

might be continued. I have further advised my Board in terms of our conversation regarding a transit rate on international traffic to and from Australia passing over the new cable, informing them that it is not the intention of your Administration to ask for this.

Might I suggest, with a view to curtailing possible correspondence between my Board and your Department, which might possibly delay a decision being arrived at, that you will be good enough to communicate with the New Zealand representative on the Pacific Cable Board, confirming—(a.) That your Administration will provide the necessary office accommodation in the new post-office in Auckland free of cost to the Board. (b.) That, if possible, a spare conduit for the underground cables between Ponsonby and Auckland will be placed at the Board's disposal. (c.) That it is not the intention of your Administration to charge a "transit rate" on international traffic to and from Australia which may be handled over the new cable, and if you would kindly put forward the views of your Government on the matter generally it would, I am confident, materially assist my Board in coming to an early decision.

In conclusion, I would respectfully tender my best thanks to the Prime Minister, Sir Joseph Ward, yourself, and the officers of your Department for the courtesy and assistance rendered me in carrying out my work whilst in New Zealand.

I have, &c.,

J. MILWARD,

Manager in the Pacific.

The Secretary, General Post Office, Wellington.

[P.C. Fin. and Constr. 11/136-40.]

No. 14.

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

SIR,—

Prime Minister's Office, Wellington, 23rd December, 1911.

Referring to the proposal that the Pacific Cable Board should lay a new cable between New Zealand and Australia, I have the honour to inform you that Mr. Milward, Manager in the Pacific for the Board, recently visited New Zealand, and made the necessary survey, as the result of which he has favourably reported to the Board that the cable should be extended from Doubtless Bay to Auckland, thence by subterranean cable to the west coast, and on by submarine cable to Australia. Mr. Milward asks that, with a view to curtailing possible correspondence, you might be advised that I have confirmed the following arrangements, which I now do: (a.) That this Administration will provide the necessary office accommodation in the new Post-office building in Auckland free of cost to the Board. (b.) That, if possible, a spare conduit for the underground cables between Ponsonby and Auckland will be placed at the Board's disposal. (c.) That it is not the intention of this Administration to charge a transit rate on international traffic to and from Australia which may be handled over the new cable.

I might add that I strongly support the proposal to bring the cable to Auckland, as I have no doubt whatever that the saving of transmissions and the cutting-out of the land line between Southport and Sydney will result in a large accession of business to the Board. I note that in his report Mr. Milward has not shown the full saving in transmissions. While it is literally correct that the traffic between Australia and New Zealand will be subject to one less transmission, it must be remembered that very little business is done with any point in Australia north of Sydney, and that the laying of a cable connected by subterranean lines with the Auckland and Sydney Post-offices will save two transmissions on all messages for Sydney and points in Australia south and west of Sydney, which should result in a material increase of traffic.

* * * * *

I have, &c.,

J. A. MILLAR,

For Prime Minister.

The Hon. Sir Wm. Hall-Jones, K.C.M.G., High Commissioner for New Zealand, London.

[P.C. Fin. and Constr. 11/169-70.]

No. 15.

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

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

29th December, 1911.

SIR,—

I have the honour to acknowledge the receipt of your letters of the 27th October last [not printed] and 3rd ultimo, enclosing copies of the resolution passed by both Houses of the Dominion Parliament in October, approving of the Pacific cable deviation. I am forwarding copies of the resolution to the Pacific Cable Board and to the Colonial Office for the information of that Department and the General Post Office.

I have, &c.,

WM. HALL-JONES.

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

[P.C. Fin. and Constr. 11/196.]

No. 16.

The MANAGER IN THE PACIFIC, Pacific Cable Board, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 5th January, 1912.

FOLLOWING from Pacific Cable Board to-day: "Board decided adopt Sydney-Auckland route for new cable. Disposal of Doubtless Bay buildings must remain in abeyance till scheme completed. New Zealand terminus in South Island discussed, but considered open to prohibitive physical objections apart from other disadvantages." Will communicate latter part message to Dunedin Chamber of Commerce by mail.

[P.C. Fin. and Constr. 11/190.]

[Acknowledged, 13th January, 1912.]