

House, 979/1913), where it is made clear that the Commonwealth Government is not prepared to fall in with the proposals put forward by the Chairman of the Pacific Cable Board in his memorandum of date 19th November, 1912.

"This Government also does not agree with the proposals put forward by the Board. New Zealand would demur to becoming a party to a rearrangement adjusting the difference between herself and Australia but probably detrimental to Canada and the United Kingdom.

"This Administration sees no reason why the zone system of determining charges should be maintained to the detriment of New Zealand merely in pursuit of the idea of uniformity by the levy of the same charge over a large area. It would be better to proportion charge to service in respect of areas lying so far apart as Australia and New Zealand. The zone system, therefore, should not continue to operate in these seas so far as New Zealand is concerned; and the charge to New Zealand should be reduced by an amount representing the excess of the Australian terminal rate over the New Zealand terminal rate. This would bring matters to a head. Any reduction to New Zealand would, without question, provoke a demand for a reduction in the Australian rate, and I apprehend from the last paragraph of the letter of the 1st July from the Post Office to the Department of Internal Affairs, Melbourne, that such a reduction in the whole charge on cable messages to Australia would be acknowledged as a good ground for a reduction of the portion representing the terminal rate. This transfers the onus of making any reduction to the Pacific Cable Board; and from a Press telegram, dated the 13th instant, it is learnt that the reduction is not likely to happen. Sir Henry Primrose is reported to have given evidence before the Dominions Commission 'that no further reductions in the Australian rates could be made without financial loss. Experience has proved that increased traffic does not always provide compensation for lowered rates.'

"I expect in ordinary course to find this message confirmed, and judge, therefore, that it will be useless to pursue this correspondence further at present."

I have, &c.,

LIVERPOOL,

The Right Hon. Lewis V. Harcourt, P.C., &c.,
Secretary of State for the Colonies.

Governor.

No. 36.

New Zealand, No. 179.

SIR,— Government House, Wellington, 27th November, 1913.

With reference to your despatch of the 21st February, 1913, No. 79, A.-2, 1914 No. 1. relative to the Divorce and Matrimonial Causes Amendment Act, 1912, of the Parliament of this Dominion, and to the exclusion by that Act of appeals to His Majesty in Council, I have the honour to inform you, by request of my Prime Minister, that a Bill has now been introduced into Parliament, and will probably be passed during the present session, repealing the reference to His Majesty in Council contained in the above-mentioned Act.

I have, &c.,

LIVERPOOL,

The Right Hon. Lewis V. Harcourt, P.C., &c.,
Secretary of State for the Colonies.

Governor.

No. 37.

New Zealand, No. 180.

SIR,— Government House, Wellington, 27th November, 1913.

With reference to your despatch of 3rd October, No. 381, enclosing A.-2, 1914 No. 78. copies of a circular issued by the Board of Trade relative to the qualifications required for examination for a certificate of competency as engineer in the mercantile marine, I have the honour to inform you that my Ministers report