Enclosure 2 in No. 113.

The SECRETARY, General Post Office, London, to the SECRETARY, Pacific Cable Board.

General Post Office, London, 14th May, 1901. Sir.--

With reference to your letter of the 1st instant, requesting on behalf of the Pacific Cable Board that all "unrouted" telegrams for any of the stations included in the system of the Pacific cable may be forwarded by that route, I am directed by the Postmaster-General to say that, before answering definitely, His Lordship would be glad to be informed what arrangements the Board propose to make with regard to the transmission of Australian traffic over the route between this I am, &c., G. H. Murray. country and Vancouver.

The Secretary, Pacific Cable Board.

Enclosure 3 in No. 113.

The CHAIRMAN, Pacific Cable Board, to the Secretary, General Post Office, London.

The Pacific Cable Board, 24, Queen Anne's Gate, London, S.W., 12th June, 1901.

The Pacific Cable Board has had under its consideration your letter of the 14th ultimo, in reference to the application already made to the Postmaster-General that he would be so good as to send all unrouted telegrams to Australia via the Pacific cable so soon as the cable should be completed, and so long as it should be in efficient working-order.

In reply, you are instructed by the Postmaster-General to ask by what route the Board proposes to send its messages to Vancouver, and I am to state that the Board is desirous to carry out the intention of the various Governments interested in the cable, and to confine the route between this country and Vancouver to lines solely passing through British territory and worked by British operators.

The Postmaster-General will probably recollect that the Committee on which you yourself served reported that the Commercial Cable Company and the Canadian Pacific Railway would agree to transmit messages to Vancouver at the rate of 1s. a word. The Board since its appointment has ascertained that the Commercial Cable Company intended the rate to apply when the through rate from London to Australasia is 3s., but that when the through rate is higher than 3s. one-third of the rate shall apply to London and Vancouver until the rate reaches the present rate of 37 cents per word. The Board has duly ascertained, through the Anglo-American Telegraph Company, that the British Atlantic companies would carry their messages to Vancouver at the same rate as the Commercial Cable Company. In either case the Board has ascertained that arrangements would be made in Canada under which the messages would pass over exclusively British territory and be handled by British operators.

In these circumstances, and having regard to the fact that the Committee on which you served have apparently decided that the Commercial Cable Company, notwithstanding its foreign domicile, fulfilled all the conditions of the various Governments concerned, the Board is of opinion that it is its duty to divide the traffic to Vancouver between the Commercial Cable Company and the British companies. The precise manner in which this should be done may depend on the exact effect of the agreement under which the Canadian Pacific Railway undertakes to transmit all homeward messages on the Commercial Cable Company's cable. If that agreement is applied to the new Australasian traffic, the Board consider that it will be fair to give the whole outward traffic to the British companies. If, on the contrary, it is modified, the Board would propose that the outward and homeward traffic should be divided as equitably as possible between the Commercial Cable Company and the British pool companies.

With this explanation, I am again to inquire whether the Postmaster-General will be so good as to undertake to send all unrouted messages to Australasia on the Pacific cable. I am to add that it is important for the Board to have early information on this point. The Board is anxious as soon as it shall receive the Postmaster-General's reply to address a similar inquiry to the Governments of the Australian Commonwealth and of New Zealand.

The Secretary, General Post Office, E.C.

I am, &c., S. Walpole, Chairman.

Enclosure 4 in No. 113.

The Secretary, General Post Office, London, to the Chairman, Pacific Cable Board.

General Post Office, London, 13th June, 1901. SIR,-I am directed by the Postmaster-General to acknowledge the receipt of your letter of the 12th instant, respecting the application of the Pacific Cable Board that all unrouted telegrams to Australia might be sent by the Board's cable.

The matter will at once be considered, and the Postmaster-General hopes to be able to let you I am, &c., L. T. Horne. have an early reply.

The Chairman, Pacific Cable Board.