

would seriously affect the support that the cable would otherwise receive. He stated his readiness to promptly appoint a commission, and suggested that it should consist of six members; - two to be nominated by the Imperial Government, two by Australasia and two by Canada.

He intimated the desirability of having two representatives of the Imperial Government, as he wished both the Colonial Office and the Treasury to be represented on the Commission.

He also expressed great satisfaction at the result of the tenders asked for by the Canadian Government having elicited the fact that the contemplated expenditure would not materially exceed a million and a half, and he could not doubt that the returns from such an enterprise would to a very large extent cover the expenditure that would be involved.

After some general conversation respecting the terms of reference to the Commission, he said that these would be submitted to us in the course of a day or two. It was agreed that we should immediately inform our respective Governments what had been decided upon, and he would communicate in like manner with the Governors of the various Colonies concerned.

When discussing the terms of reference, Sir Westby Perceval, the Agent-General for New Zealand, suggested the question of compensation to South Australia and the Eastern Extension Telegraph Company might arise, but Mr. Chamberlain immediately replied that it would be as well to state at once that Her Majesty's Government would not listen to the question of compensation from any source whatever.

After the meeting the Agents-General adjourned to my office where we settled on the terms of the cable communication to our Governments as follows:-

"Re Pacific Cable:- Colonial Minister at interview
"to-day with representatives of all Colonies except

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