

are generally considered advisable in connection with any cable project to which they give assistance.

6. The arrangement submitted on behalf of the colonies was for the joint ownership and control of the cable, the Imperial Government guaranteeing five-eighteenthths of any loss on the working and receiving the same proportion of any profits, the colonies guaranteeing the remaining thirteen-eighteenthths and taking a similar proportion of profits.

7. Her Majesty's Government accepted without hesitation the estimate of the colonial Governments of the proportion of the annual cost of the undertaking to be allotted to them as their share, and in offering, therefore, to guarantee the proportion asked for of any deficiency on the working and payment of interest and sinking fund, while foregoing any share in possible profits and any active control over the cable, Her Majesty's Government considered that they were proposing an arrangement which might be more acceptable to the colonies as leaving them a free hand in the management of an enterprise more intimately affecting their interests, and which was at least as favourable to them, from a pecuniary point of view, as that which had been submitted on their behalf.

8. If the original outlay would have been (as you anticipate) considerably increased by this arrangement, it must be remembered that, while the United Kingdom would have had to bear its full share of any deficiency so created, the whole of any profits would have been left to the colonies immediately interested and responsible for the efficient working of the cable, which, subject to the general conditions laid down, they would have been entirely free to work in the manner which appeared to them to serve their own interests best.

9. But, although Her Majesty's Government are unable to admit that their previous offer was other than fair and even generous, they feel the force of the considerations based upon higher grounds than mere commercial expediency which are emphasized in your letter of the 18th ultimo. You point out that it is the feeling in Canada and the colonies concerned that the proposed cable is an Imperial work, and that its success cannot fail to promote Imperial unity, in the furtherance of which the colonies are warmly interested; you say, further, that the desire of the colonies for the cable has been in no small degree based on the belief that the enterprise would be an Imperial undertaking, that the co-operation of the Mother-country has been relied upon, and that great disappointment would be felt if Her Majesty's Government did not accept the share of the responsibility which attaches to the Mother-country in virtue of her position as head of the Empire.

10. Her Majesty's Government highly appreciate the sentiments which have prompted the colonies concerned to urge the close co-operation of the Mother-country with themselves in a work of great importance to the Empire. They are therefore willing, in order to meet the wishes of the colonies, to consider the matter on a basis of utilising the credit of the United Kingdom in the provision of the capital necessary for the undertaking. But, as the adoption of this principle must involve the previous discussion of many questions relating to the mode of raising the capital, and to the construction and control of the cable, I am to suggest that for this purpose the colonial Governments should appoint delegates to meet the Chancellor of the Exchequer and Mr. Chamberlain.

I am, &c.,

The High Commissioner for Canada, London.

EDWARD WINGFIELD.

### No 58.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

PACIFIC cable: Concur your opinion. Appoint you delegate.

Wellington, 10th June, 1890.

### No. 59.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 10th June, 1899.

I have the honour to transmit herewith copies of the latest cables which have passed between us relative to the Pacific cable, and venture to hope that the meeting of colonial delegates with the Chancellor of the Exchequer and Her Majesty's Secretary of State for the Colonies may result in the scheme being placed on a practical basis acceptable to the colonies.

I have, &c.,

A. J. CADMAN, for the Premier.

The Hon. W. P. Reeves, Agent-General for New Zealand, London.

### No. 60.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, General Post Office, Hobart.

SIR,—

General Post Office, Wellington, 16th June, 1899.

I have the honour to acknowledge the receipt of your letter of the 26th ultimo, embodying copy of telegram received from the Agent-General for your colony in London in connection with the Pacific cable.

I have, &c.,

W. GRAY, Secretary.

The Secretary, Post and Telegraph Department, General Post Office, Hobart.

### No. 61.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 20th June, 1899.

I have the honour to acknowledge the receipt of your letter of the 21st April last, forwarding copy of a joint letter addressed to the Colonial Office by the Agents-General for Victoria,