

Article 3.—Her Majesty's Government will invite the Colonial Governments of Hongkong, the Straits Settlements, and Labuan to provide that the company's repairing-steamers, and all cables, cable apparatus, telegraphic instruments, and materials which are used solely for the purposes of the company in laying, repairing, or working the new cable, shall, during the term of this agreement, be exempt from payment of port and light dues at Hongkong, Singapore, and Labuan.

Article 4.—In consideration of the engagements entered into by the company in this agreement, and of the strict fulfilment thereof, Her Majesty's Government undertakes to secure the company against competition to the extent following, that is to say:—

Her Majesty's Government will not during the term of this agreement lay, nor grant nor permit to be granted any concession or authority for laying, any new submarine cables connected with Hongkong, Singapore, or Labuan (whether in competition with the cables of the company or not) unless such new cables should, in the opinion of Her Majesty's Government, be found necessary in the public interest of Great Britain, Hongkong, the Straits Settlements, or Labuan, or in the general interests of international telegraphic communication: Provided always that if it shall be decided that new cables are to be laid the company shall, all things being equal, have the preferential right to the contract or concession for laying the same: Provided that this article shall not prevent the Great Northern Company from repairing, renewing, or replacing any submarine cable connected with Hongkong, and shall not prejudice or affect the existing rights of that company.

Article 5.—Her Majesty's Government shall have the option at any time of cancelling all the foregoing articles of this agreement on giving to the company twelve months' previous notice, and on payment to the company of a sum of £300,000, being the estimated cost of laying such second cable.

Article 6.—Immediately on the payment of the amount provided in the last preceding article the said second cable shall become the property of Her Majesty's Government, and this agreement shall at once cease and determine.

Article 7.—Nothing in this agreement shall affect the right of Her Majesty's Government to grant to the Government of the Dominion of Canada or of any colony in Australia permission to lay or cause to be laid a submarine telegraph cable connecting Hongkong with Canada or with Australia, provided such connection with Canada or Australia be completed within five years from the date of this agreement, after which date the exception in this article mentioned shall become null and void.

Article 8.—This agreement, unless sooner determined under Article 5, shall remain in force for the term of twenty-five years from the date hereof.

In witness whereof the said George Frederick Samuel Robinson, Marquis of Ripon, &c., has, to one part of this agreement, set his hand and seal, and the company have, to another part of this agreement, caused their common seal to be affixed, the day and year above stated.

RIPON.

APPENDIX B.

PROPOSED PACIFIC CABLE.

MR. CHAMBERLAIN TO LORD MINTO.

(Code telegram.)

26th April, 1899.

REFERRING to your telegram of 24th April, Her Majesty's Government, anxious to show sympathy with Canadian and Australasian Governments by assisting Pacific-cable scheme, but cannot agree to take active part in laying or working line. Are accordingly willing to make contract with those Governments by which they assist setting up financially in every respect as if it were an enterprise of a private company, on these conditions:—

Firstly. That Canadian and Australasian Governments undertake to construct line and to provide yearly any further sum necessary for efficient maintenance and working.

Secondly. That subsidy runs for twenty years from opening of line to traffic as long as it is open, allowing reasonable time for repairs when communication interrupted.

Thirdly. That in accordance with specifications and samples to be approved by Treasury, and to satisfaction of officer appointed by Treasury for this purpose, cable is constructed, submerged in proper order, and equipped with proper stations and officers at places approved by Treasury, and effectively worked by sufficient staff of efficient officers, being British subjects.

Fourthly. Messages from Imperial Government to be transmitted in priority of all others; rates not to exceed half those payable from general public.

Fifthly. That all rates charged to public, whether for messages to or from or between intermediate stations, or for through messages between this country, Australia, and New Zealand, are approved by Treasury.

Sixthly. Annual returns duly certified and audited to be rendered to Treasury as soon as possible after anniversary of opening, showing net traffic receipts for messages sent over line, deducting payments for further transmission by other lines; also expense incurred, including interest of sinking fund and maintenance of repairs and working.

On examination of account Treasury will pay to person chosen by Colonial Governments five-eighths of deficit not exceeding £20,000 per annum.

Seventhly. Cable to be worked in accordance with International Telegraph Convention, 1875. Despatch follows by mail [see Enclosure in No. 42, F.—8, 1899.]

CHAMBERLAIN.