

any documents actually defining the subdivision of such thirteen-eightieths, but they understand—and you will no doubt yourself correct them if they are in error—that the Dominion of Canada undertakes to provide five, the Federal Government six, and the New Zealand Government two, *i.e.* :—

	£	s.	d.
His Majesty's Government	33,333	6	8
Dominion of Canada	33,333	6	8
Federal Government	40,000	0	0
New Zealand Government	13,333	6	8
	£120,000	0	0

I trust that this information will meet your requirements.

The Agent-General for New Zealand.

I am, &c.,

HUGH LATHAM, Secretary.

No. 49.

The SECRETARY, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,— Pacific Cable Board, 24, Queen Anne's Gate, S.W., 8th July, 1902.

I am instructed by the Pacific Cable Board to inform you that the Board are in receipt of a letter from their General Manager, Mr. Reynolds, containing particulars of an interview between Mr. Reynolds and yourself in reference to the capital and annual expenditure upon the cable-station now in course of erection at Doubtless Bay, and the proportion to be borne by your Government and this Board respectively. Mr. Reynolds concludes his letter in these terms: "In the original agreement the New Zealand Government was to bear half the cost of the land-lines and buildings. The revised proposal is that they should bear the cost of the land-line and pay us for operating it, and that we should bear the cost of the buildings."

I am now to refer you to the terms of the above-mentioned original agreement, which consists of the memorandum of agreement drafted by Mr. Peake, the Board's Engineer, and approved by your telegram dated the 3rd July, 1901 (copies enclosed). [Enclosure in No. 34, and No. 35, F.—8, 1901.] From this it would appear that it was not intended that any portion of the cost of the land-line should fall upon this Board, and that it was specifically provided that, in the event of either party to that agreement defraying the entire cost of the buildings and land, the non-contributing party should pay rent based on half the capital cost.

The Board have no information as to the reason which may have induced Mr. Reynolds to depart from the terms of the arrangement which was concluded between Mr. Peake and yourself, but, as apparently the revised proposal seems to have been formulated under a misapprehension of the terms of the memorandum, they propose to withhold their sanction of it until they have either the opportunity of discussing the matter with Mr. Reynolds or of considering any representations which the Government of New Zealand may be possibly addressing to them on the subject.

I am, &c.,

HUGH LATHAM, Secretary.

The Hon. Sir J. G. Ward, K.C.M.G., Postmaster-General, New Zealand.

No. 50.

The SECRETARY, Pacific Cable Board, London, to the Hon. the POSTMASTER-GENERAL, Wellington.

Pacific Cable Board, 24, Queen Anne's Gate, S.W., 8th July, 1902.

SIR,—

Doubtless Bay Cable-station.

With reference to your letter of the 14th May addressed to the Chairman of this Board, I am instructed to state that the Board approves and sanctions the expenditure of £200 increase in the original estimate for buildings, and of £200 additional to the £600 authorised for water-supply at the Doubtless Bay Cable-station, for which expenditure Mr. Reynolds has already given his provisional authority.

I am, &c.,

HUGH LATHAM, Secretary.

The Hon. Sir J. G. Ward, K.C.M.G., Postmaster-General, Wellington.

No. 51.

The Hon. the PREMIER (at London) to the Hon. the ACTING-PREMIER, Wellington.

(Telegram.)

London, 16th July, 1902.

In Conference, Sir Spencer Walpole, Pacific cable: Cost of cable £1,795,000, ship £70,000, buildings £70,000, instruments £25,000, engineers' fees £20,000—total £1,980,000; expenditure estimated for current year £80,000, renewal fund £25,000, officers' staff £22,000, up-keep ship £20,000, headquarters administration £5,000: total £152,000. In addition to this must be added profits on Canadian trade. Estimated deficit, £72,000. You will require make provision for our share of Honolulu connection. Estimated cost, £200,000. Intimated New Zealand favourable to connection. Board of Directors going to spend £3,000 for experiment Marconi Brest final decision. I am of opinion that extension of our Act will be required so as to include Honolulu connection. Had better be done.