# Session II. 1906. NEW ZEALAND.

# TELEGRAPH CABLES

# AND WIRELESS TELEGRAPHY

(FURTHER PAPERS RELATING TO).

[In continuation of Paper F.-8, presented on the 21st July, 1905].

Presented to both Houses of the General Assembly by Command of His Excellency.

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# EASTERN EXTENSION COMPANY'S CABLES.

# AUSTRALIA-NEW ZEALAND.

#### No. 1.

The Manager in Australasia, Eastern Extension Company, Melbourne, to the Secretary, General Post Office, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

Melbourne, 19th May, 1905. SIR.

I have the honour to acknowledge the receipt of your letter of the 12th instant [No. 4, F.-8, 1905], and to say that a copy of it will be forwarded to our Head Office, London; also that, no doubt, our traffic department will consult with the Pacific Board on the matter.

I have, &c., W. WARREN,

The Secretary, General Post Office, Wellington. [E.E. Misc. 05/55.]

Manager in Australasia.

#### No. 2.

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

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, Sir,—

London, S.W., 7th July, 1905.

With reference to your letter of the 13th May [No. 5, F.-8, 1905], I forward for your information copy of the correspondence between the Eastern Telegraph Company and the International Office at Berne on the point whether a terminal administration should, on the occasion of an interruption, divert messages to a more expensive route only after collecting from the sender the higher charge.

The correspondence speaks for itself, and I have only to add that the decision of the Berne Office will largely reduce the number of cases where the pro rata reduction rules need be applied. These rules, of which we have already had troublesome experience, are most difficult of application, especially in the case of administrations such as those in America, which do not observe the rules of the International Convention in their entirety. It is therefore satisfactory that the rules will not be called into use except in the cases when an interruption occurs after the transmission of a telegram by the terminal (original) administration has been completed and the

telegram has been transmitted to the next administration.

In the case of an interruption for "via Pacific" messages south of Norfolk Island, either on the Australian or New Zealand side, in which cases there is a short alternative route available, it is not the Board's desire that the cost of the detour due to such an interruption should fall on the sender under the above decision, but that the rate "via Pacific" should remain unchanged during such partial interruption. I am still in correspondence with the Postmaster-General of the Commonwealth on the subject of a special transit rate of Id. between La Perouse and Southport for diverted messages in such cases, but I have been informed that the Australian Post Office would prefer to secure this end by a pro rata reduction of shares under the Convention, as has already been done on some occasions. On this subject I will address you again later, merely expressing the hope that during such partial interruptions, whether on the land lines or the cables, our traffic will be sent round to Norfolk Island by the route open, and not diverted to the Eastern Company.

I am, &c.,

C. H. Reynolds, General Manager.

The Secretary, General Post Office, Wellington. IE.E. Misc. 05/85.1

#### Enclosure 1 in No. 2.

The Traffic Accountant, Eastern Extension Company, London, to the Director, International Telegraph Bureau, Berne.

The Eastern Extension Australasia and China Telegraph Company (Limited),

London, 22nd May, 1905.

I beg to refer to paragraphs 1 and 2 of Article XLII and paragraph 5 of Article LXXVI SIR,of the London (1903) Revision of the Convention, regarding the diversion of telegrams to a more

circuitous and expensive route owing to an interruption of the direct route during the trans-

mission of the message.

The question has been raised whether the original terminal administration has the power to divert such telegrams without collecting the additional tariff, and I should be glad to be favoured with your view of the reading of the regulations. A case in point would be a telegram from Queensland to Switzerland, charged by this colony's route at a tariff of 3.75fr., but owing to the interruption of the Australian land lines forwarded via the British Pacific Cable, by which the normal tariff is 4.65 fr. per word. I am, &c.,

The Director, International Bureau, Berne.

W. HIBBERDINE, Traffic Accountant.

#### Enclosure 2 in No. 2.

The Director, International Telegraph Bureau, Berne, to the Eastern Telegraph Company, London.

(Translation.)

SIR,-

International Bureau of Telegraph Administrations,

Berne, 29th May, 1905.

SIR, By your letter of 22nd May last, referring to paragraphs 1 and 2 of Regulation XLII and to paragraph 5 of Regulation LXXVI of the London Convention, you ask us if an original terminal administration can, on account of an interruption, transmit telegrams by a more expensive route than that for which the rate has been collected.

It seems to follow from the terms themselves of Article XLII that the interruption which gives the right to the benefit of the more expensive route, with pro rata division of the cheaper rate, should take place during the course of transmission. There can then be no doubt upon the question submitted. From the moment an interruption takes place upon its own lines, the original terminal administration is not justified in accepting a telegram for a route that it knows to be interrupted, and it should apprise the sender, and call upon him to pay the full tariff of the more expensive route.

Accept, &c.,

For the International Bureau of Telegraph Administrations,

E. FREY, Director.

The Director, The Eastern Telegraph Company, Electra House, Finsbury Pavement, London, E.C.

#### No. 3.

The Manager in Australasia, Eastern Extension Company, Melbourne, to the Secretary, General Post Office, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

Melbourne, 17th July, 1905.

I have the honour to enclose for your information a copy of a notice giving particulars SIR,-of the alteration of standard time in India, also to send you copy of letter [Enclosure 1 in No. 2] to the Berne Bureau in reference to "diverted traffic" referred to in my letter of 17th April [Enclosure in No. 3, F.-8, 1905], and the latter's opinion on the point raised.

I have, &c., W. WARREN,

The Secretary, General Post Office, Wellington.

Manager in Australasia.

#### No. 4.

The Manager in Australasia, Eastern Extension Company, Melbourne, to the Secretary, General Post Office, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

Melbourne, 18th July, 1905.

I have the honour to inform you that the Adelaide and Sydney Government Telegraph Departments have introduced a new checking system for the daily international message accounts, and wish the New Zealand portion to be included; but apparently you have not so far been asked by them to fall in with it. I therefore enclose for your perusal copies of service messages exchanged between our Messrs. Selfe, Nelson, and Raymond, La Perouse, on the matter, and to ask if your Department has any objection to the adoption of the new system for settling the New Zealand accounts. If not, will you please so advise Mr. Selfe, so that it may be carried out in accordance with the Adelaide and Sydney Departments' wishes?

I have, &c.,

W. WARREN,

Manager in Australasia.

W. Gray, Esq., Secretary, General Post Office, Wellington. E.E. Misc. 05/73.]

#### No. 5.

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

General Post Office, Wellington, 17th October, 1905. Sir,—

I have the honour to acknowledge the receipt of your letter of the 7th July last, forwarding copy of correspondence between the Eastern Telegraph Company and the International Office at Berne, on the point whether a terminal administration should, on the occasion of an interruption, divert messages to a more expensive route only after collecting from the sender a higher charge.

I note your remarks in regard to interruptions south of Norfolk Island, either on the Australian or the New Zealand side, and trust that the decision of the Commonwealth will be

favourable to your proposal.

A copy of the instruction issued to our officers as to the treatment of diverted cable traffic is I have, &c., W. Gray, Secretary. enclosed herewith for your information.

The General Manager, The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W.

rE.E. Misc. 05/106.1

#### Enclosure in No. 5.

#### [Extract from Official Circular dated 2nd October, 1905.]

In the case of temporary interruptions to the Pacific Cable between Norfolk Island and New Zealand, or to the New Zealand land lines (such as happened on the 2nd August last), messages for Norfolk Island, Fiji, Fanning Island, Sandwich Islands, America, Great Britain, and Germany, presented unrouted, or marked "via Pacific," must bear the route indicator "via Extension and Southport." All other messages should bear the indicator "via Extension."

Rectifying services referring to cablegrams that have been diverted "via Extension and Southport" are, if presented after communication has been restored, to be marked and sent "via

Pacific. [E.E. Misc. 05/99.]

#### No. 6.

The SECRETARY, General Post Office, Wellington, to the Manager in Australasia, Eastern Extension Company, Melbourne.

SIR,-

General Post Office, Wellington, 26th January, 1906. In reply to yours of the 18th July last, I beg to state that the proposals made therein for a departure from the present method of accounting are not acceptable, mainly on the ground that they involve additional accounting-work and complicate the adjustments on international messages.

If it can be arranged to effect settlement with your company at Nelson for all traffic beyond the confines of New Zealand, matters would be very much simplified, and I would have no hesitation in recommending the adoption of such an arrangement if it meets with your approval and that of the other Administrations concerned. I have, &c.,

W. GRAY, Secretary. The Manager in Australasia, Eastern Extension Australasia and China Telegraph Company (Limited), Melbourne.

[E.E. Misc. 06/10.]

#### No. 7.

The Manager in Australasia, Eastern Extension Company, Melbourne, to the Secretary, General Post Office, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

Melbourne, 2nd February, 1906. SIR,-

I have the honour to acknowledge the receipt of your letter of the 26th January, and to note your opinion that, if a settlement at Nelson for all traffic beyond the confines of New Zealand could be arranged, it would very much simplify matters. I am therefore submitting the same to our superintendents, Sydney and Nelson, for their consideration and report.

I have, &c.,

W. WARREN,

The Secretary, Posts and Telegraphs, Wellington. [E.E. Misc. 06/15.]

Manager in Australasia.

# PACIFIC CABLE.

# BUILDINGS, DEPOT, FINANCE, ETC.

### No. 8.

The Secretary, General Post Office, Wellington, to the Superintendent, Pacific Cable Station, Doubtless Bay.

SIR,

General Post Office, Wellington, 13th May, 1905. I have the honour to forward herewith a claim for £152 3s., being the amount paid by this Department on behalf of your Board for the period from the 14th September, 1903, to the I have, &c., W. GRAY, Secretary. 31st March, 1905.

The Superintendent, Pacific Cable Station, Doubtless Bay. P.C. Fin. 05/9.1

#### No. 9.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

Pacific Cable Board, Doubtless Bay Station, 23rd May, 1905.

I have to acknowledge the receipt of your letter dated the 13th instant, and, in reply, I beg to inform you that your claim for £152 3s. has been forwarded to my Head Office for authority to pay.

As I have not been informed of the amount payable for canvassing, or the arrangements made for printing, stationery, &c., I regret that I am unable to settle your claim without refer-I am, &c., C. L. Hertslet, Superintendent. ence to London.

The Secretary, General Post Office, Wellington.

#### No. 10.

The Secretary, Postmaster-General's Department, Melbourne, to the Secretary, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department, Melbourne, 27th May, 1905.

I have the honour to ask if you can kindly furnish me with particulars of the arrangements which exist between your Department and the Pacific Cable Board at Doubtless Bay, both generally and with respect to the supply of material, instruments, &c., for working the land lines from the Board's station at that place. I have, &c.,

ROBERT T. SCOTT, Secretary.

The Secretary, General Post Office, Wellington. [P.C. Sta. 05/16.]

# No. 11.

The Secretary, General Post Office, Wellington, to the Secretary, Postmaster-General's Department, Melbourne.

General Post Office, Wellington, 9th June, 1905. SIR,-I have the honour to acknowledge the receipt of your letter of the 27th ultimo, asking to be informed of the arrangement between this Department and the Pacific Cable Board as to the supply of material, instruments, &c., for working the land lines from the cable station at Doubt-

less Bay.

In reply, I beg to inform you that the Department provided a land line between the cable station and Auckland, together with instruments, batteries, &c., free of cost to the Board, for the transmission, primarily, of cable traffic. The line, which is maintained as part of the New Zealand Government's system, is worked at Doubtless Bay by the cable staff, and the Department pays the salaries and foreign-service allowances of the officers there operating it. The present

charge under this head is for three operators.

The cable buildings and quarters and the necessary furniture were paid for by the Board, the capital cost, less cable instruments, &c., being £8,017 3s. 11d., made up as follows: Buildings, £5,481 14s. 4d.; land, furniture, water-supply, &c., £2,535 9s. 7d. The Government makes the Board an annual payment of a sum equal to 6 per cent. of one-half of the capital cost by way

£5,481 14s. 4d.; land, furniture, watch superintendence of one-half of the buildings.

The net payment to the Board on account of salaries and percentage on capital cost for the year ended 31st March, 1904, was at the rate of £555 5s. For the year ended 31st March last the payment will be about £600 per annum, an additional building having been erected during I have, &c.,

W. Gray, Secretary.

The Secretary, Postmaster-General's Department, Melbourne.

### No. 12.

PACIFIC CABLE ACT, 1901 (1 Edward VII, c. 31).—ACCOUNT FOR THE PERIOD ENDED 31st March, 1905.

I.—STATEMENT showing the Sum issued out of the Consolidated Fund and the Expenditure.

	Year in which issued.	Amount	b.		_	Amount.				
Sum issued (out of an authorised issue of £2,000,000) Sum issued (out of an authorised issue of £2,000,000)	1901–2 1902–3	1,060,935 939,065	s. 0	đ. 0	Expenditure in the period ended 31st March, 1904 Expenditure in the year ended 31st March, 1905	2 a. d. 7 966 13 9				
					Balance in hand	1,993,933 14 4 6,066 5 8				
		2,000,000	0	0		2,000,000 0 0				

## II.—Statement showing the Money borrowed and the Securities created.

	Amount	; <b>.</b>	Money b	orrowed.	Securities created.		
Sums issued as above	2,000,000	s. d. 0 0	In the period to 31st March, 1902 In the year to 31st March, 1903	784,600 1,215,400			Annuity of £77,544 18s. First payment, 1st December, 1903. Last payment, 1st December, 1952.
	2,000,000	0 0		2,000,000	0	0	

# III.—STATEMENT showing the Aggregate Amount of Capital Expenditure.

Deta	Details of Expenditure.				In the Period 31st March,			In the Year 31st March,		Total to 31st March, 1905.		
(1.) Head office (fur	niture, a	%c.)	••		£ 350	в. О	d. 10	£ 61	s. 6	d. 0	£ 411	s. 6
(2.) Stations— Buildings					62,292	15	4	1,507	2	6	63,799 1	7 1
Accessories	• •	• • •	• • •	•••	17,066			515		4	17,581 1	
(3.) Cable—		• •	• •	••	11,000	2		010	14	-	17,001 1	,
Contract					1,792,111	9	7	-1,423	14	1	1,790,687 1	5
Accessories	• • •	• • •	• •	- ::	335		o l	1,120		•	335 1	
4.) Instruments	• • •				27,793		3	306	5	0		4
5.) Ship—	• • •	• •			-1,100		•				,200	-
Contract					65,910	0	0			İ	65,910	0 -
Accessories	• •				6,971	8	i	•••				š
(6.) Engineers' fees					20,135	9	7	••				ě
					1,992,967		7	966	13	9	1,993,933 1	4

# IV.—Statement showing the Expenses of the Cable in the Year ended 31st March, 1905.

Details of Receipts.	Amount.	Details of Expenditure.	Amou	nt.	
Dalamas an Olat March 1004	£ s. d. 16,185 16 0	Second annuity payment	77,544	8. 10.	ď
Balance on 31st March, 1904		TT. 3 00 / 3 - 1	4,673		
Received from H.M. Treasury out of the	88,375 17 8	Head office (advertising and canvassing,	1,230		
parliamentary grant-in-aid	1 1 1 1 1 1 1 1 1		1,200	тT	U
$\mathfrak{L}$ s. d. Traffic receipts 84.301 9 1		engineers' fees, royalties, and cost of			
		remitting money Home)	00 000		_
Less paid out to the		Cable stations (salaries and expenses)	28,669		
Canadian Pacific Rail-		Cable-ship (salaries and expenses)	14,835		
way and Atlantic Com-		Provident Fund—contribution to (State-	1,341	11	7
panies for the insertion		ment V)			
of date and time and		Transferred to Cable Repair—Reserve	35,000	0	0
for duplicate copies 2,113 7 8	'	and General Renewal Fund (State-			
	82,188 1 5	ment VI)			
Interest on money placed on deposit	139 14 3				
Received for repair services rendered by	5,118 15 0		163,296	9	9
s.s. " Tris "	-,	Balance on 31st March, 1905	28,711		
DEUS - JAMES		Databoo of orgo fractor, 1000	-0,111		
and the state of t	192,008 4 4		192,008	4	4

V.—Statement showing (a) the Securities purchased and sold, and (b) the Sums received and expended on Account of the Provident Fund in the Year ended 31st March, 1905.

<u></u>	Securities purchased. (For Details see below.)	Cash Receipts.	_	Securities sold. (For Details see below.)	Cash Payments.
Balance on 31st March, 1904 Transferred from the account of annual expenses (State- ment IV) Contribution of employees	# s. d. 3,300 0 0	1,341 11 7	Invested in securities, viz.:—  £800 London County Council 3-per-cent. stock at 92\( \) £900 London, Brighton, and South Coast Rail-	£ s. đ.	£ s. d. 741 1 0
Interest on securities Securities purchased (as per contra)	1,700 0 0	148 1 10	way 4-per-cent. deben- ture stock at 123½ Amount paid on application and allotment of £1,000 Canadian Northern Rail- way 3-per-cent. stock		200 0 0
			Payment to employees on cessation of services Auditor's fee		342 9 7 10 0 0
		·	Balance on 31st March, 1905	5,000 0 0	2,416 10 1 1,655 6 5
	5,000 0 0	4,071 16 6	;	5,000 0 0	4,071 16 6

Details of Securities.	Balan 31st M 190	[arc		Secur purel during of Acc	nase Per	d iod	Tot	a1.		durin	uritic old g Per ccou	iod	Balan 31st M 190	arc			Value a arket Pr 31st Ma 1905.	ice	_
London County Council 3-per-cent. stock London, Brighton, and South Coast Railway 4-per-cent. debenture stock	3,300	s. 0	<b>d.</b> 0	\$ 800 900	s. 0	đ. 0	4,100 900	s. 0	d. 0	£	s. 	d.	4,100 900	s. 0	d. 0	99 <del>1</del> 125	4,069 1,125	s. 5	
	3,300	0	0	1,700	0	0	5,000	0	0		•••		5,000	0	0		5,194	5	_ 0

VI.—Statement showing (a) the Securities purchased and sold, and (b) the Sums received and expended on Account of the Cable Repair Reserve and General Renewal Fund for the Year ended 31st March, 1905.

<u> </u>	Securities purchased. (For Details see below.)	Cash Receipts.	_	Securities sold. (For Details see below.)	Cash Payments.
Balance on 31st March, 1904 Transferred from the ac- count of annual ex- penses (Statement IV) Interest on securities Securities purchased (as		\$ s. d. 8,567 19 2 35,000 0 0 1,327 17 11	Invested in securities, viz.:— New South Wales 4-per-cent. Treasury bills— £8,500 at 981 Bank of England stock— £2,050 at 315 Canadian 3-per-cent. stock—	£ s. d.	£ s. d. 8,361 18 6 6,465 12 6
per contra)	e <sup>c</sup>		£2,061 19s. 7d. at 97§ £5,000 at 97§ £3,000 at 97‡ Metropolitan Water Board		2,018 4 5 4,881 6 0 2,925 1 0
			8-per-cent stock— £2,000 at 93\frac{1}{2} Local loans 3-per-cent. stock— £5,000 at 97\frac{1}{2}		1,865 1 0 4,887 11 0
			£3,000 at 978  New Zealand 4 - per - cent.  Treasury bills— £2,000 at 985 £2,000 at 993	•••	1,980 1 0 1,997 11 0
			Balance on 31st March, 1905	57,000 0 0	35,382 6 5 9,513 10 8
. :	57,000 0 0	44,895 17 1		57,000 0 0	44,895 17 1

#### VI-continued.

Details of Securities.	Balance 31st Ma 1904	rch,	Securities purchased during Peri of Accoun	i od	Tota	al.		Securities sold during Period of Account.	Baland 31st Ma 190	rch		Valı 31st			
Bank of England	£ 3,450	s. d. 0 0	£ s. 2,050 0	<b>d.</b> 0	5,500	s. 0	đ. 0	£ s. d.	£ 5,500	s. 0	đ. 0	3013	16,582	в. 10	d. 0
stock Victoria 3-per-cent. stock	4,000	0 0			4,000	0	0	••	4,000	0	0	89 <del>1</del>	3,580	0	0
Victoria 3½ · per-	1,000	0 0	• •		1,000	0	0	••	1,000	0	0	99	990	0	0
New South Wales 3-per-cent. stock	5,000	0 0			5,000	0	0		5,000	0	0	88 <del>1</del>	4,425	0	0
New South Wales 4-per-cent. Trea-			8,500 0	.0	8,500	0	0		8,500	0	0	1001	8,521	5	0
sury bills Queensland 3-per- cent. stock	5,000	0 0			5,000	0	0	•••	5,000	0	0	89	4,450	0	0
New Zealand 3-per- cent. stock	1,000	0 0	••		1,000	0	0	••	1,000	. 0	0	881	885	0	0
New Zealand 4-per- cent. debenture	1,000	0 0	••		1,000	0	0	••	1,000	0	0	100	1,000	0	0
New Zealand 4 per- cent. Treasury!	••		4,000 0	0	4,000	0	0	••	4,000	0	0	100‡	4,010	0	0
Canadian 3 - per-	4,938	0 5	10,061 19	7	15,000	0	0	••	15,000	0	0	98	14,700	0	0
Metropolitan Water Board 3-per-cent.	••		2,000 0	0	2,000	0	0		2,000	0	0	98 <del>1</del>	1,970	0	0
stock Local loans 3-per- cent. stock	••		5,000 0	0	5,000	0	0	••	5,000	0	0	994	4,962	10	0
į	25,388	0 5	31,611 19	7	57,000	0	0		57,000	0	0	2	66,076	5	0

S. WALPOLE, Chairman.

Examined and found correct—G. H. Hunt, Auditor. Pacific Cable Board, 13th June, 1905.

SIR,—
The Pacific Cable Board, Queen Anne's Chambers, S.W., 16th June, 1905.
In transmitting to you the accounts of this Board showing (i) the sum issued out of the Consolidated Fund, and the expenditure of the Board on capital account; (ii) the money borrowed and the securities created; (iii) the aggregate amount of capital expenditure up to the 31st March, 1905; (iv) the expenses of the cable in the year ending 31st March, 1905; (v) the account of the Provident Fund; and (vi) the account of the Reserve and General Renewal Fund, I have the honour, on behalf of the Pacific Cable Board, to make the following observations:—

Throughout the goar 1904 5 the cable was maintained and continued in efficient weeking.

1. Throughout the year 1904-5 the cable was maintained and continued in efficient working-order. I am glad to be able to report that no interruption of any kind occurred on any of its sections. The Board's ship, buildings, electrical apparatus, and plant at all stations are also in

good order.

2. The gross message revenue received during the year amounted to £84,301 9s. 1d., against £81,832 16s. 5d. in the previous year, the net revenue having been £82,188 1s. 5d., against £79,824 5s. 5d. From the gross revenue of the year has to be deducted £2,113 7s. 8d. on account of payments made to the Atlantic and Canadian Pacific Telegraph Companies for transmitting between Vancouver and Europe, or vice versa, the date and time of filing of all messages between Australasia and the United Kingdom, the Continent, &c., and for delivering messages in duplicate in London and some other large centres in the United Kingdom. These payments became necessary to give to the customers of the Pacific Cable the same facilities as are afforded by the Eastern Company's route.

3. The number of messages and words transmitted during the year 1904-5 were approximately 177,968 and 2,056,953 respectively, of which 106,782 messages and 1,183,929 words were intercolonial. The audited traffic figures for 1903-4 amounted to 176,824 messages and 2,097,897 words, of which 108,211 messages and 1,232,928 words were intercolonial.

4. The actual expenditure of the Board on the services of the cable during the twelve months ending 31st March, 1905, amounted to £50,751 11s. 2d., against £54,824 19s. 8d. in the previous

The receipts amounted to £87,446 10s. 8d. (including a special item of £5,118 15s. on account of repair services rendered by the "Iris"), against £80,118 13s. 3d. last year. The surplus on actual working was, therefore, £36,694 19s. 6d. The Board, however, set aside £35,000 for the Renewal Fund, and they had also to provide a sum of £77,544 18s. for interest and sinking fund. This sinking fund will extinguish in fifty years the entire capital expenditure. Adding these payments to the expenditure, the deficiency on the year's operations amounts to £75,849 18s. 6d., against £87,751 4s. 5d. in the previous year. This deficiency has to be made

2-F. 8.

good by the contributing Governments. Although in the year 1904-5 the receipts were swelled by the earnings of the "Iris," an item which cannot be expected to recur, it is satisfactory to note that the deficiency to be met by the contributing Governments in the second year of the cable's working is less than the annuity due on account of capital.

The financial results of the year 1904-5 are set forth in the following statement:-

Receipts.				
£ s.		£	s.	d.
Traffic receipts 84,301 9	1			
Less "date and time," &c., payments 2,113 7				_
	{	82,188		
Interest on deposits		139	14	3
Received for repair services rendered by		F 110		0
H.M.C.S. "Iris"		5,118	19	, O
Deficiency recoverable in the following propor-				
tions:—	c			
England 21,069 8 Canada 21,069 8	6			
4 4 44	$^{0}_{2}$			
37 PZ 1 1				
New Zealand 8,427 15		75,849	21	6
		0,010		
	£16	33,296	9	2
Expenditure.		,,,,,,,		_
Second annuity payment		77,544		0
Head office (salaries and expenses)	***	4,673	14	9
Head office (advertising, canvassing, engineers' fees, royalti	es,			
and cost of remitting money Home)		1,230	11	0
Stations (salaries and expenses)	2	28,669	17	<b>2</b>
Ship (salaries and expenses)		4,835		8
Provident Fund		1,341		7
Renewal Account	§	35,000	0	0
	£16	33,296	9	2

5. The Renewal Fund, including interest, amounted on the 31st March last to £88,582 11s. 3d.; £12,500 of this sum was held in spare cable. The amount of £66,569 0s. 7d. was invested in Home and colonial securities as shown in Statement VI, while a balance of £9,513 10s. 8d. was in hand, a part of which has since been invested. All interest earned on the investments is added annually to the fund, and is not treated as part of the revenue of the year.

6. The Board's forecast of its probable revenue and expenditure during the year 1905-6, as

submitted to their Lordships on the 30th December last, is as follows:—

Traffic revenue Estimated deficit	••	••		86,017	Annuity Renewal Fund Working-expenses	••	••	• ••	£ 77,545 34,000 56,472
			£	168,017	a et face			£	168,017

7. The land-line services in Canada, Australia, and New Zealand in connection with the cable have been generally well maintained by the Governments concerned and by the Canadian Pacific Railway. A blizzard of exceptional severity interrupted telegraphic communication in Eastern Canada and the United States in November last, but the lines have suffered less than usual in Western Canada. The Atlantic companies have afforded uninterrupted cable communication, and a rapid and efficient service, throughout the year.

8. The Board is glad to be able to acknowledge the good service rendered by the staff during the year, and the constant and loyal endeavours that have been made at all the stations to main-

tain a high standard of speed and accuracy in dealing with the traffic.

9. The health of the staff has been generally satisfactory, notwithstanding the unfavourable climatic conditions of several of the stations and the fact that so much of the traffic has to be dealt with at night. At Fanning Island, where the staff is very isolated, and where there are exceptional difficulties in victualling, &c., the Board is glad to report that no serious illness has occurred. Arrangements have been made for a call at the island once every two months by the northward-bound steamers of the Canadian-Australian line.

10. The Board regrets to report the death of Captain W. H. Lacy, commanding H.M. cable-ship "Iris," which occurred on the 12th April, 1904, at sea, on his voyage to England on sick leave. Captain Lacy devoted much attention to the completion and equipment of the "Iris," and under his command the vessel made the long voyage from London to Vancouver and back to New Zealand. Captain T. W. Sharp, chief officer, succeeded Captain Lacy in the command, and the ship has since effected successful repairs of the cable between Australia and New Caledonia.

11. The Conference referred to in the final paragraph of the report for 1903-4 of the various Governments interested in the cable under the presidency of Mr. Lyttelton, the Secretary of State for the Colonies, will open its sittings in London on the 21st June, 1905.

I have, &c.,

The Secretary, His Majesty's Treasury, Whitehall, S.W. [P.O. Fin. 05/21.]

S. Walpole, Chairman.

#### No. 13.

The HIGH COMMISSIONER to the Hon. the COLONIAL TREASURER, Wellington.

Westminster Chambers, 13 Victoria Street, London, S.W., 16th August, 1905.

Referring to my cablegram of the 14th instant [not printed], requesting that a bank order be transmitted by telegraph to enable me to make the payment of £8,427 15s. 4d., being the amount recoverable from New Zealand in respect to the expenses of the Pacific cable during the year ended the 31st March, 1905, I beg to enclose copy of letter, dated the 12th August, from the Colonial Office, transmitting copy of letter, dated the 31st July, from His Majesty's Treasury, giving particulars relating to the claim.

I have, &c.,

WALTER KENNAWAY,

The Hon. the Colonial Treasurer, Wellington.

[PC. Fin. 05/35.]

#### Enclosure in No. 13.

The Assistant Under-Secretary, Colonial Office, to the High Commissioner.

Downing Street, 12th August, 1905. SIR. I am directed by Mr. Secretary Lyttelton to transmit to you a copy of a letter from the Treasury [31st July, 1905], regarding the amounts recoverable from the colonial Governments in respect of the expenses of the Pacific cable during the year ended the 31st March, 1905, and to inquire whether you can arrange to pay over to the Imperial Treasury the sum of £8,427 15s. 4d., that being the amount recoverable from your Government. I am, &c.,

The High Commissioner for New Zealand.

H. BERTRAM COX.

## Sub-enclosure 1 to Enclosure in No. 13.

The Financial Secretary to the Treasury to the Under-Secretary of State, Colonial Office.

Treasury Chambers, 31st July, 1905. SIR. I am directed by the Lords Commissioners of His Majesty's Treasury to acquaint you, for the information of Mr. Secretary Lyttelton, that the Pacific Cable Board's account of the expenses of the cable for the period ended 31st March last has now been audited. A copy of the auditor's report is enclosed herewith, from which it will be seen that the deficit on the working of the cable for the period in question amounts to £75,849 18s. 6d., and the sums, therefore, recoverable from the Colonial Governments are as follows: Australia (six-eighteenths), £25,283 6s. 2d.; Canada (five-eighteenths), £21,069 8s. 6d.; New Zealand (two-eighteenths), £8,427 15s. 4d: totals, £54,780 10s.

I am accordingly to request that you will move the Secretary of State to communicate with the Colonial Governments concerned in order that these amounts may be paid as soon as practicable to the credit of the account of the vote for telegraph subsidies and Pacific cable. My Lords understand that on the last occasion the amount due from New Zealand in respect of the year 1903-4 was already in the hands of Mr. Reeves (then Agent-General, now High Commissioner), when the request for payment was sent from the Colonial Office to the Government of the colony, and that it might be convenient to him if he were communicated with in the first instance.

A copy of the printed account as presented to Parliament is enclosed herewith.

I am, &c.,

The Under-Secretary of State, Colonial Office.

E. W. HAMILTON.

# Sub-enclosure 2 to Enclosure in No. 13.

The ACCOUNTANT TO THE TREASURY to the SECRETARY TO THE TREASURY, London.

Treasury Chambers, 22nd June, 1905. SIR,-I have the honour to report that I have audited the accounts of the Pacific Cable Board for the year ended the 31st March, 1905, in accordance with the instructions conveyed in their Lord-

ships' minute of the 17th April, 1902, and have found them correct.

The annual expenses of the cable, as described in section 3 (2) of "The Pacific Cable Act, 1901," so far as they were not met out of the receipts arising in connection with the cable, amounted in the year ended the 31st March, 1905, to £75,849 18s. 6d., and a sum of £54,780 10s., representing thirteen-eighteenths of the net expenditure, is, therefore, recoverable from the Colonial Governments, viz.: Australia (six-eighteenths), £25,283 6s. 2d.; Canada (five-eighteenths), £21,069 8s. 6d.; New Zealand (two eighteenths), £8,427 15s. 4d.; total, £54,780 10s.

I beg to submit that the accompanying account, which has been duly certified, be presented to Parliament in compliance with section 7 of "The Pacific Cable Act, 1901."

I have, &c., G. H. HUNT.

The Secretary to the Treasury.

#### No. 14.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

General Post Office, Wellington, 24th August, 1905. I have the honour to acknowledge the receipt of your letter of the 15th instant [not printed], enclosing a cheque for £152 3s. in payment of the claim of this Department for stationery and canvassing-expenses incurred on behalf of your Board up to the 31st March last.

I have, &c., W. Gray, Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland. [P.C. Fin. 05/20.]

#### No. 15.

The SECRETARY, General Post Office, Wellington, to the Under-Secretary, Colonial Secretary's Office, Wellington.

New Zealand's Contribution to Pacific Cable Deficiency.

General Post Office, Wellington, 18th September, 1905. (Memorandum.) WILL you please provide in the vote for your office on the supplementary estimates the sum of £8,427 15s. 4d. to cover the amount of this colony's contribution towards the Pacific cable deficiency for the year ended the 31st March, 1905? Copy of Sir Joseph Ward's approval is attached [not printed].

The Under-Secretary, Colonial Secretary's Office, Wellington. W. GRAY, Secretary.

#### No. 16.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

Doubtless Bay, 21st September, 1905. (Telegram.) I would like the original claim receipted, as it gave full particulars. [P.C. Fin. 05/29.]

# No. 17.

The SECRETARY, General Post Office, Wellington, to the Superintendent, Pacific Cable Station, Doubtless Bay.

General Post Office, Wellington, 22nd September, 1905. Sir,-In response to the request contained in your telegram of the 21st instant, I have the honour to enclose herewith original claim, duly receipted, for £152 3s., amount received from your Board in payment for services rendered by this Department. Kindly return the receipt previously sent you. I have, &c.

W. GRAY, Secretary. The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland.

#### No. 18.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

The Pacific Cable Board, Doubtless Bay Station, 30th September, 1905. SIR,-I beg to inform you that I have been instructed by the General Manager, Pacific Cable Board, to countersign the attached claim for salaries recoverable from your Administration, and to forward you the entire file, with the intimation that the amount may be placed to the credit of the Board's London account at the Bank of New Zealand, Auckland.

The General Manager advises me that the amount of interest due is slightly increased by the capital expenditure on the assistant clerk in charge's house and furniture, which expenditure was mainly incurred by the Board at the commencement of the year (May), though some of it had been incurred in the previous year, but its value was not included in the Capital Account rendered for the previous year. The interest has been calculated from the commencement of the year (1st I am, &c., April). C. L. HERTSLET, Superintendent.

The Secretary, General Post Office, Wellington. P.C. Sta. 05/26.]

#### Enclosure 1 in No. 18.

THE PACIFIC CABLE BOARD.—STATEMENT showing the Capital Expenditure on the Doubtless Bay Station on which the Amount payable by the New Zealand Government for Rent is calculated.

	£	8.	$^{\mathrm{d}}.$
Capital expenditure to 31st March, 1904	9,688	12	6
Added during the year 1904-5	830	1	5
	10,518		
Less capital expenditure on cable instruments, &c	2,384	4	7
	£8,134	9	4
6 per cent. on half the above figure from 1st April, 1904, to 31st			
March, 1905	£244	0	8

#### Enclosure 2 in No. 18.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W., 18th August, 1905.

The New Zealand Government, Dr. to the Pacific Cable Board.

	£	s.	d.	
Rent for twelve months, as per statement enclosed	 <b>244</b>	0	9	
Salaries of three operators for twelve months, as				
		10	0	
	£610	10	8	

FRED. J. ADYE, Accountant.

C. H. REYNOLDS, General Manager.

#### No. 19.

The Secretary, General Post Office, Wellington, to the Superintendent, Pacific Cable Station, Doubtless Bay.

General Post Office, Wellington, 23rd October, 1905.

I have to acknowledge the receipt of your letter of the 30th ultimo, forwarding on behalf SIR. of your Board claims for operators' salaries recoverable from this Department, and for New Zealand's proportion of rent for the Doubtless Bay buildings, for the year ended the 31st March,

In reply, I have to inform you that vouchers for £366 10s. in respect of salaries, and for £244 0s. 8d. in respect of rent, have been prepared and passed for payment in the usual course through the Bank of New Zealand. I have, &c.,

W. GRAY, Secretary. The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland. P.C. Sta. 05/28.]

#### No. 20.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

Dear Sir,—

Doubtless Bay Station, 12th December, 1905.

I beg to inform you that the General Manager, Pacific Cable Board, London, has inquired as to whether I hold any title-deed or lease from the New Zealand Government for the

Board's land at Doubtless Bay.

Would you kindly inform me if any such instrument has been drawn up, and how the Board's title is recorded? I presume that the Board is registered as the owner or lessee of the land in the Land Office.

I would like to know, for the information of my head office, exactly how the matter stands.

I have, &c., C. L. HERTSLET, Superintendent.

The Secretary, General Post Office, Wellington.

### No. 21.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

General Post Office, Wellington, 21st December, 1905. (Memorandum.) REFERRING to your letter of the 12th instant, on the subject of title-deed or lease of the Board's land at Doubtless Bay, I beg to inform you that the land purchased from Mr. Harris, 13 acres 2 roods, is still in the name of the King; but as your Board has paid the capital cost of the land namely, £138 3s., including transfer-expenses—a deed of transfer will be arranged. The balance of the land—namely, 15 acres 2 roods 16 poles—is land specifically reserved as a site for a cable station, and is not alienable. If desired, a lease of the land will be granted at a peppercorn rental, subject to reasonable notice.

Will you be good enough to give me the full designation of the Board as usually shown in legal documents? On receipt of the information I will instruct the Crown Solicitor to prepare the necessary deeds. W. GRAY, Secretary.

The Superintendent, Pacific Cable Station, Doubtless Bay.

#### No. 22.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

The Pacific Cable Board, Doubtless Bay Station,

6th January, 1906. DEAR SIR, I beg to acknowledge the receipt of your letter, dated the 21st ultimo, in reply to mine of the 12th December. The full designation of the Board as usually shown on legal documents is The Pacific Cable Board.

I note your remarks re the 15 acres 2 roods 16 poles reserved. I notice that the Public Works Department claimed (and, I believe, was paid) £32 for "value of Crown lands reserved (16 acres)." However, I am not in a position to say that this amount covered the full purchase value of the land. I merely draw your attention to the transaction, as the land in question is fenced in and the Board is paying county rates for the same. There is, I believe, another block reserved as a site for a cable station, the area of which is unknown to me. In the meantime a deed can be prepared for the land acquired from the late Mr. Charles Harris. Perhaps you will be able to explain the position as regards the Crown land.

I have, &c.,

C. L. Hertslet, Superintendent.

The Secretary, General Post Office, Wellington. [P.C. Sta, 06/1.]

# No. 23.

The Secretary, General Post Office, Wellington, to the Under-Secretary, Public Works Department, Wellington.

General Post Office, Wellington, 23rd January, 1906. (Memorandum.)

THE Pacific Cable Board recently inquired what its position was in regard to the land held by it at Doubtless Bay. This Department stated, in reply, that the land purchased from Mr. Harris (13 acres 2 roods) was still in the name of the King; but as the Board had paid the capital cost of the land—namely, £138 3s., including transfer-expenses—a deed of transfer would be arranged. It was also explained that the balance—namely, 15 acres 2 roods 16 poles—was specifically reserved as a site for a cable station, and was not alienable, but, if desired, a lease might be granted at a peppercorn rental, subject to reasonable notice.

The Superintendent of the cable station has since pointed out (see copy of letter [No. 22] attached) that your Department was paid £32 for value of Crown land reserved (16 acres). item appeared in your Department's claim for £5,918 IIs. 4d. in connection with the erection of buildings, &c., at Doubtless Bay, in settlement of which a bank receipt was forwarded, with a memorandum from this Department to your Department, on the 6th November, 1903.

In order that a reply may be sent, will you kindly give me full particulars about the 16 acres referred to, and also say what the payment of £32 actually covered? The New Zealand Gazette of the 13th February, 1902, No. 12, page 339, shows the extent of land reserved as a site for a cable W. GRAY, Secretary. station as 15 acres 2 roods 16 poles

The Under-Secretary, Public Works Department, Wellington.

# No. 24.

The Under-Secretary, Public Works Department, Wellington, to the Secretary, General Post Office, Wellington.

Public Works Department, Wellington, 27th January, 1906.

Pacific Cable Station, Doubtless Bay. (Memorandum.)

In reply to your memo. of the 23rd instant, making inquiries with reference to an amount of £32 charged against the Pacific Cable Company for 16 acres of land at the above-named cable station, I have to state that when the accounts in connection with the works at Doubtless Bay were being prepared the Engineer reported that the 16 acres of land reserved for the cable station was worth about £2 per acre, and as the company was in occupation of it they were debited with £32 for it. If, however, the land is inalienable, the amount so charged should doubtless be refunded to the com-The Secretary, Postal Department. In that case I suppose they should be charged rent.

H. J. H. Blow, Under-Secretary.

## No. 25.

The Acting-Secretary, General Post Office, Wellington, to the Under-Secretary, Public Works Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 27th February, 1906.

Your memorandum, 27/1/06: Pacific Cable Station, Doubtless Bay: I beg to refer you to your memorandum of 18th March, 1902, on the above-noted subject, of which I enclose a copy.

I attach copy of memorandum of the 6th instant [not printed] to the Postmaster-General, and the Minister's approval of the action proposed therein. I shall be glad if you will arrange to have the land purchased from Mr. Harris—namely, 13 acres 2 roods—which is still in the name of the King, transferred to the Pacific Cable Board, which has already paid the capital cost of that portion and the transfer-expenses. Will you also kindly arrange for the lease to the Pacific Cable Board, at a peppercorn rental, of the 15 acres 2 roods 16 poles of Crown land set aside for a cable station, and for a refund of the amount of £32 paid by the Cable Board as the value of such land?

Thomas Rose, Acting-Secretary.

The Under-Secretary, Public Works Department, Wellington.

#### Enclosure in No. 25.

The Under-Secretary, Public Works Department, Wellington, to the Secretary, General Post Office, Wellington.

Public Works Department, Wellington, 18th March, 1902.

(Memorandum.)

Pacific Cable Station, Doubtless Bay.

THE title to the land purchased for the Pacific Cable Station, Doubtless Bay, has been received, and has been deposited in the Lands and Survey Department as No. 3465. The piece of Crown land adjoining, also required for the cable station, has been permanently reserved for the purpose by Governor's Warrant published in *Gazette* No. 12 of the 13th ultimo.

H. J. H. Blow, Under-Secretary.

The Secretary, Post and Telegraph Department.

#### No. 26.

The Under-Secretary, Public Works Department, to the Acting-Secretary, General Post Office, Wellington.

(Memorandum.) Public Works Department, Wellington, 7th March, 1906. I am duly in receipt of your memo. of the 27th ultimo. To enable me to adjust the matter of the land acquired from Mr. Harris I shall be glad if you will kindly let me have an intimation stating that the Superintendent of Electric Lines, in asking this Department to secure the land, intended it to be purchased for and vested in the Pacific Cable Board, and not for the Government (see his memo. of the 16th September, 1901) [not printed]. Also kindly advise the full title and address of the Board in whom the land is to be now vested, and also to whom and when the Board paid the cost of the land and legal fees, and what was done with the money.

Will you please refund the £32 for the Crown land and forward the voucher to the Public Works Accountant?

H. J. H. Blow, Under-Secretary.

The Acting-Secretary, Postal Department.

#### No. 27.

The Acting-Secretary, General Post Office, Wellington, to the Under-Secretary, Public Works Department, Wellington.

(Memorandum.)

General Post Office, Wellington, 26th March, 1906.

Yours of the 7th instant: Pacific Cable Station, Doubtless Bay: The Superintendent of Electric Lines in his memorandum asking that the land be acquired from Mr. Harris intended that the land should be purchased for and vested in the Pacific Cable Board, and not for the Government. The title of the Board is "The Board of Management of the Pacific Cable, commonly called 'the Pacific Cable Board,'" doing business at Queen Anne's Chambers, Tothill Street, Westminster, London, S.W. The amount of £32 paid by the Cable Board for the Crown land will be refunded, and the voucher forwarded to your accountant. The capital cost—namely, £138 3s., including transfer-expenses—of the land purchased from Mr. Harris was included in your Department's claim of 16th December, 1902, for £5,918 11s. 4d. on account of expenditure for buildings, &c., at Doubtless Bay. A bank receipt in payment of the total amount was sent you on the 6th November, 1903, with a memorandum from this office.

THOMAS ROSE, Acting-Secretary.

The Under-Secretary, Public Works Department, Wellington.

# LONDON CONFERENCE, 1905.

#### No. 28.

Investigation showing the Effect on the Revenue of the Pacific Cable of certain Hypothetical Divisions of the Traffic between the Eastern and the Pacific Routes.—Calendar Year 1904.

Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W., 19th July, 1905.

Ordinary Traffic between United Kingdom and Australasia only.

THE traffic of the year with the United Kingdom in "ordinary" business—i.e., excluding Government and Press—computed in paid words, was as follows:—

			Eastern Words		Total Words.
New South Wales			380,14	5 86,518	466,663
Queensland			16,55	8 75,654	92,212
Victoria			446,87	2 59,585	506,457
South Australia			$\dots$ 162,42	8 5,121	167,549
West Australia	• • •		261,70	4 9,747	271,451
Tasmania	•••	•••	15,90	5 5,230	21,135
Total Aus	tralia		1,283,611 (84:15%		1,525,467 $(100%)$
New Zealand	•••	•••	75,82 $(23.46%)$		323,417 $(100%)$
Grand tot	al	• • •	1,359,433 $(73.53%)$		1,848,884 (100%)

Taking 1s. 6d. as very approximately the net receipt of the Pacific cable on every "ordinary" full-paid word between Australia and the United Kingdom, after deducting all "payments" and dropping fractions of pounds, the Pacific cable obtained, from 241,855 words carried, £18,139. Had it carried half the traffic, or 762,733 words, it would have obtained £57,205, or a gain of £39,066. Had it carried five-twelfths of the traffic, or 635,611 words, its receipts would have been £47,671, or a gain of £29,532.

Taking 1s. 10d. as the net receipt of the Pacific cable on every "ordinary" full-paid word between New Zealand and the United Kingdom, the Pacific cable actually received £22,696 for the 247,590 words carried. Had the cable carried only half the traffic, or 161,708 words, its receipts would have been £14,823, a loss of £7,873. Had the Pacific cable carried five-twelfths of the traffic, or 134,757 words, its receipts would have been £12,353, or a loss of £10,343.

Combining Australia and New Zealand traffic together, the actual receipts of the Pacific Cable Board were £40,835. If it had carried half the traffic of Australia and New Zealand, it would have received £72,028, an increase of £31,193. If it had carried five-twelfths of the traffic, it would have received £60,024, or an increase of £19,189.

If the Pacific cable be assumed to have carried the same "ordinary" traffic for all States in 1904 as it actually did carry, except in the States of New South Wales and Victoria, and if in those two States it had carried half the whole traffic in "ordinary" words, its receipts would have been as follows:—

been as follows:—								£
With all States excep	t New South Wales	and	Victoria					29,877
With New South Wal				•••			• • • •	36,492
	al					•••	• • •	66,369
or a gain of £25,534: Had the proporti would have been as fo	ons been five-twelft	ts of t hs of	the year. the New	South Wale	s and Vi	ctoria traf	fic, the	
			***					£ .
With all States excep-	t New South Wales	and	Victoria	• • •		• • •		
With New South Wal	es and Victoria			•••	• • •	***	• • • 1	30,410
Tot	al		•••		* \$54 - 1 *	•••	:	60,287

or a gain of £19,452 on the actual receipts of the year.

To summarise: The financial results to the Pacific Cable Board on account of "ordinary" traffic between the United Kingdom and Australasia would be as follows, under the various conditions stated of "ordinary messages only":—

Increase.

ditions stated of ordinary messages only .—	£	£
(1.) Actual revenue of 1904	40,835	
(2.) Hypothetical revenue with the Australian and New Zealand traffic		
divided equally between the two routes	72,028	31,193
(3.) Hypothetical revenue if divided in the proportions of five-twelfths to the		
Pacific and seven-twelfths to the Eastern	60,024	19,189
(4.) Hypothetical levenue if the facility dable received harr of the volume frame		
New South Wales and Victoria, and received the actual amount it		
carried for the other States	66,369	25,534
(5) Ditto in proportions of five-twelfths Pacific and seven-twelfths Eastern	60,287	19,452

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The above note takes no account of Government and Press traffic, which is carried under special conditions. Nor does it deal with traffic between Australasia and the Continent of Europe or America, the rates of which are different by the Eastern and Pacific routes.

C. H. REYNOLDS,

General Manager for the Pacific Cable Board.

[P.C. Rates 05/81-84.]

# No. 29.

# REPORT OF PACIFIC CABLE CONFERENCE, 1905.

In approaching the consideration of the questions referred to us in connection with the working of the Pacific cable, we have endeavoured to bear in mind that this enterprise was initiated, not merely as a commercial undertaking, but also and largely, for the purpose of promoting Imperial unity. We have deemed it of special importance that this, the first joint commercial enterprise promoted by the various self-governing States of the Empire, should be carried through with success, and have, therefore, aimed at removing all sources of friction between the partner Governments and have sought to accommodate such difficulties as have arisen in the spirit

of reasonable compromise. 2. We find from statistics furnished by the Eastern Extension Telegraph Company and the Pacific Cable Board, which are summarised in the appendix to this report, that in the case of New Zealand and all the States of Australia, except New South Wales and Victoria, the Pacific cable obtained approximately in the years 1903 and 1904 the share of the total traffic between Australasia and the United Kingdom, which was anticipated at the time when it was decided to Australasia and the United Kingdom, which was anticipated at the time when it was decided to Australasia and the United Kingdom, which was anticipated at the time when it was decided to lay the cable; but that in the case of the two Colonies of New South Wales and Victoria the Pacific cable has obtained a much smaller proportion of traffic than was anticipated; and we consider that this result must be attributed mainly, if not entirely, to the fact that the Telegraph Company has been granted special wires and has been allowed to open offices in Sydney and Melbourne under the New South Wales agreement of 16th January, 1901, and the Commonwealth agreement of 8th June, 1903.

3. We do not think that any useful purpose would be served at the present time by discussing the action of the New South Wales Government in entering into the above-mentioned agreement, but it is sufficient to observe that when the Commonwealth Government took over the administration of the Postal and Telegraph Departments of the various States of Australia they found this agreement in existence, and considered themselves bound to recognise and carry it out, unless it could be varied by mutual arrangement between the Government and the company. Accordingly negotiations to that end were entered into, and with a view to the immediate termination of the New South Wales agreement and of certain agreements with other States it was agreed that concessions should be made to the company throughout all Australia, but for a limited term of years

4. This Commonwealth agreement was made subject to the approval of the Parliament of the Commonwealth, to be evidenced either by Act of Parliament or by the passing of resolutions affirmcommonwealth, to be evidenced either by Act of Lafframent of by the passing of resolutions annihing the agreement, in and by each House. Such a resolution was passed by the House of Representatives on the 29th July, 1903, and was communicated to the Senate with a request for its concurrence therein. The Senate after discussing the agreement at several sittings finally adjourned the ratification on the 8th September, 1903, with the object of securing that the whole matter should first be discussed at a conference between representatives of the Governments who are matter should first be discussed at a conference between representatives of the Governments who are partners in the Pacific cable; and the Commonwealth Government agreed in the following month that such a conference should be held, but owing to various unavoidable causes the conference could not be assembled until June, 1905. In the meantime the Australian Government allowed effect to be given to the agreement, by permitting the company to open an office in Melbourne and giving them a special wire to that city.

5. The Commonwealth Government represents that their agreement is more favourable to the interests of the Pacific cable than the New South Wales agreement, inasmuch as the latter was one of indefinite duration, while the former can be terminated after a certain date by giving two years' notice in writing; but we consider it of the utmost importance that the date of the termina-

tion of the agreement should be settled now and not be left for decision in 1913. 6. Sir E. Barton claimed, in his letter to Mr. Seddon of 1st June, 1903, that "by reducing the term of the agreement to a reasonable period, the Commonwealth has obtained for the Pacific cable a very great advantage, which cannot fail to be of immense and increasing value," but we feel that this advantage is not definitely secured so long as any doubt remains whether the agreement will or will not be actually terminated after it has been in operation for ten years. We therefore earnestly trust that the Commonwealth Parliament will not ratify the agreement unless fore earnestly trust that the Commonwealth Parliament will not ratify the agreement unless clause 25 is amended so as to read, "This agreement shall remain in force until the 31st day of October, 1913, and no longer." The partners in the Pacific cable will then be restored to the position in which they stood prior to the making of the New South Wales agreement, and will then be free to determine their policy unharmented by any agreements arrived at he are a determined their policy unharmented by any agreements arrived at he are a determined their policy unharmented by any agreements. then be free to determine their policy unhampered by any agreements arrived at by any of the

Governments without previous consultation with the other partners.

7. We are advised that the recital in the preamble of the Commonwealth agreement, that it is desirable to substitute one agreement for certain other agreements, including the New South Wales agreement and the similar agreement with South Australia, Western Australia, and Tasmania, cannot safely be relied upon to prevent the revival of those agreements on the termination of the Commonwealth agreement. We therefore think that an express provision, excluding such revival, should have been inserted in the Commonwealth agreement, and we trust that such a such revival before the agreement is retified. provision will be inserted before the agreement is ratified.

8. We understand, from statements made by Sir E. Barton in the House of Representatives on the occasion of the ratification by that House of the Commonwealth agreement, that the Commonwealth Government has undertaken to grant the Pacific cable equal facilities with the Eastern Extension Telegraph Company without any qualification, as soon as they are required. We consider that the Pacific Cable Board should forthwith be given such facilities, and that the Board should take steps to secure the largest possible amount of Australian traffic by all legitimate methods of business competition. This would, of course, involve the Board in very considerable expense in connection with local offices and with advertising and canvassing, and we think it might be left to the discretion of the Pacific Cable Board to negotiate an amicable arrangement with the Eastern Extension Telegraph Company, provided that no arrangement be finally concluded without the approval of the Governments concerned, nor unless the Commonwealth agreement is amended in the manner above suggested.

9. It has been suggested that the Commonwealth Government should reduce their terminal rate to the level of the rate for urgent internal messages. The majority of us are of opinion that the rate of 5d. per word is excessive, and we trust that the Government will see their way to

reduce it.

10. We note that the Australian Government have undertaken to remit all Customs duties and other charges (as specified in clause 19 of the Commonwealth agreement with the Eastern Extension Telegraph Company) which have been or shall be levied on the Pacific Cable Board, and we

hope that the Dominion Government will adopt a similar course.

11. In conclusion, we desire to recommend, with a view not only to the prevention of any misunderstanding, but also to the maintenance of cordial and friendly relations between the Governments in respect of the Pacific cable, that should any question hereafter arise in connection with terminal rates, or Customs duties, or proposed concessions or privileges to any cable or telegraph company, or respecting any other matters likely to affect the interests of the Pacific cable, such question should be referred to the Pacific Cable Board and the various Governments concerned

for consideration before any final action is taken upon it.

12. The Pacific cable being the first enterprise of the kind undertaken by a number of British Governments in partnership, it need occasion no surprise if at the commencement of the enterprise some questions should have arisen touching the obligations of the various partner Governments towards the common undertaking, but inasmuch as they fully appreciate the farreaching political consequences attendant on the success or failure of the Pacific cable, we feel assured that the fullest possible effect will be given to the foregoing recommendations and suggestions which we respectfully submit for the consideration of His Majesty's Government and the Governments of Canada, Australia, and New Zealand.

ALFRED LYTTELTON. JERSEY. WILLIAM MULOCK. SANDFORD FLEMING.

GEORGE W. Johnson, Secretary. Colonial Office, 28th July, 1905. [P.C. Rates 05/98.]

#### Enclosure in No. 29.

THE PACIFIC CABLE BOARD.—International Traffic between Australasia and the United Kingdom, Europe, and America, carried by the Eastern and Pacific Cable Routes for the Calendar Years 1903 and 1904.\*

2000 0220 -0021						
State of Origin on Postination		1903.			1904.	
State of Origin or Destination.	Eastern.	Pacific.	Total.	Eastern.	Pacific.	Total.
New South Wales and United Kingdom Victoria and United Kingdom Queensland and United Kingdom South Australia and United Kingdom West Australia and United Kingdom Tasmania and United Kingdom	Words. 367,065 405,908 24,064 352,478 289,816 19,914	Words. 128,327 83,410 75,313 4,797 7,934 7,799	Words. 495,392 489,318 99,377 357,275 297,750 27,713	Words. 385,857 467,493 17,111 371,445 270,884 16,397	Words. 118,084 86,468 81,464 10,103 10,090 10,946	Words. 503,941 553,961 98,575 381,548 280,974 27,343
Total Australia and United Kingdom Total New Zealand and United Kingdom	1,459,245 102,994	307,580 234,924	1,766,825 337,918	1,529,187 79,213	317,155 285,744	1,846,342 364,957
Total Australasia and United Kingdom† Total Australia and Europe, America, &c.‡ Total New Zealand and Europe, America, &c.‡ Total Pacific Islands traffic	1,562,239 249,123 13,035	542,504 210,048 51,785 7,623	2,104,743 459,171 64,820 7,623	1,608,400 267,579 13,380	602,899 221,546 60,845 9,571	2,211,299 489,125 74,225 9,571
*Grand totals	1,824,397	811,960	2,636,357	1,889,359	894,861	2,784,220
$ \text{Classification} \begin{cases} \text{Ordinary} & \dots & \dots \\ \text{Government} & \dots & \dots \\ \text{Press} & \dots & \dots \\ \end{cases} $	1,537,734 24,856 261,807	716,624 78,835 16,501	2,254,358 103,691 278,308	1,628,448 23,622 237,289	773,664 83,635 37,562	2,402,112 107,257 274,851
Grand totals	1,824,397	811,960	2,636,357	1,889,359	894,861	2,784,220

\*This statement does not include traffic between Australasia and China, India and the East, and the figures for traffic via Eastern have been compiled from statistics supplied by the company.

† Rates are similar by both routes.

‡ Rates vary with route, America cheaper by Pacific; and Continent of Europe generally cheaper by Eastern; with the result that, roughly speaking, the Eastern obtains the whole of the continental traffic and the Pacific the whole of the American traffic.

#### No. 30.

The Hon. the PRIME MINISTER OF THE COMMONWEALTH, Melbourne, to the Hon. the Postmaster-GENERAL, Wellington.

Melbourne, 10th August, 1905. (Telegram.) SHALL be glad receive as early as possible your views as to proposals arising out of recent Conference Pacific cable. [P.C. Rates 05/88.]

#### No. 31.

Sir Sandford Fleming, Ottawa, to the Right Hon. the Prime Minister, Wellington.

On board s.s. "Virginian," Liverpool to Canada, 31st August, 1905. I have the honour, as the representative of your Government at the Cable Conference recently held in Lendon, to submit the following report:

Agreeably to your wishes I left Ottawa to proceed to England on the 8th May, 1905, and reached London on the 19th May. I lost no time in reporting my arrival to the Secretary of State for the Colonies, and shortly afterwards I learned that the Conference would meet on the 21st June at the Colonial Office. I engaged myself during the intervening weeks in acquiring such statistical and other information respecting the working of the Pacific cable and matters bearing thereon as might prove useful in the discussions of the Conference.

The opening of the Conference was deferred from the 21st June to the 22nd June. Meetings were thereafter held until the final meeting on the 28th July. There were in all six regular meetings, the minutes of the proceedings of which were recorded by a stenographer and printed. These meetings were held on the following dates: The first on Thursday, the 22nd June, 1905; the second on Friday, the 30th June, 1905; the third on Wednesday, the 12th July, 1905; the fourth on Monday, the 17th July, 1905; the fifth on Friday, the 21st July, 1905; the sixth on Friday, the 28th July, 1905. A number of informal meetings were from time to time held, at which no stenographer was present, and the proceedings of which were not placed on record.

I beg leave to refer to the proceedings of the regular meetings, in which all that was said by those present and all action taken is placed on record. Much to my regret I have been unable

sooner to obtain a copy to transmit to you.

SIR.

An examination of the proceedings will satisfy you that the aim of the Conference has been to accommodate the differences which have arisen and arrive at a settlement which would be generally satisfactory to the respective Governments.

In the performance of my own duties as your representative I am under many obligations to

the High Commissioner for New Zealand in London.

On the first day of the Conference it was suggested that some arrangement might possibly be arrived at in the nature of a pooling arrangement between the Pacific Cable Board and the Eastern Extension Telegraph Company. Aware of the views held by your Government, I could not see my way to assent to this proposal, and I deemed it advisable to begin the discussion by placing before the Conference certain facts as to the share of the whole telegraph traffic which should be regarded as obtainable by the Pacific cable under ordinary circumstances, and also the volume of traffic actually obtained under the exceptional circumstances created by the granting of certain concessions to the company by one of the partners—the State of New South Wales—and subsequently by the Government of the Commonwealth of Australia. I pointed out that the action taken by these Governments had been much more detrimental to the financial interests of the Pacific cable than they probably knew, and that if they were made aware of the fact that the loss of traffic to the State line amounted to £25,000 or £30,000 a year, these Governments would probably much desire in some way to have the matter rectified. The remainder of the first day was occupied in discussions respecting the agreements made by these Governments, and the diversion of traffic from the Pacific cable caused thereby.

On the second day the agreement of the 16th January, 1901, between New South Wales and the Eastern Extension Company was discussed. As under this agreement the concessions granted the company have proved the chief cause of the whole difficulty, I ventured to point out the possibility of removing the cause of difficulty and doing full justice to all concerned. The Commonwealth agreement of the 8th June, 1903, was likewise considered at some length.

On the third day the Commonwealth agreement was again considered, and various suggestions submitted.

Submitted.

On the fourth day the future policy to be adopted by the Pacific Cable Board was considered. Explanations by the Manager and Chairman were heard. A pooling arrangement was again proposed and objected to. A division of traffic was suggested as a solution. The Conference agreed that the Chairman of the Cable Board should open negotiations with the Eastern Extension Company, and I was selected to accompany him when he would meet the Chairman, Sir John Wolfe

Barry.

The matter of Australian terminal charges was considered on the fifth day, and the Commonwealth Government invited to make a reduction. The Conference further considered a proposed however the Commonwealth and the company. An amicable arrangemodification of agreement between the Commonwealth and the company. An amicable arrangement respecting the fair division of traffic was favourably considered, and, failing to obtain such an arrangement, it was agreed that the Pacific Cable Board should forthwith take steps to secure the largest possible amount of Australian traffic by all legitimate methods of business competition.

On the sixth day the policy favoured at the previous meeting was reconsidered, and the proposal to enter into a pooling arrangement again revived. To this end negotiations with the company were referred to, when I explained that the conversation between the two chairmen, Sir

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Spencer Walpole and Sir John Wolfe Barry, was chiefly on the subject of a pooling arrangement in which I declined to take any part, for the reason that the Government of New Zealand was entirely opposed to pooling. On this point I would refer to the proceedings on the sixth day, and I append an extract from a portion of what I said, which appears on page 63. In making the statement, it seemed to me that we had reached a critical stage in the history of the Pacific cable, when by a single step we might "make or mar" the high Imperial purposes which the undertaking was designed to serve. I saw plainly that to enter into the pooling partnership proposed we would endanger, and probably destroy, the Pacific cable as the prime means of securing for the whole British people in both hemispheres cheap ocean telegraphy. Such a pooling partnership as that contemplated would practically transfer the control of the State undertaking to those who had always been its great opponents. The true solution of the difficulties which had arisen, in my judgment, lay in another direction: in a mutual agreement respecting a fair division of traffic between the two cable systems. Such an agreement would be to the advantage of both, as it would render unnecessary a very large expenditure by both parties in competing for business. The principle of dividing the traffic in fixed proportions mutually arranged would be a very simple matter to carry into practice, and there would be no difficulty whatever in adjusting accounts. At the end of each year, so soon as the volume of traffic by both systems should be ascertained, it would merely be required that one party should pay over to the other the money value of traffic obtained in excess of the agreed proportions. After further discussion bearing on a proposal to embrace a pooling arrangement in negotiating with the company, to which proposal I was unable to give my support, the report of the Conference of the 28th July, 1905, was at length adopted, and the Cable Board was authorised to ascertain if the company would be willing to enter into a friendly arrangement in accord therewith, and with the views expressed in the discussions, the terms of the arrangement being subject to the approval of the several Governments. In the event of negotiations making no satisfactory progress in about a month, the Conference decided that the Board should no longer delay taking energetic steps to secure the largest possible amount of Australian traffic by all legitimate methods of business competition.

For particulars I beg leave to refer to the report of the Conference and the printed minutes of the proceedings, both of which accompany this. Owing to delay in receiving from the Colonial Office copies of these documents, I have been unable to report until the last moment before I return to Canada. Should I find that any point of importance has escaped me, I may ask you to receive I have, &c.,

a supplementary report from Ottawa.

SANDFORD FLEMING.

The Right Hon. R. J. Seddon, Prime Minister of New Zealand. IP.C ates 05/144.]

#### Enclosure in No. 31.

EXTRACT FROM THE PROCEEDINGS OF THE PACIFIC CABLE CONFERENCE, 1905, PAGE 63.

Sir Sandford Fleming.—To my mind there is a vast difference between a friendly understanding or stipulation respecting the division of the traffic and a pooling arrangement, and I shall enter into this more fully when we come to the draft report. What is a pooling arrangement? Of course it must depend upon the terms of the agreement between the parties. But is not a pooling arrangement in reality a partnership arrangement, and are we quite sure that a partnership in this particular instance is desirable in the public interest? I am afraid, indeed I am quite sure, it is not. I believe I am not far wrong when I say that it has long been the design of the companies to gain control of the Pacific cable. What did Sir William Mulock point out the other day? He referred to elements at work to destroy the Pacific cable scheme and the great Imperial purposes which moved the six Governments to have it established. I am satisfied a pooling arrangement would prove the narrow end of the wedge, which the company in its own good time would most certainly drive home. It would end, I fear, in control passing from Queen Anne's Chambers to Electra House. I am speaking very plainly, but I feel forced to do it, and I feel it a duty to appeal in the strongest manner that I can against a step at this turning-point which would result in disaster to the public interests. I trust the Conference will not enter into, or authorise the Board to enter into, any pooling arrangement.

# No. 32.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. ALFRED DEAKIN, Melbourne. Wellington, 1st September, 1905. (Telegram.) PACIFIC Cable Conference: Except suggested pooling, which Government always opposed, have not yet had result Conference deliberations. More important matters are Commonwealth-Eastern agreement, and suggested amendments by Conference, and reduction Commonwealth terminal rate. Pooling proposals for twelve years, and alleged result additional revenue of twelve thousand a year to Pacific cable, and saving nearly nine thousand a year to Board in respect repairing ship. Cable repairs to be undertaken by Eastern Company on terms to be agreed upon. Under proposals, company's agreements with States suspended, and offices in Australia closed; but if pooling terminated by Cable Board at end of term, agreements with company to be revised. How Pacific cable is to benefit, and what Eastern Company is to receive in return, not indicated. Meantime have cabled Chairman of Board through High Commissioner for fuller particulars. Are you yet in position favour me with your views? [P.C. Rates 55/70.]

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#### No. 33.

The Right Hon, the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.) Wellington, 1st September, 1905.

Cable Conference: Your cable twenty-third July [not printed] only deals with proposed pooling. Nothing definite important questions, such as reduction Commonwealth terminal rate and Commonwealth Eastern agreement, and amendments suggested by Conference. Nothing known how Pacific cable secure twelve thousand additional revenue and save nine thousand repairing ship. Desire know how this arrived at, and what Eastern Company to receive in return. Communicate substance this to Chairman Board. Is Canada against pooling?

#### No. 34.

The Hon. the Postmaster-General, Wellington, to the Hon. the Prime Minister, Commonwealth of Australia.

(Telegram.) Wellington, 6th September, 1905.

Just received following cable from Sir Sandford Fleming: "See my report Conference. Delay from causes beyond my control. Important facts are disclosed." This confirms my opinion that we ought to have fuller particulars before committing ourselves to any definite action. Report not yet reached me.

[P.C. Bates 95/73.]

#### No. 35.

The CHAIRMAN, Pacific Cable Board, London, to the Right Hon. the PRIME MINISTER.

(Telegram.)

Reeves has given me your message. Proposed arrangement with Eastern contemplates as basis for division of earnings that Pacific cable should carry about 160,000 words more than it is carrying if it had not been for arrangements between Commonwealth and Eastern Company. Then 160,000 words at 1s. 6d. average share of Board's receipt on each would represent £12,000 a year, which would be paid by Eastern to Board. Company offer to buy Board's repairing ship and execute repairs for Board at a rate of about £175 a day. This would enable Board to reduce capital by £50,000, value of ship, saving roughly £1,750 annually interest and sinking fund. Would also enable it to save cost of maintenance and renewal fund on ship, together at least £16,000 a year. Board would propose, if this arrangement is effected, to set aside £9,000 annually to provide for possible repairs of cable, which we believe would on an average be sufficient, saving £17,750, less repair fund £9,000, leaving net saving roughly £9,000. Additional advantage to Board that the whole arrangement would run for twelve months if cable was broken. Main advantage to Eastern closing of offices in Australia and consequent saving of expenses.

[P.C. Rates 05/132.]

#### No. 36.

The High Commissioner to the Right Hon, the Prime Minister.

(Telegram.)

CHAIRMAN of Cable Board very anxious for reply to message sent in my telegram of 1st August [not printed] for information of Board. Meets on 14th September.

CP.C. Bates 05/87.1

#### No. 37.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

(Telegram.) Wellington, 21st September, 1905. For Chairman Board: New Zealand Government opposed to pooling proposal, and strongly of opinion Pacific cable should remain entirely independent of Eastern Company, remembering factors which caused State cable to be established. In any case, the concessions offered by them are not worth considering when the £21,000 is divided between contributing Governments. A ten-per-cent. normal increase annually would more than cover the £12,000 in three years. My Government of opinion Board should adopt vigorous policy Australia, and have separate offices Sydney, Melbourne, and separate wires. Expense far more than covered by increased receipts. [P.O. Rates 05/136.]

### No. 38.

The Hon. the Postmaster-General, Wellington, to the Prime Minister, Commonwealth of Australia, Melbourne.

(Telegram.)

Official report Pacific Cable Conference received. Not yet advised, however, Eastern Company's actual position re pooling. Stated principal saving would be on closing Australian offices. Only 160,000 additional words annually for twelve years not worth considering. Ten-per-cent. increase traffic exceed £12,000 in three years. Fifty per cent. New South Wales and Victorian traffic would mean £23,000 a year additional revenue to Pacific cable. Estimated saving £9,000 a year

F.—8. 22

repairing ship problematical. Our experience favours Government owning repairing ship as repairing ship problematical. Our experience favours Government owning repairing ship as against hiring. So far as I understand position, I am decidedly opposed to the pooling. Favour vigorous action Sydney and Melbourne, and separate offices and wires. Cost between £5,000 and £6,000 a year, as estimated by General Manager. This far more than covered by additional revenue. Pacific cable should be quite independent of Eastern Company, remembering factors which led to establishing State cable. Conference amendments Commonwealth agreement I hope will be agreed to. Should company refuse, then agreement should not, in my opinion, be proceeded with, and company required to close Melbourne office and give up direct wire. I think you should pool terminal rate, as proposed some time ago by Pacific Cable Board, you retaining twopence. As you know, the Commonwealth credits Pacific cable with only one and sevenpence a word on its ordinary international business, against one and elevenpence by New Zealand. Estiword on its ordinary international business, against one and elevenpence by New Zealand. Estimated that for period ended March last year there was a loss to State cable of nearly £11,000 on Commonwealth traffic. Should be glad to have your views. P.C. Rates 05/108.1

#### No. 39.

The CHAIRMAN, Pacific Cable Board, London, to the Right Hon. the PRIME MINISTER, Wellington. (Telegram.) London, 30th September, 1905. Does New Zealand Government fully understand that addition of 160,000 words to Pacific traffic of 1904 only establishes the proportion for future divisions annually of total United Kingdom traffic, and that Pacific would, therefore, participate proportionately in growth of such traffic? Reply if possible before Tuesday, when Board meets to consider your answer. [P.C. Rates 05/137.]

#### No. 40.

The SECRETARY, General Post Office, Wellington, to the Superintendent, Pacific Cable Station, Doubtless Bay.

Wellington, 3rd October, 1905. (Telegram.) For Board, London: Understand basis practically means with 160,000 words added Pacific, two thirds Eastern, one-third Pacific, United Kingdom traffic during currency proposed term. Proportions 1904 traffic about seventy-three and half per cent. Eastern, twenty-six and half per cent. Pacific. United Kingdom traffic 1904 over 1903 shows increase Eastern less than three per cent. Pacific over eleven per cent. Proposed pooling inequitable and against Pacific. Active canvass Sydney, Melbourne, result further increase Pacific business.

[P.C. Rates 05/129.]

#### No. 41.

The Secretary of State for the Colonies to His Excellency the Governor. Downing Street, 22nd December, 1905.

My Lord,— Downing Street, 22nd December, 1905.

With reference to my predecessor's despatch of the 3rd August last, forwarding the report of the Pacific Cable Conference, I have the honour to transmit to you, for the information of your Ministers, copies of telegraphic correspondence with the Governor-General of Australia, as noted in the margin, from which it will be seen that the Commonwealth Government have adopted the recommendations made in paragraphs 6 and 7 of the report.

I have, &c. Governor the Right Hon. Lord Plunket, K.C.M.G., K.C.V.O., &c., ELGIN. [P.C. Rates 06/24.]

#### Enclosure 1 in No. 41.

Governor-General Lord Northcote to Mr. Lyttelton.

Received, Colonial Office, 6th December, 1905. (Telegram.) Referring to previous correspondence as to effecting arrangements for pooling between Pacific Cable Board and the Eastern Telegraph Company, Prime Minister states that as the company insists that any arrangements for pooling must be accompanied by condition that on its termination the old Australian Colonies' agreement shall revive, the Government have decided to recommend the Pacific Cable Board not to enter into any pooling arrangement. Government are advised that on the ratification of Commonwealth agreement in its present form the State agreements are superseded and cannot revive on its termination. Ministers are therefore resubmitting to the Senate the resolution for the ratification of the Commonwealth agreement which was postponed pending the decision of the late Conference.

# Enclosure 2 in No. 41.

Mr. LYTTELTON to Governor-General Lord Northcote.

London, 8th December, 1905. (Telegram.) Referring to your telegram of the 6th December, Reuter reports agreement now ratified. Is this correct, and does agreement as ratified terminate unconditionally 31st October, 1913? Presume your Government will at once permit Pacific Cable Board open offices Melbourne and Sydney. By what date will the special wires between Melbourne, Sydney, and Southport absolutely necessary for such offices be handed over to Board? Telegraph reply immediately.

#### Enclosure 3 in No. 41.

Governor-General Lord Northcote to the Earl of Elgin.

(Telegram.) Received, Colonial Office, 20th December, 1905. REFERRING to your telegram of 8th December, Commonwealth Parliament has ratified the agreement subject to article twenty-five being replaced by the following: "This agreement shall be in substitution for the two agreements and the provisional arrangements mentioned in the fourth recital of this agreement. This agreement shall expire on 31st December, 1915." Also provided that the company shall within three months from the 1st January, 1906, execute the agreement as so amended. Commonwealth Government will, as already promised, allow Board to open such offices at once, and will also place a special wire at the Board's disposal between Sydney and Southport, but cannot give a wire between Melbourne and Sydney until one can be erected.

#### No. 42.

The High Commissioner to the Right Hon. the Prime Minister.

Westminster Chambers, 13 Victoria Street, London, S.W., 23rd December, 1905.

Sir,—

I beg to transmit herewith for your information copies of cablegrams relating to the Pacific cable.

I have, &c.,

W. P. Reeves.

The Right Hon. the Prime Minister, Wellington, New Zealand.

For Enclosures 1 and 2 in No. 42 see Enclosures 2 and 3 in No. 41.

#### Enclosure 3 in No. 42.

The Hon. the Postmaster-General, Ottawa, to the High Commissioner for Canada, London.

(Telegram.)

Canadian Government oppose any arrangement contemplating revival agreement between Eastern Company and New South Wales.

P.C. Rates 06/14.]

#### Enclosure 4 in No. 42.

The Chairman, Pacific Cable Board, London, to the Hon. the Postmaster-General, Melbourne.

(Telegram.)

[Copy not dated.]

Colonial Office has communicated to us Lord Northcote's telegram of 20th. Board trust that Commonwealth Government may be able to erect special wire from Sydney to Melbourne by end of February, before which General Manager expects to arrive to institute competition. Reply at once whether we may expect this.

#### No. 43.

The High Commissioner to the Right Hon. the Prime Minister.

Westminster Chambers, 13 Victoria Street, London, S.W., 23rd December, 1905.

It will, I am sure, be satisfactory to you to know that final arrangements have been made by the Pacific Cable Board to open offices in Sydney and Melbourne, and commence active competition with the Eastern Company in Australia. This was finally settled at a meeting of the Board held yesterday afternoon, at which it was arranged that Mr. Reynolds, the General Manager, should leave on the 26th January to catch the outgoing mail-boat at Marseilles. Mr. Reynolds should, therefore, be in Melbourne at the end of February.

At the two previous meetings of the Board I had very strongly urged that further delay would place the Board in a most unfair position, and that we should intimate to the Governments concerned that, failing a definite veto from them, we propose to begin the competition with the new year. This intimation from us at last succeeded in extracting something like a definite reply from the Australian and Canadian Governments. Australia sent us a sort of guarded approval of competition. The Canadian message confined itself to stating that the Dominion was opposed to any arrangement which would contemplate a possible revival of the New South Wales agreement. We might just as well have had all these answers four months ago. Still, it is something to have the question settled one way or the other now. Why the Eastern Company did not waive the possible revival of the said agreement and offer us slightly better terms in the division of earnings puzzles me. I should have thought that it would have been greatly to their advantage to do this. However, they have not done so, and we are now committed to commercial warfare.

We anticipate that our extra expenditure in Australia will be at the rate of about £8,000 a year, and we do not expect, at the very best, to do more than get this back during the first fifteen or eighteen months. Indeed, the Chairman and the General Manager appear to anticipate a loss during that period. After that we hope to make some substantial gain. My opinion, as far as the mere question of receipts and expenditure is concerned, is that we should have profited considerably by the pooling arrangement, at any rate for a number of years; but, of course, there is the question of policy to be considered, and I am not astonished at your decision to oppose pooling under any circumstances. It is a little irritating to think that the people who will profit by the competition will be the public of Victoria and New South Wales, and especially the business public of Sydney and Melbourne. Yet these are the very people who so notably failed to give the Pacific cable the support that was expected. They will now reap the benefit of the expenditure, the energy and the minor concessions that competition brings about, while Queensland and New Zealand, the colonies that have loyally supported the cable, will get no benefit at all from the competition. On the contrary, our taxpayers will have to pay a larger contribution towards the annual deficit than they would have had to pay under a pooling arrangement with the Eastern Company.

You will be glad to know that the traffic returns of the cable show a continued improvement during the last four months. The returns for last month, laid before the Board yesterday, were the

best we have ever had since the cable was opened for business.

I have &c. W. P. REEVES.

The Right Hon. the Prime Minister, Wellington. [P.C. Rates 06/18.]

#### No. 44.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

Wellington, 13th January, 1906. Pacific Cable Conference: What action Board purpose taking? Apparently no pooling. Immediate steps should be taken to secure larger share Australian traffic. What decision Commonwealth? Unable obtain definite reply from Deakin. [P.C. Rates 06/7.]

#### No. 45.

The High Commissioner to the Right Hon. the Prime Minister.

London, 13th January, 1906. (Telegram.) There is to be no pooling. Board will take steps to secure larger share of Aus-Pacific cable: tralian traffic. Reynolds leaves for Australia New Zealand 26th January for purpose of opening offices organising competition. . . . Delay caused by Australia Canada not sending definite reply sooner. Report fully by post 23rd December.

#### No. 46.

The Hon. the Postmaster-General, Wellington, to Sir Sandford Fleming, Ottawa.

General Post Office, Wellington, 16th January, 1906. SIR. I have the honour to acknowledge the receipt of, and to thank you for, your letter of the 31st August last, detailing the action taken by you as representative of the New Zealand Govern-

ment in the discussions which took place at the Pacific Cable Conference held in London from the 22nd June to the 28th July.

Your able report leaves the Government nothing to understand in coming to an appreciation of the position of the various questions discussed at the Conference. To judge by the printed report, you seem to have engaged yourself to some purpose in acquiring the information necessary for New Zealand's proper representation at the Conference. The Government is quite in accord

with the views you expressed, and approves of your action at every point.

The Government, being desirous of seeing definite action resulting from the deliberations of the Conference, has sent a telegram to the High Commissioner for New Zealand in London, asking what action the Pacific Cable Board purposes taking in the matter. A copy of the telegram [No. 44]

is enclosed herewith for your information.

It is to be regretted at this distance of time from the Conference that the questions of pooling and of canvass in Australia should still remain unsettled. It can only be inferred that contending interests still keep the partisans of the rival routes busy with a view to coming to a balanced determination in the end. For my own part, however, I am unable to find the difficulties which would defer the matter of supporting the Pacific route by all legitimate means for such a length of

I learn from the Press that the agreement made with the Eastern Extension Company in 1903 subject to the ratification of Parliament, the consideration of which was postponed to permit of the holding of the Conference at which you were present, has now been ratified by the Commonwealth Parliament, subject to the express condition that the separate State contracts with the Extension Company made prior to federation are terminated, and that the Federal agreement shall determine on the 31st December, 1915.

I have, &c.,
J. G. WARD.

Sir Sandford Fleming, K.C.M.G., &c., Winterholme, Ottawa, Canada.

#### No. 47.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

Prime Minister's Office, Wellington, 19th February, 1906. SIR,--I have the honour to acknowledge the receipt of your letter of the 23rd December last notifying that final arrangements have been made by the Pacific Cable Board for the opening of offices in Sydney and Melbourne for the purpose of active competition with the Eastern Company in Australia.

Though time has been lost in making this new departure, and the expense to be incurred will be considerable, I confidently anticipate that the step about to be taken will turn out to be in the best interests of the Pacific Cable Board

I am pleased to learn that the traffic returns of the cable show a continued improvement.

I have, &c.,

ALBERT PITT, for Prime Minister.

The Hon. W. P. Reeves, High Commissioner for New Zealand, London. [P.C. Rates 06/29.]

### MISCELLANEOUS.

#### No. 48.

The Superintendent, Pacific Cable Station, Doubtless Bay, to the Secretary, General Post Office, Wellington.

Sir,—

The Pacific Cable Board, Doubtless Bay Station, 13th June, 1905.

In further reply to your letter dated the 26th January, I am directed by the General Manager to send you a copy of a letter (attached) which he received from Mr. George G. Ward, Vice-President and General Manager, Commercial Cable Company, New York.

I have, &c., C. L. HERTSLET, Superintendent.

The Secretary, General Post Office, Wellington. P.C. Misc. 05/80.]

#### Enclosure in No. 48.

The Vice-President and General Manager, Commercial Cable Company, New York, to the GENERAL MANAGER, Pacific Cable Board, London.

The Commercial Cable Company, New York, 14th April, 1905. SIR,-Your letter of the 24th March, with copy of a letter from New Zealand Government [not printed] concerning Mr. Forbes's experience with American and Canadian telegraph offices at which he presented telegrams for Australia and New Zealand. Mr. Forbes does not say if the American offices he visited were offices of the Postal or Western Union Telegraph Companies. We think it extraordinary that postal telegraph offices should betray ignorance of the Pacific cable to Australia. Signs reading "In connection with the Canada-Australia cable" are displayed on all important offices, and will soon be on every office. Advertising matter has been and is liberally scattered, and a long continued notice appears in the fortnightly circular supplied to every office.

Your suggestion concerning the tariff book is well made. I will see that a change is made in

the next issue. In the meantime a suitable notice shall appear in the fortnightly circular, and be

kept standing until the next print of the tariff book.
Yours, &c.,

GEORGE G. WARD, Vice-President and General Manager.

C. H. Reynolds, Esq., General Manager, Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W.

#### No. 49.

The Secretary, General Post Office, Wellington, to Mr. E. J. Forbes, Sydney.

General Post Office, Wellington, 15th June, 1905. SIR,-I beg to refer to the representations made by you when in Wellington in January last as to the little information available at telegraph offices in Canada and the United States about the Pacific cable and the rates to New Zealand and Australia by that route.

The matter was brought under the notice of the Superintendent of the Pacific Cable Station at Doubtless Bay, and a reply has now been received, as follows: " The General Manager has brought the matter under the notice of all the American companies, and has suggested that their tariff books should show clearly and readily that the Pacific rates are the cheapest and that our route is the most direct to Australasia. He concludes his letter by writing 'I trust that the action I have taken will prevent the recurrence of the case brought under notice.'"

I have to thank you for having directed attention to the subject.

Yours, &c., W. Gray, Secretary.

E. J. Forbes, Esq., Australasian Agent for G. and C. Merriam Company, No. 8 Spring Street, Sydney.

4-F. 8.

# WIRELESS TELEGRAPHY.

#### No. 50.

The Superintendent of Electric Lines, Wellington, to the De Forest Wireless Telegraphy COMPANY, Chicago, U.S.A.

General Post Office, Wellington, 4th March, 1904.

The Department understands that you are prepared to supply apparatus for wireless telegraph signalling. Would you be so good as to furnish me with particulars of the apparatus required and estimates of its cost for reliably signalling over thirty or forty miles of sea with no intervening land; also over seventy or eighty miles, part of which would be a range of hills about 1,200 ft. high and ten or twelve miles across; the remainder would be sea. Masts, of

course, would be previded here, but information as to height, &c., should be given.

I should be glad of any particulars in a general way as to the system, such as the rate of signalling, maximum distance that can be reached, apparatus required, and cost. It is assumed that you could furnish the necessary appliances without delay, and that such instructions would be given as would enable the Department's electricians to successfully instal the stations.

n as would enable the beparament. Requesting the favour of an early reply, I have, &c.,

J. K. LOGAN,

Superintendent of Electric Lines.

The De Forest Wireless Telegraph Company, Chicago, U.S.A. [Tel. 05/567.]

#### No. 51.

The Superintendent of Electric Lines, Wellington, to the National Electric Signalling Company, Washington, D.C.

General Post Office, Wellington, 4th March, 1904. Str,-

We have read in the electrical journals from time to time some accounts of "Fessenden's wireless telegraph system," and descriptions of some of the apparatus and methods adopted.

Your advertisement on page xxvi of the Electrician (Landon), of the 11th December, 1903,

has just come under my notice.

I should be glad if you supply this Department with particulars of the apparatus required, and an estimate of the cost of the same for signalling a distance of forty or fifty miles over sea only, also for signalling seventy or eighty miles, included in which would be a range of hills 1200 ft. high and ten or twelve miles across. Any information generally in respect of distances that can be signalled over, with prices of apparatus, would be acceptable. would be provided here, but particulars of their height would be required. Masts for aerial wires

As you state sets can be supplied from stock or on short notice, it is assumed that if any were ordered they could be despatched immediately. We anticipate that you would furnish such instructions in connection with the apparatus and its installation as would enable the Depart-

ment's electricians to bring it into successful operation. An early reply will oblige

Yours, &c., J. K. Logan,

Superintendent of Electric Lines. The National Electric Signalling Company, Washington, D.C.

#### No. 52.

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

Prime Minister's Office, 14th March, 1904. SIR. I have the honour to acknowledge the receipt of your memorandum of the 9th January last [not printed], forwarding copy of a letter and pamphlet received from the Lodge-Muirhead Company [not printed] respecting their system of wireless telegraphy, together with Sir W. H.

Preece's remarks thereon. The Post and Telegraph Department here would be glad to receive detailed specifications of the Lodge-Muirhead system of wireless telegraphy, together with estimates as to the cost of plants necessary to instal the system, more especially of instruments sufficiently powerful to signal reliably (a) over a distance of thirty or forty miles with no intervening obstacles, and (b) over seventy or eighty miles with an intervening range of hills about 1,200 ft. high and ten or twelve miles through. If the installation were ordered it would not be necessary to send masts, as these could

more conveniently be provided in the colony.

I have, &c., J. G. WARD,

For the Prime Minister.

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

#### No. 53.

The NATIONAL ELECTRIC SIGNALLING COMPANY, Washington, D.C., to the SUPERINTENDENT OF ELECTRIC LINES, Wellington.

Washington, D.C., 12th April, 1904. (Telegram.) Can supply five-hundred-mile sets from stock, average price ten guineas per mile complete. Specifications and tenders mailed.

#### No. 54.

The Secretary, Lloyd's, London, to the Postmaster-General, Wellington.

Lloyd's, 31st August, 1904. Sir,-I have the honour to inform you that the question of the establishment of wireless telegraphic stations at outlying points, in order to obtain reports from these outlying points of intelligence that may be of interest to all those connected with shipping and the commercial community in general, in various parts of the world, has been receiving very careful consideration at the hands of my committee.

An application has recently been submitted to the Government of the Straits Settlements for permission to establish wireless telegraphy in that colony, and the Government has been good enough to offer a license to Lloyd's for the purpose, on terms which are now a subject of negotia-

It appears to me that possibly it might be of considerable advantage, not only to Lloyd's and the mercantile community, but also to the Government of New Zealand, if arrangements could be made for the establishment of wireless telegraphic stations at certain points on the coast of New Zealand, and I should be grateful if you would be so good as to allow me to be informed whether the Government of New Zealand would allow a license to be granted to Lloyd's, with a view to the establishment of such stations. I am, &c.,

The Hon. the Postmaster-General, Wellington, N.Z.

H. M. Hozier, Secretary.

#### No. 55.

The Superintendent of Electric Lines, Wellington, to the Secretary, Lloyd's, London.

General Post Office, Wellington, 22nd November, 1904. SIR.-I have the honour, by direction, to acknowledge the receipt of your letter of the 31st August last, on the subject of the issue of a license for the establishment of wireless telegraph stations in New Zealand.

In reply, I am to say that the Postmaster-General regrets that he is unable to recommend the Governor in Council to issue a license in general terms; but, on the receipt of an application for a license for a station at a particular place or places he will be pleased to give the matter his careful consideration. As a general rule, the issue of a license would be on the understanding that Lloyd's did not come into competition with existing telegraph and telephone stations, and that the wireless

apparatus was not used for profit or in violation of the Electric Lines Act.

I enclose, for your information, copy of "The Electric Lines Act, 1884," and of "The Wireless Telegraphy Act, 1903."

I have, &c., I have, &c., J. K. Logan,

The Secretary, Lloyd's, London, E.C.

Superintendent of Electric Lines.

#### No. 56.

The SECRETARY, Lloyd's, London, to the SUPERINTENDENT OF ELECTRIC LINES, Wellington.

Lloyd's, 18th January, 1905. I have the honour to acknowledge the receipt of your letter of the 22nd November, upon the subject of the issue of a license for the establishment of wireless telegraph stations in New Zealand, and to beg that you will be so good as to express to the Postmaster-General the best thanks of my committee for the information with which His Excellency has kindly allowed me to be favoured.

In reply, I am instructed to inform you that as the primary object of the establishment of wireless telegraph stations by Lloyd's would be for the purpose of communicating with vessels similarly equipped, the issue of a license to Lloyd's by the Postmaster-General would not bring Lloyd's into competition with existing telegraph or telephone lines. Indeed, so far from this being the case, it would really bring business to them, because we should be obliged to telegraph on the messages that might be received from vessels by means of wireless telegraphy, either to this country or to owners or others interested, wherever they might be.

It is presumed that the Government of New Zealand would have no objection to Lloyd's charging the same reporting-fees for such wireless messages as are charged in the United Kingdom

in the case of vessels that may communicate with the stations by wireless telegraphy.

I am, &c., H. M. Hozier, Secretary.

The Superintendent of Electric Lines, General Post Office, Wellington, N.Z.

#### No. 57

The SYNDICATE FOR WIRELESS TELEGRAPHY, Berlin, to the Hon. the POSTMASTER-GENERAL, Wellington.

[Copy of Translation.]

Syndicate for Wireless Telegraphy (Limited), Berlin, N.W., 87 Waldstrasse 33, 25th March, 1905.

THE Syndicate for Wireless Telegraphy (Limited), Berlin, N.W., Waldstrasse 33, hereby announces

The Syndicate was formed on the 1st of February, 1905, at Berlin, for the utilisation of the latest inventions in the sphere of wireless telegraphy.

We make use of the Heinicke system, about which it can already be said that, in consequence of its extraordinary accomplishments, it outclasses all other known systems.

The Syndicate is engaged in publishing a printed paper setting forth the essential advantages

which are offered by the Heinicke system.

But the Syndicate respectfully requests that any fresh orders in the sphere of wireless telegraphy be held over until the Syndicate for Wireless Telegraphy has presented the printed paper relating to the Heinicke system. The Syndicate suggests in addition that deputies view the new singular apparatus at our works, to convince themselves of their extraordinary effect, because we are of opinion that all new orders for supplies will then be at once placed with the Syndicate for Wireless Telegraphy.

It might be stated here that the Heinicke system works with a saving of 70 per cent. of energy

as against the other systems.

The apparatus of the Heinicke system send the signals to much greater distances than the other systems with the same consumption of energy.

The Heinicke apparatus is simpler than those of all the other systems.

The Morse-writer can be used at distances at which with the other systems even the telephone receivers often fail.

The Heinicke system permits of the accommodation of the waves at satisfactory distances,

which, as is known, is impossible with the other systems.

The advantages go much further yet; so that the unequalled excellence of the Heinicke system secures its universal adoption. The Syndicate, in view of this, is prepared to transform all existing stations of other systems, and by this means to so improve them, that the old transformed stations cannot be distinguished from the new establishments after the Heinicke system in surpassing effect, and the Syndicate draws special attention to this offer, since thereby depreciation of the old stations will be prevented.

The Syndicate will be glad to give any desired information, but it must again be pointed out that it is important that deputies should be immediately sent here to become acquainted with our

extraordinary accomplishments at the source.

The Heinicke system does not use the enormously high masts.

SYNDICATE FOR WIRELESS TELEGRAPHY LIMITED LIABILITY COMPANY.

The Minister and Postmaster-General of the Colony of New Zealand, Wellington. [Tel. 05/567(2).]

#### No. 58.

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

Westminster Chambers, 13 Victoria Street, London, S.W., 15th April, 1905.

(Memorandum.)

Wireless Telegraphy.

REFERRING to the last paragraph of my memo. of 25th March last [not printed], I beg to state that in reply to my application to Sir W. H. Preece for a copy of his 1902 report on wireless telegraphy he advised as follows: "The report of 1902 referred to dealt with the question of the use of wireless telegraphy between certain places on the west coast of Africa, but concluded that the system was not then sufficiently advanced to justify its installation. Another report was promised, and this is the one now supplied."

On this subject I also forward herewith copy of letter received from the Allgemeine Electricitats Gesellschaft, Berlin, together with two copies of their last report and lists of installations

[last not printed].

The information herein will doubtless be of service to both the Post and Telegraph and the W. P. REEVES. Marine Departments.

The Right Hon. the Prime Minister, Wellington.

Tel. 05/567(1).]

### Enclosure in No. 58.

The Allgemeine Electricitats Gesellschaft, Berlin, to the Agent-General for New Zealand, London.

125 Charing Cross Road, W.C., 5th April, 1905. SIR,graph company in Berlin is called the "Gesellschaft für Drahtlose Telegraphie, Berlin, Lindenstrasse, 3 (System Slaby-Arco-Braun)." We do not know of any firm called the Syndicate für Drahtlose Telegraphie, Waldstr. 33. In reply to your letter of the 4th instant, we beg to inform you that our wireless tele29

We may point out to you that the Gesellschaft für Drahtlose Telegraphie, which is one of our affiliated companies, has the sole control of wireless telegraphy in Germany, and no other company has any right to transact business there.

We should be very much obliged if you could let us see the circular you have received from

the above-mentioned Syndicate.

In regard to our wireless telegraphy, we would refer you to Sir William Preece, who is in

possession of all details in regard to our system.

In accordance with your wish, we have pleasure in enclosing herewith four copies of our pamphlet, which gives details of the origin and rise of the company, and of the installations erected, and copy of our last report.

We might also mention that we have submitted an estimate to Mr. Hall-Jones, when he was last here, for wireless stations in New Zealand. The last news we received was that the matter is receiving his serious consideration, but that the granting of the necessary credit for the erection of the installations was not passed.

Yours, &c.,

ALLGEMEINE ELECTRICITATS GESELLSCHAFT.

#### No. 59.

The Superintendent of Electric Lines, Wellington, to the Syndicate for Wireless Tele-GRAPHY, Berlin.

General Post Office, Wellington, 16th June, 1905. GENTLEMEN,

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 25th March last, on the subject of the Heinicke system of wireless telegraphy.

The Minister directs me, in reply, to thank you for your communication, and to say that he will be glad to receive any further information available on the subject of the system.

I have, &c.,

J. K. LOGAN,

Superintendent of Electric Lines.

The Syndicate for Wireless Telegraphy (Limited), Berlin, N.W., Waldstrasse 33.

Tel. 05/567(2).]

#### No. 60.

Mr. E. Kilburn Scott, Sydney, to the Hon. the Postmaster-General, Wellington. Electrical Engineering Laboratory, the University, Sydney.

17th July, 1905. DEAR SIR,-

Knowing that the Marconi Company would be interested in the various references re wireless telegraphy which have appeared recently in the Australasian papers I sent them copies, and on the 5th instant received the following interesting cablegram from London:-

"Contract with Italian Government for station Monte Mario, communicate with Argentine, is with Marconi Company. In action won by Marconi in United States Court against De Forest,

Judge said Shoemaker's claims so utterly unsupported they will not be discussed."

From the above it will be seen that after the most mature consideration the Italian Government has definitely contracted for the establishment of communication from Italy to the Argentine, in South America, a distance of over six thousand miles, or about double the distance between Poldhu, in Cornwall, and Cape Breton, in Canada, which the Marconi Company has successfully worked for some time.

This great increase in the distance of transmission leads one to think that perhaps the time when wireless messages may reach Australia from Europe is not so far distant, for in this new contract the distance is about the same as from West Australia to Suez. It will thus be seen that connecting up Australia with New Zealand and the various islands is play-work compared with what is now being done, and there ought certainly to be no foolish talk about experimenting, as the

work only requires to be put in hand.

The dismissal of the claims by the Judge of the United States Court, as mentioned in the second paragraph of the cablegram, is very significant, because it may be assumed that if a company is unable to support its claim in its own country there is very little likelihood of its faring better elsewhere. The position is especially interesting in view of the fact that the British Government have identified themselves with the Marconi system only, and it shows that they have been well advised in taking this step. If it is true, as the evidently inspired article of the 27th May would have us believe, that the Commonwealth Government are considering a contract for an installation on the Shoemaker system, then I think they would be well advised to first make sure of the legal position. At this juncture it cannot be too widely known that Mr. Marconi has successfully defended his wireless telegraph patent in the Supreme Court of the United States against infringement by the De Forest Company. In commenting on this judgment the Electrical World and Engineer, of New York, which is one of the leading and most influential technical journals in the world, says: "As to the argument of the counsel for the defendant that the said prior disclosures and the imperfect operation of Marconi's apparatus prior to 1898 or 1899, when he introduced various improvements, deprived the original patent of all claim of novelty except for specific improvements on various parts of prior existing complete systems, the Court held that this contention is not well founded, and that the facts stated serve to support the claim for Marconi

of a high exercise of inventive ability. No prior existing system was complete, or had been shown or conceived to be commercially operative. A sufficient answer to the attempts to belittle Marconi's great invention is that, with the whole scientific world awakened by the disclosures of Hertz in 1887 to the new and undeveloped possibilities of electric waves, nine years elapsed without a single practical or commercially successful result, and that Marconi was the first to describe and the first to achieve the transmission of defined intelligible signals."

Yours, &c., E. Kilburn Scott.

The Hon. Sir J. G. Ward, Postmaster-General, New Zealand. [Tel. 05/567(3).1

#### No. 61.

The Hon. the Postmaster-General, Wellington, to Mr. E. Kilburn Scott, Sydney. General Post Office, Wellington, 30th August, 1905.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 17th ultimo, on matters connected with wireless telegraphy, and, in reply, to inform you that your representations will have due consideration when the time comes for discussing the question of connecting Australia with New Zealand by means of the wireless telegraph system.

I have, &c.,

J. G. WARD, Postmaster-General.

E. Kilburn Scott, Esq., M.I.E.E., &c., Electrical Engineering Laboratory, The University, Sydney.

Tel. 05/567(3).]

#### No. 62.

The Right Hon. the Secretary of State for the Colonies to His Excellency the Governor. My Lord,

Downing Street, 21st September, 1905. With reference to my circular despatch of the 20th of June last respecting the form of licenses for the establishment of wireless telegraphy stations, I have the honour to transmit to you, to be laid before your Ministers, a copy of a letter from the General Post Office with regard to certain statements which have recently been observed in the Press as to the contemplated establishment of wireless communication between Australia and New Zealand.

I shall be glad if you will invite your Ministers to be good enough to comply with the requests of the Postmaster-General. I have, &c.,

ALFRED LYTTELTON.

Governor the Right Hon. Lord Plunket, K.C.M.G., K.C.V.O., &c. Tel. 05/567.]

# Enclosure in No. 62.

The SECRETARY, General Post Office, London, to the Under-Secretary of State for the Colonies.

General Post Office, London, 12th September, 1905. I am directed by the Postmaster-General to say, for the information of the Secretary of State for the Colonies, that he has recently observed statements in the Press to the effect that arrangements have been made for the establishment of wireless telegraph communication between Australia and New Zealand at a cost of £28,000; and also that negotiations have been taking place between the Government of Natal and the Marconi Wireless Telegraph Company for the establishment of a wireless station at Durban, but that as these negotiations have been unsuccessful other arrangements are now contemplated.

In view of the interest of this Department in wireless telegraphy, the Postmaster-General would be much obliged if Mr. Secretary Lyttelton would be so good as to cause him to be informed, after communication with the Colonial Governments if necessary, whether these statements are correct. He should also be glad to be put in possession of any further particulars which can be furnished on the subject, and more especially to learn what system of wireless telegraphy it is

proposed to adopt in each case.

He understands that Mr. Lyttelton has recently requested, in circular letters to the selfgoverning colonies, that His Majesty's Government may be given an opportunity of offering their observations on any application for the installation of a wireless telegraph system which may possibly communicate with similar systems in foreign countries, and that the Governors of the other colonies have been asked not to grant or promise any license for wireless telegraphy without previous reference to the Secretary of State. Lord Stanley ventures to assume that applications referred to the Colonial Office in accordance with these requests will be communicated to him, either directly or through the medium of the Cables (Landing Rights) Committee. He thinks it desirable, however, if Mr. Lyttelton sees no objection, that these arrangements should be carried a step further, and that the Governments of the self-governing colonies should be asked to inform the Colonial Office from time to time of any new stations which may be established, or of any important development in connection with wireless telegraphy which may arise within their juris-

I am to add that His Majesty's representatives in foreign countries have already been instructed by the Secretary of State for Foreign Affairs to report from time to time on these points in respect of the countries to which they are accredited, and that their reports are communicated I am, &c.,
A. F. King. in due course to this Department.

The Under-Secretary of State, Colonial Office.

#### No. 63.

The High Commissioner to the Hon. the Postmaster-General, Wellington.

(Telegram.)

London, 25th October, 1905.

MARCONI'S representative will arrive Melbourne 20th November. Anxious to meet you or your representative with Deakin and Austen Chapman, Postmaster-General, for purpose of submitting important offers; principal is to make powerful wireless stations New Zealand Australia, and will guarantee perfect communication, all this subject to terms of contract.

[Tel. 05/567.]

#### No. 64.

Mr. J. W. Hamilton, Melbourne, to the Hon. the Postmaster-General, Wellington.

I have the honour to inform you that since my return to Melbourne I have had several interviews with Mr. Chapman and Mr. Scott, Secretary to the Federal Postal Department. Mr. Chapman thinks that there should be no difficulty in the way of making arrangements for the proposed coupling-up New Zealand with Australia if it can be done for the sum named in my proposition to you, and he states that he is willing to co-operate with you in the carrying-out of the same; but adds that nothing further can be done towards considering any proposition until some definite understanding is arrived at between the Federal Government and the Government of New Zealand. I told Mr. Chapman that you had promised to write to him in this connection, and he informs me that he is awaiting your communication

informs me that he is awaiting your communication.

In re New Zealand - Cook Islands connection: I have pleasure in advising that I have recently had an interview with Mr. James Mills, of the Union Steam Ship Company, and that he suggested that I should submit a proposal to you for coupling-up Cook and Kermadec Islands with the North Island of New Zealand. He says that this would be a great convenience both to the residents and to shipping, and states that his company would be prepared to co-operate with your Government for carrying out this work. We are in a position to make this connection promptly by means of the Shoemaker wireless system, and I would be pleased to submit you a definite proposal for same should you wish it.

I have, &c.,

J. W. Hamilton.

Hon. Sir Joseph Ward, K.C.M.G., Postmaster-General, Wellington, New Zealand. Tel. 06/76.]

#### No. 65.

Messrs. W. M. Bannatyne and Co., Wellington, to the Hon. the Postmaster-General, Wellington. Wellington, N.Z., 23rd November, 1905.

Sir,— Re Wireless Telegraphy.

· We have the honour to enclose letter [not printed] from Mr. J. W. Hamilton, Australian and New Zealand representative of the International Telegraph Construction Company, on the subject of the connection of Cook Islands and New Zealand. We trust you will be able to take this matter up on your return to Wellington.

We also append letter, asking that Mr. Hamilton's principals—Messrs. Dutilh-Smith MacMillan and Co. and the International Telegraph Construction Company—be placed on the list of tenderers at the High Commissioner's Office in London.

Trusting you may be able to accede to this gentleman's request,

We have, &c.

Sir J. G. Ward, Wellington.

W. M. BANNATYNE AND Co. (LIMITED).

#### No. 66.

The Australian Metal Company, Melbourne, to the Hon. the Postmaster-General, Wellington.

Australia Metal Company (Limited),
DEAR SIR,—
113 William Street, Melbourne, 1st December, 1905.
The following extract from an American daily paper may be of interest to you:—

"New Wireless Record made.—Government's Newport Station receives Eighteen Words a Minute.

"Newport, R.I., Oct. 6.

"What is said to be a new record in receiving wireless telegraph messages has been made by the Government plant at the torpedo station here, and was announced to-day. Eighteen words a minute were received clearly and accurately from Cape Henry, 350 miles; Washington, 325 miles; Philadelphia, 250 miles; Portsmouth, N.H., 150 miles; and several other points where the Government has attaining a Course system was a several other points where the Government has attaining a Course system was a several other points.

ment has stations. A German system was used."

The German system referred to was our "System Telefunken." We are forwarding you under separate cover a pamphlet describing some of the distinctive features of the Telefunken system.

Yours, &c.,

AUSTRALIAN METAL COMPANY (LIMITED).
Sir Joseph Ward, Postmaster-General, Wellington, New Zealand.
[Tel. 06/71(1).]

#### No. 67.

Messrs. W. M. Bannatyne and Co., Wellington, to the Hon. the Postmaster-General.

Sir,-Wellington, 12th January, 1906. We have the honour to inform you that we have recently received a letter from Mr. J. W. Hamilton, Australian representative of Messrs. Dutilh-Smith MacMillan and Co., who addressed you a few weeks since, to the effect that he has not yet received a reply to the request he submitted

to you, that the name of his firm might be placed on the list of tenderers.

May we respectfully ask you to favour us with a reply in this connection at your convenience?

We have, &c.,
W. M. BANNATYNE AND Co. (LIMITED).

The Hon. Sir Joseph Ward, K.C.M.G., Wellington. [[Tel. 05/76.]

#### No. 68.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Commonwealth of Australia, Melbourne.

Wellington, 15th January, 1906. (Telegram.) NEW Zealand is willing to join the Commonwealth in establishing wireless telegraphy with Australia. For the purpose of drawing up for submission to you the necessary specifications for this work, I would like to have your assurance that the Commonwealth Government is willing to join in the establishment of a wireless system. I understand your view is that you should have one highpower station on the south coast of Australia and a low-power station on the northern coast of Tasmania. For the purpose of uniformity and of equalising our respective positions, New Zealand would also stipulate for one high-power station on the south-west coast of New Zealand and for one low-power station at the Auckland Islands. The Auckland Islands station would be of equal importance to the shipping of Australia as to New Zealand; but to enable the terms of a proposed contract to be defined, it seems to me that it is better for the Commonwealth and New Zealand each to stipulate for one high-power and one low-power station. If you concur in joining, with a view to tenders being publicly invited, kindly cable, and I shall write you on the matter.

[Tel 05/567.]

#### No. 69.

The Hon. the Postmaster-General, Wellington, to Messrs. W. M. Bannatyne and Co., Wellington. General Post Office, Wellington, 16th January, 1906.

I am in receipt of your letter [No. 67] re wireless telegraphy. You may depend that nothing will be done in this matter excepting by public competition, and your clients will therefore have an opportunity of quoting for same. Yours, &c.,

Messrs. W. M. Bannatyne and Co., Ld., Wellington.

J. G. WARD.

### No. 70.

The Australian Metal Company, Melbourne, to the Hon. the Postmaster-General, Wellington.

Australian Metal Company (Limited), 113 William Street, Melbourne, 18th January, 1906. We beg to enclose herewith a communication relative to wireless telegraphy in Mexico,

which may interest you.

At the same time we may mention that the Wireless Telegraph Company of Berlin have cabled to us that an engineer will come out on board the s.s. "Bremen" about middle of March and will conduct some trials on the Telefunken system.

Yours, &c.,

AUSTRALIAN METAL COMPANY (LIMITED).

Sir Joseph Ward, K.C.M.G., Postmaster-General, Wellington. [Tel. 06/73).]

#### Enclosure in No. 70.

#### Wireless Telegraphy Stations in Mexico.

THE notice which has appeared in various newspapers that the Mexican Government has adopted the Marconi system is perhaps based on the fact that representatives of Mr. Marconi have been to Mexico, and have submitted to the Government a proposal for the erection of several stations on

their system.

The Mexican Government has, however, decided in favour of the system Telefunken, and has placed with the Wireless Telegraph Company of Berlin an order to instal stations for the establishment of a wireless connection between Hazatlan (Simaloa) and San José del Cabo, the distance between these two points being about 325 kilometers.

At the request of the Government, the stations in question are arranged for different wavelengths, as they are designed not only for inter-communication with each other, but also with moving ships.

Wireless telegraph stations were installed on the Telefunken system in Rosalia and Guaymas already in the year 1902, and since that time the Mexican Government has practically tested this system, and has, furthermore, trained a staff of operators, in consequence of which the erection of a large number of stations on this system can confidently be expected.

[Tel. 06/76(3).

J. J. CRAIG.

#### No. 71.

The Hon. the Postmaster-General, Commonwealth of Australia, Melbourne, to the Hon. the Postmaster-General, Wellington.

(Telegram.) Melbourne, 20th January, 1906.

Do not consider it desirable invite tenders wireless telegraphy with New Zealand until partners Pacific cable consulted. Have approved arrangements for experimental working with Tasmania. Tel. 06/76.1

#### No. 72.

J. J. CRAIG (LIMITED), Auckland, to the Hon. the Postmaster-General, Wellington. Queen Street, Auckland, 23rd January, 1906. SIR.-

I notice from the papers that you have under consideration the erection of wireless telegraphy between New Zealand and Australia. I trust, before anything definite is settled, that you will give me an opportunity of putting in a tender on behalf of my principals, the Wireless Telegraphy Company, of Berlin, who claim that their system is far in advance of Marconi's. Any information you may desire I will be pleased to obtain from my principals.

I have, &c., The Hon. the Postmaster-General, Wellington. [Tel. 06/76(2).1

#### No. 73.

The Hon. the Postmaster-General, Wellington, to the Hon. the Postmaster-General, Commonwealth of Australia, Melbourne.

Wellington, 29th January, 1906. (Telegram.) I NOTE your view. Had no intention arranging for wireless telegraphy to compete for commercial work. For purpose of connecting wireless telegraph system with outlying islands and steamers I do not consider any necessity consult partners Pacific cable, although I have no objection to this course. Can discuss matter when we meet. [Tel. 06/76.]

#### No. 74.

The Secretary, General Post Office, Wellington, to J. J. CRAIG (LIMITED), Auckland. EMEN,—
General Post Office, Wellington, 30th January, 1906. GENTLEMEN,

I have the honour, by direction, to refer to your letter of the 23rd instant, asking that, in the event of its being decided to establish communication between New Zealand and Australia by wireless telegraphy, you be given the opportunity of tendering on behalf of the Wireless Telegraph Company, of Berlin.

In reply, I am to inform you that when it is decided to instal the system of wireless telegraphy

in this colony, tenders for the work will be called for publicly.

I have, &c., W. GRAY, Secretary. Messrs. J. J. Craig (Limited), Queen Street, Auckland. [Tel. 06/76(2).]

# MISCELLANEOUS:

#### EMPIRE CABLES.

#### No. 75.

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

Westminster Chambers, 13 Victoria Street, London, S.W., 13th April, 1905.

SIR. I beg to transmit herewith copy of circular letter [No. 41, F.-8, 1905], prepared by the Ottawa Board of Trade, on the subject of the Empire cables.

The High Commissioner for Canada, in forwarding a copy of this letter, states that the matter to which it refers is one in which the Canadian Government and the people of Canada are deeply I have, &c., W. P. Reeves. interested.

The Right Hon. the Prime Minister, Wellington. [Tel. 05/543(1).]

5-F. 8.

#### No. 76.

The Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER.

Prime Minister's Office, Wellington, 26th June, 1905.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 13th April last, forwarding copy of the circular letter prepared by the Ottawa Board of Trade on the subject of the Empire cables. I had already received a copy of the circular from the Board of Trade, and the Postmaster-General has just replied to it. I forward a copy of Sir Joseph Ward's letter herewith.

I have, &c.,

ALBERT PITT,

For Prime Minister.

The Hon. W. P. Reeves, High Commissioner for New Zealand, London. [Tel. 05/543(1).]

#### No. 77.

The Hon. the Postmaster-General, Wellington, to the Secretary to the Board of Trade of the City of Ottawa, Ottawa.

General Post Office, Wellington, 26th June, 1905.

I have the honour to inform you that the Right Hon. Mr. Seddon has referred to me your letter of the 20th January last [not printed], covering report of the Council of your Board on the "Empire cables" movement, and detailing the steps taken to ascertain the views of commercial and trade associations thereon in the British dominions; and also your subsequent letter of the 15th March [No. 41, F.-8, 1905], forwarding copy of your Board's circular letter No. 3 on "Empire cables."

I thank you for the communications. The subject is one in which the New Zealand Govern-

ment is in sympathy with your Board.

I may explain that Sir Sandford Fleming had also brought the question under the notice of this Administration, and suggested that it might be discussed at the forthcoming Pacific Cable Conference. He was, however, informed that the subject was regarded as being of such importance as to claim the consideration of a Conference of Premiers to be specially assembled for the purpose.

I have, &c.,

J. G. Ward, Postmaster-General.

Cecil Bethune, Esq., Secretary to the Board of Trade of the City of Ottawa, Ottawa, Canada.

[Tel. 05/543.]

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