

## CANVASSING.

No. 55.

The AGENT-GENERAL to the Hon. the PRIME MINISTER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

20th May, 1903.

SIR,—

I beg to transmit herewith extract from the *British Australasian*, containing a letter from the *New Zealand Herald* which appeared to me to fairly represent the public opinion prevalent in New Zealand with respect to the Pacific cable.

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The Hon. the Prime Minister, Wellington.

I have, &amp;c.,

W. P. REEVES.

## Enclosure in No. 55.

[EXTRACT from the *British Australasian* of the 14th May, 1903.]

## THE PACIFIC CABLE.

(To the Editor of the *British Australasian*.)

SIR,—For some years past you have been very liberal in granting your space to chronicling matters connected with the Pacific cable. As it is well that once in a way both sides of a question should be heard, I will ask you to be so good as to find room for the publication of the following article from the *New Zealand Herald* of the 13th March last. Without pinning myself to every expression contained in it, I think that, speaking generally, it fairly represents New Zealand public opinion on the Pacific cable, and explains the attitude of the New Zealand Government on the question.

I am, &amp;c.,

Westminster Chambers, 13, Victoria Street,  
London, S.W., 11th May, 1903.

W. P. REEVES.

[From the *New Zealand Herald*, 13th March.]

When the Pacific cable was finally completed it was very naturally supposed that the battle of the cables had been fought and won. But it appears that, having obtained the plant and initiated communication between the United Kingdom and Australasia, *via* Canada, the Pacific Cable Board may still be cramped and restrained by the difficulty of making the route pay. The source of the renewed trouble is, of course, the perfectly legitimate effort of the Eastern Extension Company to prevent business being diverted to the Pacific line. But the case is complicated by the persistent support given to the Eastern Extension Company by the Federal Government of Australia. In spite of the fact that the Australian States situated on the Pacific seaboard—Queensland, New South Wales, and Victoria—are co-operating partners in the Pacific cable, holding one-ninth each, a share equal to that of New Zealand, with the single exception of Queensland they seem for some time to have repented of their contract, doubtless assisted to repentance by the delicate exorcisms of the Eastern Extension. Canada and the United Kingdom, each five-eighths shareholders, have been firm in their adhesion to the bargain which all the parties freely entered into. We may claim the same for this colony. But New South Wales insisted upon making certain vital concessions to the company when the Pacific cable was still uncompleted, which enabled them to open private offices and conduct private land-lines, while Victoria only abstained from doing so because of her partners' protests. Since then there have been repeated indications of the influence acquired by the company over Australian statesmen, especially since the Federal Government took over the telegraphic interests of the various States. The culmination has been reached by the proposal to make a ten years' agreement between the Federal Government and the Eastern Extension Company, this agreement according the right to open offices and conduct land-lines as well as to practically monopolize the Government cable business. Sir Edmund Barton alleges that the agreement is favourable both to the Pacific cable and to the company; but it requires the faith that moves mountains to accept this. We may regard as a figure of speech Mr. Seddon's assertion that this will probably be the last, as it is the first, partnership that New Zealand has been concerned in with Australia. But the agreement is, upon the face of it, a most regrettable breach of the spirit, if not of the letter, of a straightforward understanding.

It may be admitted at once that this colony has no inducement to act as the Federal Government is disposed to act. The Pacific route places us very much nearer to the United Kingdom, either by steamer or by cable, than we are by the Federal route. The same may be said of Queensland, whose State Government is with us in the matter. But it would be altogether misleading to deduce from this the opinion that the whole question depends upon self-interest. When New South Wales first made the objectionable anti-Pacific arrangement with the Eastern Extension Company, in 1901, the Victorian Government hesitated to place itself in a similarly questionable position; and, finally, refused to do so. And the Melbourne Chamber of Commerce, while not entirely repudiating the present proposal, advises the Federal Government to qualify it by a purchase clause. The Eastern Extension, like the Federal mail-service, can obviously give better facilities as one moves westward, while the Pacific can give better facilities as one moves eastward. In Victoria and New South Wales the working advantages of the rival routes are fairly balanced, so that there is a great opportunity for influencing politicians who