty the Queen, hath hereunto set his hand and seal; and the common seal of the Eastern Extension Australasia and China Telegraph Company (Limited) hath been hereunto affixed, the day and year first above written.

Signed, sealed, and delivered by Sir Arthur Blyth,
on behalf of Her Most Gracious Majesty the
Queen, in the presence of—

ARTHUR BLYTH, Agent-General
for South Australia. (L.S.)

SAMUEL DEERING,
Assistant Agent-General for South Australia.

The common seal of the Eastern Extension Australasia and China Telegraph Company (Limited) was hereunto affixed in the presence of—

(The common seal of
the Eastern Extension
Australasia and China
Telegraph Company
(Limited).)

J. DENISON PENDER, Director.
W. R. LYNE, Assistant Secretary.

THE FIRST SCHEDULE.

Schedule of the Existing Rates for Telegrams Exchanged with South and Western Australia.

	Net Australian Rate.			Outpayments.					Total Rate.
	Cis-Indian Joint Purse.	Extension Company.	Total.	Europe.	India.	Java.	Australia.	Total.	
Europe—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Ordinary, <i>via</i> Suez or									
<i>via</i> Teheran ..	2 9	4 6	7 3	0 2	0 7½	0 1½	1 2	2 1	9 4
Government ..	2 9	2 3	5 0	0 2	0 7½	0 1½	1 2	2 1	7 1
Press ..	0 10½	1 1½	2 0	0 0½	0 3	0 0½	0 4	0 8	2 8
Aden ..	2 5	5 10	8 3	..	0 7½	0 1½	1 2	1 11	10 2
Suakim ..	2 6	4 8	7 2	..	0 7½	0 1½	1 2	1 11	9 1
Egypt ..	3 2	4 8	7 10	..	0 7½	0 1½	1 2	1 11	9 9
Persian Gulf ..	1 2	5 11	7 1	..	0 7½	0 1½	1 2	1 11	9 0
Persia..	0 10	5 11	6 9	Persia.	0 7½	0 1½	1 2	3 2	9 11
India ..	..	5 10½	5 10½	1 3	0 8	0 1½	1 2	1 11½	7 10
Penang ..	..	4 2½	4 2½	..	..	0 1½	1 2	1 3½	5 6
Malacca ..	..	4 2½	4 2½	..	..	0 1½	1 2	1 3½	5 6
Singapore ..	..	4 2½	4 2½	..	..	0 1½	1 2	1 3½	5 6
Hongkong and beyond ..	..	6 8½	6 8½	..	..	0 1½	1 2	1 3½	8 0
Macao ..	..	7 1½	7 1½	..	..	0 1½	1 2	1 3½	8 5
Manila ..	..	8 4	8 4	..	Spain.	0 1½	1 2	1 6	9 10
Cochin China ..	..	5 2	5 2	..	0 2½	0 1½	1 2	1 5	6 7
Tonquin ..	..	5 2	5 2	..	Cochin China.	0 1½	1 2	2 7	7 9
Java ..	..	2 10½	2 10½	..	0 1½	0 1½	1 2	1 3½	4 2
Europe, <i>via</i> Moulmein ..	3 6	4 8	8 2	Europe.	Cochin China, Siam & India.	0 1½	1 2	3 0	11 2
" <i>via</i> Hongkong ..	..	4 8	4 8	Northern Co.	1 6	0 1½	1 2	8 5	13 1
" <i>via</i> Turkey ..	1 2	4 6	5 8	Europe.	India.	0 1½	1 2	3 6	9 2

THE SECOND SCHEDULE.

*Schedule of Reduced Rates for Telegrams Exchanged with South and Western Australia,
Exclusive of Messages to and from Queensland and New Zealand.*

	Net Australian Rate, to be Credited to Guarantee.			Outpayments.					Total Rate.
	Cis-Indian Joint Purse.	Extension Company.	Total.	Europe.	India.	Java.	Australia.	Total.	
Europe—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Ordinary, <i>via</i> Suez or <i>via</i> Teheran	2 7	0 5	3 0	0 2	0 3½	0 1½	0 5	1 0	4 0
Government ..	2 6	..	2 6	0 2	0 3½	0 1½	0 5	1 0	3 6
Press ..	0 10½	0 4	1 2½	0 0½	0 2½	0 0½	0 4	0 7½	1 10
Aden ..	2 3	0 11	3 2	..	0 3½	0 1½	0 5	0 10	4 0
Suakim ..	2 5	0 9	3 2	..	0 3½	0 1½	0 5	0 10	4 0
Egypt ..	2 9	0 5	3 2	..	0 3½	0 1½	0 5	0 10	4 0
Persian Gulf ..	1 2	2 0	3 2	..	0 3½	0 1½	0 5	0 10	4 0
Persia ..	0 11	1 1	2 0	Persia. 1 2	0 3½	0 1½	0 5	2 0	4 0
India ..	..	3 0	3 0	..	0 5½	0 1½	0 5	1 0	4 0
Penang ..	..	3 0	3 0	..	..	0 1	0 5	0 6	3 6
Malacca ..	..	3 0	3 0	..	..	0 1	0 5	0 6	3 6
Singapore ..	..	3 0	3 0	..	..	0 1	0 5	0 6	3 6
Hongkong and beyond ..	..	4 6	4 6	..	..	0 1	0 5	0 6	5 0
Macao ..	..	4 11	4 11	..	..	0 1	0 5	0 6	5 5
Manila ..	..	6 1	6 0	Spain. 0 2½	..	0 1½	0 5	0 9	6 9
Cochin China ..	..	3 4	3 4	..	Cochin China. 0 1½	0 1½	0 5	0 8	4 0
Tonquin ..	..	3 4	3 4	..	1 3½	0 1½	0 5	1 10	5 2
Java ..	..	2 6	2 6	..	..	0 1	0 5	0 6	3 0
Europe, <i>via</i> Moulmien ..	2 7	3 5	6 0	Europe. 0 2	India, Siam, & Cochin China. 2 1	0 1	0 5	2 9	8 9
" <i>via</i> Hongkong ..	..	4 6	4 6	Northern Co. 6 10	..	0 1	0 5	7 4	11 10
" <i>via</i> Turkey to Australia	1 1	0 5	1 6	Europe. 1 6	India. 0 3½	0 1½	0 5	2 4	3 10
" <i>via</i> Turkey from Australia	1 1	0 7	1 8	1 6	0 3½	0 1½	0 5	2 4	4 0

NOTE.—The rates for messages to and from Queensland and New Zealand remain as charged in the First Schedule.

THE THIRD SCHEDULE.

*Schedule of Rates on Telegrams exchanged between Europe and the Australasian Colonies, other than
South and West Australia.*

	South and West Australia.	Victoria.	New South Wales.	Eastern Exten- sion Cable.	New Zealand.	Queensland.	Tasmania.	Rate from Port Darwin or Roebuck Bay.	Total.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
SOUTH AND WEST AUSTRALIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 5	..	..	..	..	..	..	3 7	4 0
Government ..	0 5	..	..	..	..	..	..	3 1	3 6
Press ..	0 4	..	..	..	..	..	..	1 6	1 10
VICTORIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 5	0 1	..	..	..	..	..	3 7	4 1
Government ..	0 5	0 1	..	..	..	..	..	3 1	3 7
Press ..	0 4	0 1	..	..	..	..	..	1 6	1 11
NEW SOUTH WALES—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 5	..	0 2	..	..	..	..	3 7	4 2
Government ..	0 5	..	0 2	..	..	..	..	3 1	3 8
Press ..	0 4	..	0 1	..	..	..	..	1 6	1 11
TASMANIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 5	0 1	..	0 6	..	..	0 1	3 7	4 8
Government ..	0 5	0 1	..	0 6	..	..	0 1	3 1	4 2
Press ..	0 4	0 1	..	0 6	..	..	0 1	1 6	2 6
NEW ZEALAND—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	1 1	..	0 1	1 0	0 2	..	..	8 2	10 6
Government ..	1 1	..	0 1	1 0	0 2	..	..	8 2	10 6
Press ..	0 4	..	0 1	0 3	0 2	..	..	2 4	3 2
QUEENSLAND—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	1 1	..	0 3	..	..	0 3	..	8 2	9 9
Government ..	1 1	..	0 3	..	..	0 3	..	8 2	9 9
Press ..	0 4	..	0 1	..	..	0 1	..	2 4	2 10

The rates for telegrams exchanged with the other places mentioned in Schedules 1 and 2 will be increased in the same ratio as telegrams exchanged with Europe.

No. 3.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Melbourne.

Post Office and Telegraph Department, General Post Office, Wellington,

7th October, 1892.

SIR,—

I have the honour to enclose copy of, and hereby confirm, my telegram to you of the 28th July last [*vide* No. 3, F.—5, 1892], in connection with proposals for reducing the rates on the New Zealand and Australian cable.

I have also to signify my concurrence in the proposal of the Postal and Telegraph Conference, agreed to on the 15th August last, that the rate on European telegrams should be raised by 9d.

I send herewith copy of paper No. F.—5, 1892, relating to the negotiations for reducing the charges, which has now been laid before Parliament.

I have, &c.,

J. G. WARD, Postmaster-General.

The Hon. the Postmaster-General, General Post Office, Melbourne.

No. 4.

The MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the POSTMASTER-GENERAL.

The Eastern Extension Australasia and China Telegraph Company (Limited),

Melbourne, 3rd October, 1892.

SIR,—

I have the honour to forward you copy of the new schedules [see Enclosure 1 in No. 35] of international rates, and beg to be advised, as early as possible, whether they meet with your approval.

I have, &c.,

WM. WARREN,

Manager in Australasia.

The Hon. the Postmaster-General, Wellington.

No. 5.

Mr. GRAY to Mr. WARREN.

(Telegram.)

General Post Office, Wellington, 10th October, 1892.

DRAFT Cable Agreement, clause three.—As other colonies join in intercolonial cable guarantee, the fact should be set out in this clause, giving proportions payable by New Zealand and other colonies. Clause five: The proviso is objected to, and should be struck out. This objection also applies to European cables.

No. 6.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 13th October, 1892.

FOLLOWING is a reply from Chairman to your message: "As New Zealand cable reductions more particularly concerned New Zealand Government and Company, it was thought better when drafting agreement to limit arrangement to two parties, leaving appointment of New Zealand share of risk to be dealt with by separate agreements between New Zealand and other Governments, as was recently done with divisions South Australian loss and Tasmanian subsidy. If, however, Government prefer all guaranteeing Governments being included in this agreement, Company are quite prepared to make necessary alteration, but they cannot waive provisions Article 5, as principle long recognised by all guaranteeing Governments. See Article 10, Subsidy Agreement, May, 1879; Article 3, Tasmanian Agreement, March, 1889; and Article 5, of guarantee agreement [see Enclosure in No. 2] entered into last year; and we consider it perfectly reasonable provision under circumstances contemplated."

No. 7.

Mr. GRAY to Mr. WARREN.

(Telegram.)

General Post Office, Wellington, 19th October, 1892.

CABLE agreement, and your services thirteenth: Hon. Mr. Ward sees no objection to schedule showing proportions payable by colonies for both European and international cables being attached to agreement, but does not think separate schedule for each colony required. Proviso in clause five must be expunged before Mr. Ward will sign. He altogether refuses to recognise the principle under which New Zealand is sought to be made liable for cost of repairs. When are reduced rates to come into force? Mr. Ward very anxious to know, in order that public may be definitely advised and business firms given time withdraw from existing arrangements.

No. 8.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 20th October, 1892.

CANNOT say at present when new tariff likely come into operation. No notice yet received from colonies that agreement and schedule approved, and your objection to clause five which is included in all other agreements is likely further delay settlement.

No. 9.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 20th October, 1892.

SEE Schedule Three: Will Mr. Ward agree to make New Zealand's proportion penny per word? Ordinary rate would then be five and three; Government, three and eleven; Press, two and twopence.

No. 10.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 21st October, 1892.

MR. ZEAL suggested the following alterations and additions be made in proposed agreement [See Enclosure 2 in No. 35]: Subclause 1 to read, "As regards certain intercolonial messages, that is to say, messages passing between New Zealand and the following colonies—namely, New South Wales, Victoria, South Australia, West Australia, and Tasmania," &c. Following to be made subclause 2: "As regards intercolonial messages passing between New Zealand and Queensland: For all messages transmitted from New Zealand to Queensland, at the rates specified in the preceding subclause; but as regards messages transmitted from Queensland to New Zealand, for all Government and ordinary messages, at the rate of eight shillings and sixpence for first ten words or less, and tenpence for every additional word in excess of ten; for all Press messages transmitted from Queensland to New Zealand, at the rate of threepence per word; for all 'collect' messages (Government, ordinary, or Press) transmitted from Queensland to New Zealand, being replies to 'reply paid' messages, the rates last named for Government, ordinary, or Press messages, as the case may be, shall be collected in New Zealand." Present subclause 2 to be number 3. Wire if Mr. Ward approves of same.

No. 11.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 21st October, 1892.

Re clause five: The principle of it has long been accepted by other Governments; and company cannot depart from it without injuring subsidy and guarantee agreements made with colonies, and this they are not prepared to do. Other colonies offer no objection to the clause in existing agreements, therefore trust Mr. Ward will reconsider matter and withdraw his opposition to proviso and so prevent further delay to introduction new tariff.

No. 12.

Mr. GRAY to Mr. WARREN.

(Telegram.)

Wellington, 22nd October, 1892.

SCHEDULE three: Mr. Ward agrees to make New Zealand's proportion penny per word, and approves schedule. He also approves of Mr. Zeal's proposed amendments. Clause five: Have any of the other colonies signed agreement with clause five as it stands? Mr. Ward determinedly opposed to proviso. Now desires to know whether it will be agreed to exempt New Zealand from liability in respect of intercolonial cables. This could be done by separate agreement, if it be considered a matter of consequence to retain clause as it now stands. Mr. Ward holds that it is a most inequitable provision to make New Zealand wholly responsible for a liability which is unquestionably the company's, merely because the colony agreed with company to a reduction in rates, and to guarantee to make good part loss company sustains from reduction in tariff. The delays which have taken place are much to be regretted. Mr. Ward now hopes that something definite and final may be arrived at without further delay. This can be accomplished so far as this colony is concerned by your giving way in respect of clause five.

No. 13.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 24th October, 1892.

As already explained, similar article is in all existing contracts, see 1891 agreement for reduction European tariff, clause five, which was approved by contributing colonies. Other colonies anxious complete negotiations order bring new tariffs into operation soon as possible, but owing Mr. Ward's opposition to clause five, settlement is blocked. Company cannot depart from principle laid down in other agreements. Liability very small matter since section duplicated. Suggest Mr. Ward ask other colonies participate in liability.

No. 14.

The SECRETARY, General Post Office, to the MANAGER in AUSTRALASIA, Eastern Extension Company.

Post Office and Telegraph Department, General Post Office, Wellington,
25th October, 1892.

SIR,—

I have the honour to acknowledge, on behalf of the Hon. the Postmaster-General and for myself, the receipt of your letters of the 3rd instant, enclosing copies of the new schedules of

international telegraph rates; and to say that the rates as therein printed—with the amendment in New Zealand's inland rate, which is to be reduced from 2d. to 1d. per word, as per my service telegram of the 22nd instant—are approved of by this Government.

I think it as well to send you copies of the service telegrams exchanged between us since the 10th instant.

I have, &c.,

The Manager in Australasia,
The Eastern Extension Australasia and China Telegraph
Company (Limited), Melbourne.

W. GRAY, Secretary.

No. 15.

Mr. TODD to Mr. GRAY.

Adelaide, 25th October, 1892.

(Telegram.)

HAVE referred to clause five, which contains only usual provisions.

No. 16.

Mr. SMIBERT to Mr. GRAY.

Melbourne, 25th October, 1892.

(Telegram.)

UNDERSTAND Mr. Ward objects to clause five in proposed agreement. Similar clause is in operation in existing agreement for international lines.

No. 17.

Mr. GRAY to Mr. WARREN.

Wellington, 25th October, 1892.

(Telegram.)

CABLE Agreement: If your company going to insist on New Zealand alone becoming responsible under clause five Mr. Ward will be compelled to withdraw from whole arrangement. Mr. Ward considers that your company should have provided that liability shared by all the colonies. Nor is he disposed to make the matter a personal one with colonies, and cannot therefore approach them as suggested by you.

No. 18.

Mr. GRAY to Mr. SMIBERT.

Wellington, 25th October, 1892.

YES; Mr. Ward strongly objects to New Zealand being made wholly liable under clause five, and cannot agree to proviso as it stands. Very different is position under European cable agreement, where all colonies responsible.

No. 19.

Mr. SMIBERT to Mr. GRAY.

Melbourne, 26th October, 1892.

(Telegram.)

MR. ZEAL understood that the liabilities, including the war risk, as well as the advantages, were to be mutually accepted by all the guaranteeing colonies, and this could be arranged for by a supplementary agreement among ourselves without reference to the company, similar to what was done recently with the 1891 agreement for international rates. I have telegraphed to all colonies interested to see if they concur.

No. 20.

Mr. GRAY to Mr. WARREN.

Wellington, 7th November, 1892.

(Telegram.)

URGENT. Have other colonies agreed to sign agreement with war clause? What is being done? Can you say definitely when reduced rates will come into force? Mr. Ward very anxious, as matter seems to be drifting.

No. 21.

Mr. WARREN to Mr. GRAY.

Melbourne, 7th November, 1892.

(Telegram.)

YES, excepting West Australia, who has promised to reply to-day. Will wire when received. Cannot say definitely when reduced rate will come into operation until matters arranged.

No. 22.

Mr. WARREN to Mr. GRAY.

Melbourne, 8th November, 1892.

(Telegram.)

ALL colonies have now agreed to share liability clause five.

No. 23.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 8th November, 1892.

ALL contracting colonies have now agreed to enter into supplementary agreement with New Zealand to contribute towards cost of restoring cable in event of same being interrupted by reason of war. Kindly have matters pushed on so that new rates may come into force soon as possible.

No. 24.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 8th November, 1892.

FOLLOWING is amended agreement* which, if approved by Mr. Ward, will be telegraphed to your Agent-General with any instructions Mr. Ward may wish to give him.

No. 25.

Mr. GRAY to Mr. WARREN.

(Telegram.)

Wellington, 10th November, 1892.

HON. MR. WARD approves of proposed amended agreement, as cabled by you on eighth, on understanding that other colonies sign subsidiary agreement sharing war-risk, and £8,773 of the £13,160 we have to make good to company. Agent-General will be instructed to sign agreement on behalf of New Zealand, if it be your company's wish that agreement be executed in London.

No. 26.

Mr. WARREN to Mr. GRAY.

(Telegram.)

Melbourne, 10th November, 1892.

HAVE shown Smibert your telegram. He will wire you *re* subsidiary agreement. Amended agreement has been wired to London for your Agent-General. Please instruct him *re* signing it; also to sign with other Agents-General the amended guarantee agreement—namely, for the increased tariff, four and ninepence per word. If you will send me your message for Agent-General it will be transmitted free of charge.

No. 27.

The DEPUTY POSTMASTER-GENERAL, Melbourne, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Melbourne, 10th November, 1892.

SUBSIDIARY agreement will be drawn up for signatures of the Governors of all contributing colonies, sharing war-risk, and arranging that each colony contribute share of thirteen thousand odd pounds on basis of population of each colony.

No. 28.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram, franked by Eastern Extension Company.)

Wellington, 11th November, 1892.

PLEASE sign on behalf of colony amended cable agreement which has been cabled to London by Eastern Extension Telegraph Company. Also sign amended guarantee agreement for increased tariff four and ninepence per word. Subsidiary agreement will be executed by colonies sharing war risk, and contributing loss company intercolonial cable. Also co-operate Agents-General and company against India's claim for extra fifteen centimes.

No. 29.

The MANAGER in AUSTRALASIA, Eastern Extension Company, to the SECRETARY, General Post Office.

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,—

Melbourne, 14th November, 1892.

I have the honour to acknowledge the receipt of your letter of the 25th ultimo, and the enclosed copies of service telegrams exchanged since the 10th of October.

My service of 20th October, commencing "See Schedule Three" should read "Ordinary rate would then be five and two" instead of "five and three."

I beg to enclose two copies of the agreement as amended.*

* Not printed: for form of agreement as finally made and signed see Enclosure 2 in No. 35.

The amended agreement with the contributing Governments for the 4s. 9d. per word international tariff having been agreed to, the several Agents-General have been instructed by wire by their respective Governments to sign it on their behalf.

With regard to the difficulty with the Indian administration, joint action is being taken by the Agents-General and the company against India's claim for an additional 15 centimes per word, and the Secretary wired on Saturday that meetings with the Agents-General were held yesterday and to-day, and a joint letter of protest was sent to Lord Ripon on Friday afternoon, with a request for an interview on Monday (to-day) with the Secretary of State for India.

I have, &c.,

W. Gray, Esq.,
Secretary for Post Office, Wellington.

WM. WARREN,
Manager in Australasia.

No. 30.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 12th December, 1892.

I AGREE to Sir John Pender's proposal *re* sharing extra rate should India decline reduce it.

No. 31.

Mr. WARREN to the Hon. the POSTMASTER-GENERAL.

(Telegram.)

Melbourne, 15th December, 1892.

NOTICE has been given to Berne that new tariffs are to come into operation on 1st January next.

No. 32.

Mr. WARREN to the Hon. the POSTMASTER-GENERAL.

(Telegram.)

Melbourne, 20th December, 1892.

BERNE has formally notified all Administrations that new rates commence 1st January.

No. 33.

The SECRETARY, General Post Office, to the MANAGER in AUSTRALASIA, Eastern Extension Company.

Post Office and Telegraph Department, General Post Office, Wellington,
16th December, 1892.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 14th ultimo, enclosing two copies of the form of amended cable agreement.

You would learn from the cablegram which I asked you to transmit on the 11th ultimo that the Agent-General for New Zealand has been requested to sign, on behalf of this colony, the amended cable agreement and the guarantee agreement for the increased tariff of 4s. 9d. per word, and to co-operate with the Agents-General of the other colonies and your company in protesting against India's claim for an additional 15 centimes per word.

I have, &c.,

W. Warren, Esq.,
Manager in Australasia, Eastern Extension Australasia and China Telegraph
Company (Limited), Melbourne.

W. GRAY, Secretary.

No. 34.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 15th November, 1892.

SIR,—

Cable Rates.

I have the honour to inform you that I attended with the other Agents-General (Queensland excepted) at the Colonial Office for the purpose of meeting Lord Ripon (Secretary of State for the Colonies) and Lord Kimberley (Secretary of State for India), respecting the demand made by the Indian Government for a share in the extra 9d., which the Australasian Colonies propose to charge for cablegrams to recoup portion of loss. Sir John Pender and Mr. Hesse, Chairman and Secretary of the Eastern Telegraph Company, were also present.

After listening to arguments, most of which are contained in the joint letter (copy herewith) of the Agents-General to Lord Ripon, Lord Kimberley expressed himself as anxious to meet the wishes

of the Australasian Governments, and promised to submit the matter to the favourable consideration of the Indian Government. Lord Kimberley counselled that he should do this by letter rather than by cable; and, as it was impossible to conclude the negotiations so that the cable reductions should commence on 1st December, as originally intended, he promised to obtain a reply in time to permit the reduced rates to be commenced on 1st January next. I took occasion to point out to Lord Kimberley that New Zealand had hitherto stood aloof from the guarantee, and that as the present rates were very high, viz., 10s. 2d. a word, it was a matter of urgency to New Zealand to expedite the matter as much as possible. I also stated that no doubt the reductions in cable rates to New Zealand would result in an increased business, and, consequently, in an increase in the profit already made by India.

It was subsequently arranged that Sir Saul Samuel should send a joint cablegram (copy herewith) to his Government, to be by them transmitted from Sydney to the other Australasian Governments.

I enclose copy of the cablegram which I received from you, instructing me to sign the amended cable agreement and to co-operate with the other Agents-General in reference to the claim made by the Indian Government.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 34.

The AGENTS-GENERAL to the SECRETARY of STATE for the COLONIES.

Telegraphic Rates to Australasia.

Westminster Chambers, 9, Victoria Street, London, S.W.,

11th November, 1892.

MY LORD MARQUIS,—

We, the representatives of New South Wales, Tasmania, New Zealand, South Australia, Victoria, and Western Australia, acting on behalf of our respective Governments, have to request your Lordship's good offices with the Secretary of State for India to obtain, with the least possible delay, the consent of the Indian Government to raising the telegraphic rates with Australasia by ninepence (9d.) per word without disturbing the existing transit rate across India.

As your Lordship is probably aware, the tariff between Europe and Australia was reduced last year from 9s. 4d. to 4s. per word, under a guarantee arrangement entered into by the Governments of New South Wales, Victoria, South Australia, Tasmania, and Western Australia with the Eastern Extension Telegraph Company, the Governments agreeing to bear one-half of the risk of any loss arising from the reduction, and the company bearing the other half.

The result of the first year's working at the 4s. rate has been a loss of £55,040, of which the colonies have had to make up the large sum of £27,520.

It has now, however, been arranged for New Zealand to join in the guarantee, and receive the benefit of the reduced tariffs, together with large reductions of tariff over the New Zealand cables, and with a view to further diminishing the liability of the colonies, it is proposed to raise the tariffs by 9d. per word, making the rate to Australia 4s. 9d. per word.

The consent of the Governments of India, Germany, and Russia being necessary to this change of tariff, formal application was made to those Governments on the subject, with the result that Germany and Russia have long since signified their approval. India, however, demands an additional transit-rate of 15 centimes per word out of the extra 9d. We are sure that your Lordship will see from the following arguments that this demand is most unreasonable, inopportune, and unfair to the colonies, and we have to respectfully but strongly protest against it, and urge its withdrawal.

When the word-rate was first established, in 1876, India's transit rate between Bombay and Madras was fixed at 50 centimes, but on the opening of the Rangoon cable, in 1877, it was increased to 75 centimes, so that the charge might be uniform by both routes instead of having differential rates.

As, however, the Rangoon route proved to be utterly unreliable, and, therefore, could only be used when the Madras cable was interrupted, the practical effect of the arrangement was that the Indian Government received an additional 50 per cent. for their transit-rate without affording any corresponding advantage to the public.

We understand that this anomaly was frequently pointed out to the Indian authorities, and a substantial reduction of the transit rate urged—more particularly when the companies lowered the tariffs to Australia, China, &c., at the Berlin Conference, in 1885, risking a loss of something like £67,000, which, we believe, has not yet been fully recouped.

India, however, refused to take any part in the reductions, and maintained the rate of 75 centimes until last year, when it was reduced to 35 centimes for all classes of traffic.

This reduction was mainly brought about by the Eastern Extension Company agreeing to reduce its rates to Java, China, Japan, &c., involving a further heavy sacrifice, and also consenting to give up the Rangoon route, whereby the land-lines between Calcutta and Rangoon were released for the use of the Indian local traffic.

By doing this, the reason for continuing to charge the uniform 75-centimes rate no longer existed, and, consequently, the reduction made by India on account of the general lowering of the tariffs was practically from 50 to 35 centimes, and, as the Australasian traffic has increased about 60 per cent. since the 4s. tariff was introduced, the Indian Government have really made a profit

on this class of traffic of nearly £1,500: altogether, they have received from the transit-rate since 1876 the enormous sum of £558,000.

It should also be borne in mind that when this reduction was negotiated with the Indian delegate (Colonel Mallock) the tariff proposed for Australia was 5s., the 4s. rate having been reluctantly accepted by the company at a later stage of the Paris Conference proceedings. Consequently, the variation of the experimental tariff now proposed by the colonies would still leave it below the 5s., and would not justify the Indian Government in departing from the arrangements agreed to in Paris.

Moreover, we understand that India's intention is to retain the rate of 35 centimes for traffic exchanged with Java, China, Japan, Manila, &c., where the tariffs are proportionately much higher than to Australia, and to apply the proposed 50-centimes rate to Australasia only, thus penalising the colonies and placing them in a much worse position than that occupied by foreign countries.

If the increased transit-rate were insisted upon it would involve the colonies in very serious loss, and might lead to a return to the former high tariffs, which would unquestionably reduce the traffic, and, consequently, diminish India's revenue from the telegraph service, besides injuring the Mother-country, whose commerce is largely benefited by the present low tariff, although she contributes nothing whatever to the cable subsidy or guarantee.

We therefore venture to hope that your Lordship will be able to induce the Secretary of State for India to meet the views of the colonies without further delay, as they consider it to be most important that the changes of tariff should be brought into operation not later than the 1st December proximo, and, to do this, India's consent is alone wanting.

We should be glad to wait upon your Lordship, accompanied by Sir John Pender; and, if necessary, to have an interview with Lord Kimberley on the subject.

We have, &c.

SAUL SAMUEL, Agent-General for New South Wales.

E. BRADDON, Agent-General for Tasmania.

W. B. PERCEVAL, Agent-General for New Zealand.

J. C. BRAY, Agent-General for South Australia.

AND. CLARKE, Acting Agent-General for Victoria.

MALCOLM FRASER, Agent-General for Western Australia.

The Most Hon. the Marquis of Ripon, K.G., &c.,
Secretary of State for the Colonies.

Enclosure 2 in No. 34.

The AGENT-GENERAL for New South Wales to the Hon. the PREMIER, Sydney.

(Joint telegram.)

London, 15th November, 1892.

AGENTS-GENERAL waited upon Lords Ripon and Kimberley to-day. Kimberley admitted force of arguments and promised to represent matter for consideration of Indian Government with a view to obtaining reply in time for new rate to come into operation by first January. Inform other Governments.

No. 35.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W., 20th December, 1892.

SIR,—

Cable Rates.

Referring to my letter of the 15th November last, I beg to acknowledge receipt of your cablegram (copy herewith) agreeing to Sir John Pender's proposal to share the extra rate in case the Indian Government persisted in their demand for a share in the extra amount which the Australian Colonies propose to charge for cablegrams.

In accordance therewith, and with your previous instructions, I have joined in signing the two agreements entered into between the Governments of Australia (Queensland excepted) and New Zealand and the Eastern Extension Australasia and China Telegraph Company, and herewith I transmit printed copies of the same. I also attach copies of letters addressed to the Colonial Office and to the Eastern Extension Telegraph Company, by which you will see that the new tariffs will be brought into operation not later than the 1st January next.

I also enclose copy of letter which the Eastern Extension Company addressed to me, undertaking that the agreements laid before me for signature were in the form agreed upon by the New Zealand Government.

I requested the company to furnish me with this letter, as final particulars of the agreements had reached me by cablegrams only, and were, therefore, necessarily curtailed.

I have, &c.,

W. B. PERCEVAL.

The Hon. the Premier, Wellington.

Enclosure 1 in No. 35.

AGREEMENT providing for the VARIATION of AUSTRALIAN RATES and ADMISSION of NEW ZEALAND to GUARANTEE.

AN AGREEMENT dated the Thirteenth day of December, 1892, and made between Her Most Gracious Majesty the QUEEN for account and on the authority of the respective Governments of New South Wales, Victoria, South Australia, Western Australia, and Tasmania (hereinafter referred to as "the original contracting colonies") of the first part, Her Most Gracious Majesty the QUEEN on account and by the authority of the Government of New Zealand of the second part, and the EASTERN EXTENSION AUSTRALASIA and CHINA TELEGRAPH COMPANY, Limited (hereinafter called "the Extension Company") of the third part.

WHEREAS these presents are supplemental to an agreement dated the 31st day of March, 1891, and made between Her Most Gracious Majesty the Queen, for account and on behalf of the original contracting colonies of the one part, and the Extension Company of the other part (and which is hereinafter referred to as "the principal agreement"): And whereas the Government of New Zealand have agreed to join in the guarantee contained in the principal agreement, and it has been arranged to reduce the rates for messages to or from New Zealand, and to vary the rates specified in the Second and Third Schedules to the principal agreement as hereinafter mentioned.

Now it is hereby mutually agreed by and between the parties hereto as follows:—

1. From and after the 1st day of January, 1893, the Second and Third Schedules to the principal agreement shall be cancelled, and the schedules of rates hereunto annexed shall be respectively substituted therefor, and the principal agreement shall thereupon be read and construed accordingly.

2. The Government of New Zealand shall, as and from the 1st day of January, 1893, in all respects be bound by and have the benefit of the provisions, terms, and conditions of the principal agreement as varied by this agreement, as if the name of the said Government had been included in the first recital of the principal agreement, and as varied by this agreement the principal agreement is in all respects ratified and adopted by all the parties hereto, and the amount which the Extension Company shall be entitled to receive under Articles 3 and 4 of the principal agreement, as varied by this agreement, shall be paid to the Extension Company out of the consolidated revenue funds of the contracting colonies, including New Zealand.

In witness whereof, Sir Saul Samuel, K.C.M.G., C.B., the Agent-General for New South Wales; Lieut.-General Sir Andrew Clarke, G.C.M.G., C.B., C.I.E., representing Victoria; Sir John Cox Bray, K.C.M.G., Agent-General for South Australia; Sir Malcolm Fraser, K.C.M.G., Agent-General for Western Australia; Sir Edward Nicholas Coventry Braddon, K.C.M.G., Agent-General for Tasmania; and Westby Brook Perceval, Esquire, Agent-General for New Zealand, all duly authorized to execute these presents on behalf of Her Most Gracious Majesty the Queen, have hereunto set their respective hands and seals; and the common seal of the Eastern Extension Australasia and Telegraph Company (Limited) hath been hereunto affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Sir Saul Samuel, K.C.M.G., C.B., on behalf of Her Most Gracious Majesty the Queen, in the presence of S. YARDLEY, Secretary, Department of Agent-General for New South Wales, London.

SAUL SAMUEL. (L.S.)

Signed, sealed, and delivered by the said Lieut.-General Sir Andrew Clarke, G.C.M.G., C.B., C.I.E., on behalf of Her Most Gracious Majesty the Queen, in the presence of S. YARDLEY.

AND. CLARKE. (L.S.)

Signed, sealed, and delivered by the above-named Sir John Cox Bray, K.C.M.G., on behalf of Her Most Gracious Majesty the Queen, in the presence of S. YARDLEY.

J. C. BRAY. (L.S.)

Signed, sealed, and delivered by the above-named Sir Malcolm Fraser, K.C.M.G., on behalf of Her Most Gracious Majesty the Queen, in the presence of S. YARDLEY.

MALCOLM FRASER. (L.S.)

Signed, sealed, and delivered by the above-named Sir Edward Nicholas Coventry Braddon, K.C.M.G., on behalf of Her Most Gracious Majesty the Queen, in the presence of S. YARDLEY.

E. BRADDON. (L.S.)

Signed, sealed, and delivered by the said Westby Brook Perceval, Esquire, on behalf of Her Most Gracious Majesty the Queen, in the presence of WALTER KENNAWAY, Secretary, New Zealand Government Office, 13, Victoria Street, London.

WESTBY B. PERCEVAL. (L.S.)

The Common Seal of the Eastern Extension Australasia and China Telegraph Company (Limited), was hereunto affixed in the presence of

JOHN PENDER, Chairman.
F. E. HESSE, Secretary.

(The Common Seal of
the Eastern Extension
Australasia and China
Telegraph Company
(Limited).)

THE FIRST SCHEDULE.

*Schedule of the Reduced Rates for Telegrams exchanged with South and Western Australia,
Exclusive of Messages to and from Queensland.*

	Net Australian Rate to be Credited to Guarantee.			Outpayments.					Total Rate.
	Cis-Indian Joint Purse.	Extension Company.	Total.	Europe.	India.	Java.	Australia.	Total.	
Europe—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Ordinary, <i>via</i> Suez or <i>via</i> Teheran	2 7	1 0	3 7	0 2	0 3½	0 1½	0 7	1 2	4 9
Government ..	2 6	..	2 6	0 2	0 3½	0 1½	0 5	1 0	3 6
Press ..	0 10½	0 4	1 2½	0 0½	0 1½	0 0½	0 4	0 6½	1 9
Aden ..	2 3	1 6	3 9	..	0 3½	0 1½	0 7	1 0	4 9
Suakim ..	2 5	1 4	3 9	..	0 3½	0 1½	0 7	1 0	4 9
Egypt ..	2 9	1 0	3 9	..	0 3½	0 1½	0 7	1 0	4 9
Persian Gulf ..	1 2	2 7	3 9	..	0 3½	0 1½	0 7	1 0	4 9
Persia ..	0 11	1 8	2 7	Persia. 1 2	0 3½	0 1½	0 7	2 2	4 9
India ..	..	3 7	3 7	..	0 5½	0 1½	0 7	1 2	4 9
Penang ..	..	3 7	3 7	..	..	0 1	0 7	0 8	4 3
Malacca ..	..	3 7	3 7	..	..	0 1	0 7	0 8	4 3
Singapore ..	..	3 7	3 7	..	..	0 1	0 7	0 8	4 3
Hongkong and beyond ..	..	5 1	5 1	..	..	0 1	0 7	0 8	5 9
Macao ..	..	5 6	5 6	..	..	0 1	0 7	0 8	6 2
Manila ..	..	6 7	6 7	Spain. 0 2½	..	0 1½	0 7	0 11	7 6
Cochin China ..	..	3 11	3 11	..	0 1½	0 1½	0 7	0 10	4 9
Tonquin ..	..	3 11	3 11	..	1 3½	0 1½	0 7	2 0	5 11
Java ..	..	3 1	3 1	..	..	0 1	0 7	0 8	3 9
Europe <i>via</i> Moulmein ..	2 7	4 0	6 7	Europe. 0 2	India, Siam, & Cochin China. 2 1	0 1	0 7	2 11	9 6
„ <i>via</i> Hongkong ..	..	5 1	5 1	Northern Co. 6 10	..	0 1	0 7	7 6	12 7
„ <i>via</i> Turkey to Aus- tralia	1 1	1 0	2 1	Europe. 1 6	India. 0 3½	0 1½	0 7	2 6	4 7
„ <i>via</i> Turkey from Australia	1 1	1 2	2 3	1 6	0 3½	0 1½	0 7	2 6	4 9

THE SECOND SCHEDULE.

*Schedule of Rates on Telegrams exchanged between Europe and the Australasian Colonies, other
than South and Western Australia.*

	South and Western Australia.	Victoria.	New South Wales.	Eastern Extension Cable.	New Zealand.	Queensland.	Tasmania.	Rate from Port Darwin or Roebuck Bay.	Total.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
SOUTH AND WESTERN AUSTRALIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 7	..	..	..	..	..	..	4 2	4 9
Government ..	0 5	..	..	..	..	..	..	3 1	3 6
Press ..	0 4	..	..	..	..	..	..	1 5	1 9
VICTORIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 7	0 1	..	..	..	..	..	4 2	4 10
Government ..	0 5	0 1	..	..	..	..	..	3 1	3 7
Press ..	0 4	0 1	..	..	..	..	..	1 5	1 10
NEW SOUTH WALES—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 7	..	0 2	..	..	..	..	4 2	4 11
Government ..	0 5	..	0 2	..	..	..	..	3 1	3 8
Press ..	0 4	..	0 1	..	..	..	..	1 5	1 10
TASMANIA—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 7	0 1	..	0 6	..	..	0 1	4 2	5 5
Government ..	0 5	0 1	..	0 6	..	..	0 1	3 1	4 2
Press ..	0 4	0 1	..	0 6	..	..	0 1	1 5	2 5
NEW ZEALAND—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	0 7	..	0 1	0 3	0 1	..	..	4 2	5 2
Government ..	0 5	..	0 1	0 3	0 1	..	..	3 1	3 11
Press ..	0 4	..	0 1	0 3	0 1	..	..	1 5	2 2
QUEENSLAND—									
Europe—Ordinary (<i>via</i> Suez or Teheran) ..	1 1	..	0 3	..	..	0 3	..	7 10	9 5
Government ..	1 1	..	0 3	..	..	0 3	..	7 10	9 5
Press ..	0 4	..	0 1	..	..	0 1	..	2 3	2 9

The rates for telegrams exchanged with the other places mentioned in Schedule 1 will be increased in the same ratio as telegrams exchanged with Europe.

Enclosure 2 in No. 35.

AGREEMENT AS TO RATES BETWEEN NEW ZEALAND AND NEW SOUTH WALES.

AN AGREEMENT, made this thirteenth day of December, 1892, between Her Most Gracious Majesty the QUEEN of the one part, and the EASTERN EXTENSION AUSTRALASIA and CHINA TELEGRAPH COMPANY, Limited (hereinafter called the "the Extension Company") of the other part.

WHEREAS these presents are entered into on behalf of Her Majesty, by the authority of the Government of New Zealand: And whereas the telegraph cables connecting New Zealand with New South Wales are owned by the Extension Company: And whereas upon the average of the last three years the existing total yearly receipts of the Extension Company in respect of all messages, whether intercolonial or international, passing over the said cables have, for the purposes of this agreement, been agreed between the parties at the sum of £26,258 (say, twenty-six thousand two hundred and fifty-eight pounds): And whereas it has been proposed that the rates heretofore charged by the Extension Company for transmission of telegraphic messages by means of the said cables shall be reduced upon the terms and in consideration of the guarantee hereinafter contained:

Now these presents witness, and it is hereby agreed and declared, as follows:—

1. The Extension Company will, from and after 1st January, 1893, transmit all telegraphic messages passing over the said cables at the following rates, which rates are hereinafter referred to as "the new rates," viz.,—

I. As regards certain intercolonial messages—that is to say, messages passing between New Zealand and the following colonies, viz., New South Wales, Victoria, South Australia, Western Australia, and Tasmania:—

For all Government and ordinary messages, at the rate of two shillings for the first ten words or less and threepence for every additional word in excess of ten.

For all Press messages transmitted to or received by the New Zealand Press Association, at the rate of threepence per word; and for all Press messages addressed to or received by any individual newspaper, at the rate of one penny per word.

II. As regards intercolonial messages passing between New Zealand and Queensland:—

For all messages transmitted from New Zealand to Queensland, at the rates specified in the preceding subclause:

But, as regards messages transmitted from Queensland to New Zealand,—

For all Government and ordinary messages, at the rate of eight shillings and sixpence for the first ten words or less, and tenpence for every additional word in excess of ten.

For all Press messages transmitted from Queensland to New Zealand, at the rate of threepence per word.

For all "collect" messages, Government, ordinary, or Press, transmitted from Queensland to New Zealand, being replies to "reply paid" messages, the rates last named for Government, ordinary, or Press messages, as the case may be, shall be collected in New Zealand.

III. As regards international messages—that is to say, messages passing between New Zealand and any country other than the following colonies, viz., New South Wales, Victoria, South Australia, Western Australia, Queensland, and Tasmania—at the rate of threepence per word, whether the message be Government, ordinary, or Press.

2. By "Press messages" are meant messages addressed to newspapers duly published in accordance with the respective laws relating to the publication of newspapers in force in the United Kingdom or the colonies or countries in which they are respectively published, and intended in good faith for publication in full in such newspapers, and shall include only such as are intelligible and written in English in plain language, and without the use of cipher code, groups of figures or letters, or words of concealed meaning.

3. If, during the period between the 1st January, 1893, and the 30th April, 1893, the total receipts of the Extension Company in respect of messages passing over the said cables shall be less than the sum of £8,753 (say, eight thousand seven hundred and fifty-three), or if in any year while the new rates shall continue in force by virtue of these presents such total receipts shall be less than the sum of £26,258 (say, twenty-six thousand two hundred and fifty-eight pounds), Her Majesty will cause to be paid to the Extension Company, out of the consolidated revenue funds of New Zealand, a sum equal to three-fourths of the amount by which such receipts shall be less than £8,753 (say, eight thousand seven hundred and fifty-three) or £26,258 (say, twenty-six thousand two hundred and fifty-eight pounds), as the case may be.

4. Any sum of money payable under clause 3 hereof shall be paid to the Extension Company in London, in sterling money, free from all deductions, within three calendar months from the close of each year, and for the purposes of this agreement the first year shall be deemed to terminate on 30th April, 1893, and thereafter a year shall be deemed to commence on the 1st May and terminate on the 30th April following, both days inclusive.

5. If in any year while the new rates continue in force by virtue of these presents there shall be a total interruption of telegraphic communication between New Zealand and New South Wales, arising otherwise than by reason of war or any such like cause, which shall continue for more than one calendar month, inclusive of the day on which such interruption shall happen, a deduction of 1-365th part of any sum payable under clause 3 in respect of such year shall be made for every day beyond the said month during which there shall be such total interruption, inclusive of the day on which it ceases: Provided always that if such interruption shall arise by reason of war, or any such like cause, no such deduction shall be made, but the Extension Company will restore or procure the restoration of such communication with all possible despatch so soon as such cause shall have been

removed, the cost of so doing being in such case borne by Her Majesty out of the consolidated revenue funds of New Zealand.

6. The new rates shall continue in force until the expiration of a notice given in manner next hereinafter mentioned. The said notice shall not be less than one calendar month's notice in writing, expiring either on the 30th day of April, 1893, or on the 30th day of April in any subsequent year; and may be given either by the Extension Company to the Agent-General of New Zealand by leaving the notice at the office in London of such Agent-General, or by such Agent-General to the company by leaving such notice at the office of the Extension Company in London.

7. Immediately upon the expiration of any notice given in accordance with the preceding clause hereof, the existing rates shall, unless and until otherwise determined by the Extension Company, come again into operation, and the Extension Company shall be at liberty to exercise all such rights as it now enjoys in respect of fixing the rates to be from time to time in force.

In witness whereof Westby Brook Perceval, Esquire, the Agent-General for New Zealand, duly authorized to execute these presents on behalf of Her Most Gracious Majesty the Queen, hath hereunto set his hand and seal, and the common seal of the Eastern Extension Australasia and China Telegraph Company (Limited) hath been hereunto affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Westby Brook Perceval, Esquire, on behalf of Her Most Gracious Majesty the Queen, in the presence of— WALTER KENNAWAY, Secretary, New Zealand Government Office, 13, Victoria Street, London.	}	WESTBY B. PERCEVAL. (L.S.)
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The common seal of the Eastern Extension Australasia and China Telegraph Company (Limited) was hereunto affixed in the presence of— JOHN PENDER, Chairman. F. E. HESSE, Secretary.	}	{ The common seal of the Eastern Extension Australasia and China Telegraph Company, (Limited). }
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Enclosure 3 in No. 35.

The AGENTS-GENERAL to the SECRETARY of STATE for the COLONIES.

Westminster Chambers, 9, Victoria Street, London, S.W.,

13th December, 1892.

MY LORD MARQUIS,—

Adverting to the letter which we had the honour to address to your Lordship on the 11th ultimo, in reference to increased telegraph rates with Australasia, and to the interview which subsequently took place with your Lordship and the Secretary of State for India on the subject, we have now the honour to state that, in consequence of the great disappointment that has been felt in the colonies at the continued serious delay in introducing the proposed changes of tariff, it has become a matter of the greatest importance that the new tariffs should be brought into force not later than the 1st January next.

In order to do this it is necessary that the requisite fifteen days' notice to the International Bureau should be given forthwith, and believing, as we do, from the favourable remarks made by the Secretary of State for India and your Lordship at the above-mentioned interview, that a satisfactory decision will be arrived at by the Indian Government, we have, upon instructions from our respective Governments, requested the Eastern Extension Telegraph Company to at once formally notify to Berne that the changes of tariffs are to commence on the 1st January proximo.

We have, &c.,

SAUL SAMUEL, Agent-General for New South Wales.
 E. BRADDON, Agent-General for Tasmania.
 W. B. PERCEVAL, Agent-General for New Zealand.
 J. C. BRAY, Agent-General for South Australia.
 AND. CLARKE, Acting Agent-General for Victoria.
 MALCOLM FRASER, Agent-General for Western Australia.

The Most Hon. the Marquis of Ripon, K.G., G.C.S.I., &c.,
 Secretary of State for the Colonies.

Enclosure 4 in No. 35.

The AGENTS-GENERAL to the EASTERN EXTENSION COMPANY.

Westminster Chambers, 9, Victoria Street, London, S.W.,

13th December, 1892.

SIR,—

In consequence of the keen disappointment felt in the colonies at the continued serious delay in introducing the increased telegraph rates with Australasia, it has become a matter of the greatest importance that the new tariffs should be brought into operation not later than the 1st January proximo, and we have, therefore, on behalf of our respective Governments, to request that the company will give the requisite notification to the International Bureau at Berne without further delay.

In the event of the Indian Government persisting in, and being able to enforce their claim for, an increased transit rate, the guaranteeing Governments will share with the company whatever loss may be sustained.

We are, &c.,

SAUL SAMUEL, Agent-General for New South Wales.
E. BRADDON, Agent-General for Tasmania.
W. B. PERCEVAL, Agent-General for New Zealand.
J. C. BRAY, Agent-General for South Australia.
AND. CLARKE, Acting Agent-General for Victoria.
MALCOLM FRASER, Agent-General for Western Australia.

The Chairman, Eastern Extension Australasia and China
Telegraph Company (Limited), London.

Enclosure 5 in No. 35.

The EASTERN EXTENSION COMPANY to the AGENT-GENERAL.

Eastern Extension Australasia and China Telegraph Company, London, E.C.,

DEAR SIR,—

13th December, 1892.

On behalf of the Eastern Extension Australasia and China Telegraph Company (Limited), I undertake that the several agreements regarding the new cable-rates to New Zealand from London, and New Zealand from Australia, are in the form agreed upon by the New Zealand Government with our Manager in Australasia. The agreements are dated this day.

W. B. Perceval, Esq., Agent-General for New Zealand.

I am, &c.,

F. E. HESSE.

No. 36.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 14th February, 1893.

I have the honour to acknowledge the receipt of your letter of the 20th December last, forwarding copies in duplicate of the two agreements of the 13th *idem*, entered into between the Governments of Australia (Queensland excepted) and New Zealand, and the Eastern Extension Australasia and China Telegraph Company. I note that, before signing them, you obtained the assurance of the Eastern Extension Company, in the letter of which you enclosed a copy, that the documents submitted for your signature were in the form agreed to by this Government.

You will already have learned that the Indian Government has decided that the existing transit rate of 35 centimes is not to be increased while the through tariff remains at 4s. 9d. a word.

I have, &c.,

A. J. CADMAN,
for the Premier.

W. B. Perceval, Esq., Agent-General for New Zealand, London.

No. 37.

The Hon. Mr. WARD, Sydney, to Mr. GRAY.

(Telegram.)

Sydney, 29th March, 1893.

PLEASE arrange for a reduced press cable rate of one penny per word, to come into operation from 1st April next. Our land rates to be the same as at present both ways. Give this publicity.

CABLE TO NEW CALEDONIA.

No. 38.

The Hon. the PREMIER, Melbourne, to the Hon. the PREMIER, Wellington.

SIR,—

Premier's Department, Melbourne, 18th November, 1892.

I have quite casually become acquainted with a contract which has been made by New South Wales and Queensland for the construction of the first section of a main telegraph cable from Australia to America. This, as you are aware, has been a matter of considerable discussion for some years past as a general Australasian question, but the two colonies mentioned appear to have settled the matter without reference to the other Australasian Governments.

I have addressed representations in a friendly tone to the Premiers of New South Wales and Queensland, and a copy of my letters I now have the honour to transmit herewith for your information, together with a copy of the printed paper [not published] which contains the contract and connected correspondence.

I shall be glad to know whether you approve of the attitude of this Government with regard to this subject, and shall be pleased if you think well to support the representations contained in my letters.

I have, &c.,

WM. SHIELDS.

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

Enclosure 1 in No. 38.

The Hon. the PREMIER, Melbourne, to the Hons. the PREMIERS, Sydney and Brisbane.

SIR,—

Premier's Department, Melbourne, 17th November, 1892.

Quite casually I have seen the parliamentary paper specified in the margin,* from which alone I have become acquainted with the very important contract entered into by New South Wales and Queensland for a telegraph-cable from the Queensland shore of Australia to New Caledonia.

2. I feel sure you will believe that if this had been a matter merely affecting the colonies mentioned, I should not now venture to offer any comment upon it. I gather, however, from the published contract and correspondence, that the cable to New Caledonia is a section of a main cable to connect Australia with America, and thence with Europe; and that subsidies from the other Australasian Colonies are contemplated for the work as a whole.

3. It is, however, not alone on the ground that a subsidy may hereafter be requested from Victoria, that I now refer to the matter; but the question of a second cable to connect Australia with Europe has, for several years past, been fully recognised as a matter of general Australasian concern; it formed the principal subject of a proposed Conference between these colonies and Canada, and the Government of Victoria has always taken a warm interest in it. There were important questions to be considered affecting the interests of all the colonies, which, no doubt, they were prepared to deal with when called upon to do so; such were the route, the contractor, and the general support or subsidy. Regarding the matter in this light, the Government of this colony would have been glad to have had an opportunity of considering it in concert with the other Governments now parties to the contract.

4. The route, especially, is a question having not only intercolonial but even national bearings. One principle mooted in previous discussions was, that any second cable should be laid entirely through British territory (excepting Samoa and Honolulu, which hardly count in an international question); but it appears from the correspondence that the following route "has been decided upon—viz.: From Queensland to New Caledonia, thence to Fiji, thence to Samoa, thence Fanning Island, thence Honolulu, thence San Francisco or Vancouver."

5. By passing through New Caledonia this cable will enter the territory of a European Power to which it seems most undesirable to give any opportunity of interfering with the line. Should there at any time, unhappily, be war with France, the line would be quite useless, either to the colonies or to Great Britain. May I venture to throw out the suggestion that a preferable route would have been direct from Queensland to Fiji, a connection with New Caledonia being made a quite subordinate matter.

6. It is possible that your Government has an ulterior intention to favour the establishment of a direct cable independently of New Caledonia, though this is certainly not to be gathered from the printed papers. I shall be very glad, however, if you will inform me whether such is the case; and if not, what your views are as to the obvious danger of the line being interfered with in the event of a European war.

7. In now writing, I sincerely trust that you will not feel that I am intervening without warrant in regard to this matter. I have, however, endeavoured to show that it has an aspect in regard to which the other Australasian Colonies are interested, in no unimportant degree.

I have, &c.,

The Hon. the Prime Minister, Queensland [and New South Wales].

WM. SHIELDS.

* N.S.W.—Legislative Council, 1892. "Submarine cable between Australia and Vancouver *via* New Caledonia—Proposed construction of."—C.-16.

No. 39.

MINUTE by the Hon. the POSTMASTER-GENERAL.

I AGREE generally in the views of the Victorian Premier. I think the line, in its national aspect, most undesirable. New Zealand has not been asked to be a party to the contract; and, should such a request be made, in my opinion it should be declined.

23rd December, 1892.

J. G. WARD.

No. 40.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne.

SIR,—

Premier's Office, Wellington, 29th December, 1892.

I have the honour to acknowledge the receipt of your letter of the 18th ultimo, enclosing copy of one which you had addressed to the Premiers of New South Wales and Queensland, on the subject of a contract made by those colonies for the construction of the first section of a telegraph-cable from Australia to America *via* New Caledonia.

In reply, I beg to state that this Government cordially approves of the attitude taken by your Government, as it considers the line by the proposed route, in its national aspect, to be most undesirable. And, I need hardly say, that it is not possible that New Zealand can at any time become a party to it.

I have, &c.,

The Hon. the Premier, Melbourne, Victoria.

J. BALLANCE.

3—F. 5.

No. 41.

The Hon. the PREMIER, Melbourne, to the Hon. the PREMIER, Wellington.

SIR,—

Premier's Department, Melbourne, 8th May, 1893.

The Postal Conference at Brisbane being concluded, I have obtained a perusal of a proof of the proceedings, and now beg to draw your attention to the position of the matter of the contract entered into by Queensland and New South Wales for a telegraphic cable to New Caledonia.

2. I have received answers from New South Wales and Queensland to the letter of friendly remonstrance addressed to those Governments on the 17th November, of which a copy was transmitted to you on the 18th idem.

3. The answer of New South Wales is merely a covering letter, enclosing a minute by the Deputy Postmaster-General of that colony, which is confined solely to the point of this matter having been settled without the knowledge of the other Australasian Governments; and in this minute the Deputy Postmaster-General relies entirely upon the submission of the matter to the Hobart Postal Conference in March, 1892.

4. The sufficient reply to this is, that the negotiations had been concluded when the papers were laid before the Conference, the letter of the Hon. the Postmaster-General of New South Wales to Mr. Audley Coote, closing the agreement, being dated the 18th of March, the very day on which the papers were laid before the Conference. On the evening of that day, a brief discussion took place on a simple motion that the order of the day relating to the matter be discharged, which motion was carried. I cannot but feel that, supposing the other colonies to have any interest in the matter, a submission of it *ex post facto* to a Postal Conference can hardly be said to involve the other colonies in a consent to or approval of the arrangement.

5. I desire also to submit, as of some importance in view of future intercolonial conferences, that a matter of such wide bearings as the present should scarcely have been dealt with by a slight advertence to it in a Conference of a departmental character, but should have been formally submitted through the Premiers of the colonies interested for the consideration of the respective Cabinets. The Conference could hardly have been fairly seised of a matter the papers relating to which had only that day been laid before it, and were then ordered to be printed. It seems to me that an element of danger may lurk in the minor colonial Conferences if they should be taken as sanctioning matters such as this, on such very slight reference to them as was made to this matter at the Hobart Postal Conference.

6. As regards Queensland, Sir Samuel Griffith, in a reply of the 8th December to my predecessor's letter of the 17th November, also relies on the submission of the matter to the Postal Conference, as implying the approval of the Governments there represented, but he refers to the negotiations as being then pending. That this was not so, at least as regards New South Wales, I have already shown; and as regards Queensland I would point out that the Hon. the Postmaster-General of Queensland, in his speech at the Conference on the 18th March, distinctly referred to the matter as one already settled. He said: "The Governments of Queensland and New South Wales had undertaken, in connection with the Government of France, to pay the guarantee required for the working of that portion of the cable," &c.

7. The serious point, as regards the other colonies, is that sooner or later the whole of Australasia will be interested in the laying of a second cable; and that the freedom of the other colonies to stipulate for a route, or to contract with the most advantageous tenderer, is marred by this premature engagement with a foreign company.

8. On the question of route, I would direct your attention to the important proceedings of the London Colonial Conference of 1887, *vide* particularly Mr. Sandford Fleming's remarks at page 212.

9. Sir Samuel Griffith, in his letter of the 8th December, takes the ground that the question of this cable forming part of a main cable to America is quite open. He says: "I am unable to offer any opinion on the question whether the cable now proposed to be laid will eventually form part of a line connecting Australia with America;" and the Hon. the Postmaster-General of Queensland, speaking in the Conference at Brisbane on the 22nd March, expresses the same view, only more emphatically. He says (page 6 of report of Conference): "I may say at once without hesitation that we have entered into no agreement which at all binds us to extend the cable through that particular company beyond New Caledonia." Similarly, the Postmaster-General of New South Wales says (page 8 of Report): "So far as the other sections of the cable on to Vancouver are concerned, we are just as free as the Governments of the other colonies." But this is in direct conflict with the signed and sealed contract between New South Wales and the French company, the 3rd clause of which reads as follows: "3. The said cable shall form part of the main Pacific cable connecting Queensland with Vancouver, San Francisco, or other such places in North America as may hereafter be determined."

10. If the two colonies have merely made a contract for a cable to New Caledonia, simply and solely, then we have no ground for comment with regard to it. But if, on the other hand, they have made a contract that this cable shall form a part of any future main Pacific cable, then the situation is quite altered; for either the other colonies must accept under a measure of compulsion the New Caledonian cable as the first section of the main one; or else, if they decide on another than the New Caledonian route, they must be without the co-operation of these two great colonies.

11. There is another important discrepancy between the statements made in Conference and the printed documents. The Hon. Mr. Unmack says (page 6 of Report): "We have been charged with granting the exclusive right of landing a cable in our territory to a foreign company. Nothing could be more void of truth than such a statement. We have certainly made an agreement with this company, allowing them to land a cable on Queensland shores, but we are not precluded from allowing fifty other companies a similar privilege." But in the Bill laid before the French Chamber of Deputies, it is stated that: "This company [Société Française des Télégraphes Sous-Marins] has

succeeded in obtaining the exclusive landing right for Queensland as well as the financial assistance of that Government and of that of New South Wales." And the Convention for the establishment and working of the cable in question forming part of the Bill laid before the French Chamber contains the following: "Article 2. The Société Française des Télégraphes Sous-Marins, which possesses the landing rights for the territory of the Queensland Government, undertakes to lay the cable and to have it open for working by the 22nd September, 1893, and to maintain it during the whole term of the concession." It would seem from this that either the Government of France or that of Queensland is under a thorough misapprehension on this point.

12. I think you will feel, as I do, great regret that the colonies of Australasia generally were not consulted by New South Wales and Queensland prior to the negotiations in question; and that these two colonies should, by taking independent action, have placed the others—I am sure unwittingly—in such an embarrassing position. It seems difficult to reconcile the statements made in defence of this matter with the actual documents. It were greatly to be wished that the position were as represented in the speeches—namely, that New South Wales and Queensland are under no engagement with the French company as to a future main cable; but I fear that it is not so. I am most reluctant to take a position of divergence from the two colonies, but it seems to me that we are in a dilemma; and that we must either fail in duty to the interests of our own colonies, or else at once announce our dissent from the action which has been taken in this matter.

13. Under all the circumstances, I propose to notify the Imperial Government, through His Excellency the Governor and the Agent-General, also the Government of Canada, of the position of this Government as regards the contract which has been made with the French company. I also intend to again address the Governments of New South Wales and Queensland, pointing out the extremely difficult position in which the other colonies are placed.

14. I would suggest the advisability of similar action by your Government, and shall be glad to learn your intentions.

I have, &c.,

The Hon. the Prime Minister, Wellington.

J. B. PATTERSON, Premier.

Enclosure 1 in No. 41.

The Hon. the PREMIER, Brisbane, to the Hon. the PREMIER, Melbourne.

Chief Secretary's Office, Brisbane,
8th December, 1892.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 17th November, referring to the contract recently entered into by the Governments of New South Wales and Queensland for the construction of a submarine telegraph cable from the Queensland shore to New Caledonia.

Mr. Unmack, Postmaster-General of this colony, laid the correspondence relating to this matter before the Postal Conference held at Hobart in March last. It will be found in the Report of the Proceedings of the Conference at pp. 72–9.

The subject was briefly discussed at the evening sitting of the Conference on the 18th March, Mr. Gavan Duffy, Postmaster-General of Victoria, taking part in the discussion, which is recorded at p. 97 of the report.

The negotiations then pending having been thus formally brought under the notice of the Governments represented at the Conference, and no offer having been afterwards made by any of them to join the Governments of New South Wales and Queensland in the obligations proposed to be incurred, nor any objection offered on their behalf to the completion of the negotiations, it was assumed by the Government of this colony, and I presume by that of New South Wales, that the other Governments did not dissent from the proposed action.

The negotiations have since been completed, and I understand that the laying of the cable from Queensland to New Caledonia will shortly be commenced.

I regret, for my own part, that all the Australian colonies have not joined in the contract, but in the present condition of affairs—to be remedied, I think, only by the establishment of a Federal Government—such common action appears to be impracticable.

I am unable to offer any opinion on the question whether the cable now proposed to be laid will eventually form part of a line connecting Australia with America. This Government is, however, very anxious that such a line should be established at as early a date as possible, and it has been this desire which, as no doubt you are aware, has induced it to refrain from joining in any contract likely to continue for an indefinite period the monopoly now enjoyed by the Eastern Extension Company. In the meantime, I think that the establishment of telegraphic communication with New Caledonia, even if the line goes no further, will be of sufficient advantage both commercially and politically to the Australian colonies to justify the action taken by this Government in conjunction with that of New South Wales.

I have, &c.,

The Hon. W. Shiels, M.P., Prime Minister, Melbourne.

S. W. GRIFFITH.

Enclosure 2 in No. 41.

MR. SANDFORD FLEMING said (*vide* pp. 212–13 of Report of Proceedings of London Colonial Conference, 1887): "It is only necessary to look at a telegraph map of the world to see how dependent on Foreign Powers Great Britain is at this moment for the security of its telegraphic communication with Asia, Australasia, and with Africa; in fact, it may be said that the telegraphic communication between the Home Government and every important division of the Empire, except Canada, is dependent on the friendship (shall I say the protection?) of Turkey. Is not Turkey continually exposed to imminent danger from within? Is she not in danger of falling a prey to covetous neighbours whose friendship towards Great Britain may be doubted? . . . The Otto-

man Government, on which we depend for communication with India and Australia and the Cape Colonies, appears continually exposed to impending disaster. . . . From Vancouver, cables may be laid to Australasia by way of Hawaii, or they may be laid from one British island to another, and thus bring New Zealand and all the Australian colonies directly into telegraphic connection with Great Britain, without passing over any soil which is not British, and by passing only through seas as remote as possible from any difficulties which may arise in Europe."

No. 42.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Melbourne.

SIR,—

Premier's Office, Wellington, 1st June, 1893.

I have the honour to acknowledge the receipt of your circular letter of the 8th May, on the subject of the contract entered into by Queensland and New South Wales for a telegraphic cable to New Caledonia.

I agree with you that it is to be regretted the other colonies were not previously consulted by the Governments of Queensland and New South Wales; but I fail to see that by their independent action they have placed the other colonies in an embarrassing position, or that any sanction can be held to have been given by the Hobart Postal Conference. I regret, therefore, that this Government cannot see its way to take any action in the matter.

I have, &c.,

R. J. SEDDON,

Premier.

The Hon. the Premier, Melbourne, Victoria.

No. 43.

The Hon. the PREMIER, Melbourne, to the Hon. the PREMIER, Wellington.

SIR,—

Premier's Department, Melbourne, 15th June, 1893.

I have the honour to acknowledge the receipt of your letter of the 1st instant, in reply to my circular letter of the 8th May, informing me of the views held by your Government on the subject of the agreement entered into by the Governments of Queensland and New South Wales for the construction of a telegraphic cable to New Caledonia.

I have, &c.,

J. B. PATTERSON, Premier.

The Hon. the Premier, Wellington.

SINGAPORE-HONG KONG CABLE.

No. 44.

The MANAGER in AUSTRALASIA, Eastern Extension Company, to the Hon. the POSTMASTER-GENERAL.

The Eastern Extension Australasia and China Telegraph Company (Limited),
Melbourne, 10th March, 1893.

SIR,—

I have the honour to inform you that, as telegraphic communication between Hong Kong and the rest of the British Empire at present passes through French territory on the one side and Russian on the other, making it very weak and insecure in the case of political complications arising, the necessity for a second cable between Singapore and Hong Kong—avoiding Saigon altogether—has long been felt, and for the past eight years has formed the subject of considerable negotiation between this company and local and Home authorities.

Nothing practicable, however, resulted, owing to the necessary monetary assistance to enable the company to carry out such a costly undertaking (over £300,000) not having been forthcoming from the local Governments or Mother-country.

The question has, however, lately been revived by interruptions to the Singapore-Saigon cable causing a diversion of the traffic *via* Siberia, to the great inconvenience of the Governments and the public; and as the company are now in a better financial position than when the subject was first mooted they are prepared to make a considerable monetary sacrifice by at once laying a second cable *without any subsidy*, provided they are given preference of supplying any further cables in Hong Kong-Singapore waters required to meet public wants, as was granted by Egypt and India to the Eastern Telegraph Company some years ago.

The Singapore and Hong Kong Governments, supported by the Chamber of Commerce, have expressed their readiness to grant this, and the Secretary of State for the Colonies is also favourable to it.

As the direct cable from Singapore to Hong Kong would be also advantageous to the telegraphing community of Australasia, the Chairman would like to have an expression from you to lay before Lord Ripon as to the provision asked for, viz.: Whether you see any objection to this company having the privilege of laying any further cables in the Singapore-Hong Kong waters that may be required to meet the future public wants.

The Victorian and South Australian Governments have approved of such a privilege being granted, and recognise the advisability of having independent telegraphic communication with Hong Kong that will be free from foreign interference.

I shall be glad if you will favour me with an early reply.

I have, &c.,

The Hon. J. G. Ward,

Postmaster-General of New Zealand.

WM. WARREN,

Manager in Australasia.

No. 45.

The Hon. the POSTMASTER-GENERAL to the MANAGER in AUSTRALASIA, Eastern Extension Company.

Post Office and Telegraph Department,

SIR,—

General Post Office, Wellington, 3rd May, 1893.

I have the honour to acknowledge the receipt of your letter of the 10th ultimo, directing attention to the weakness and insecurity of telegraph communication between Hong Kong and the rest of the British Empire, owing to the lines passing through foreign territory on both sides; intimating that your company is now in a position to lay a direct cable between Singapore and Hong Kong without any subsidy; and asking whether any objection exists to your company being granted the privilege of laying any further cables in the Singapore-Hong Kong waters.

In reply, I beg leave to inform you that I fully concur in the necessity for the integration of British telegraph lines throughout the Empire, and I note your company's proposal with satisfaction. In my opinion there would be no objection on the part of this colony to your company having the privilege of laying any further cables that may be required for future public wants in the Singapore-Hong Kong waters.

I have, &c.,

J. G. WARD,

Postmaster-General.

W. Warren, Esq.,

Manager in Australasia, the Eastern Extension Australasia and China
Telegraph Company (Limited), Melbourne.

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