

must remember Manager pointed out to you during one of our interviews in London that company considered guarantee twenty thousand pounds year insufficient, especially so as traffic had not increased as you anticipated, consequently there was loss to the company since 1895 over six thousand pounds year which previously had been shared by colonies, and company therefore think it only fair and reasonable to ask you revert to original guarantee, since net return showed less than one per cent. on capital invested. However, I hope word-rate will lead to increased traffic, and thus show experiment to be success. Presume you understood that money-order telegrams will be charged ordinary rate—threepence per word. I will, however, agree make rate for department postal telegrams one penny per word. Reply.

No. 21.

The MANAGER in AUSTRALASIA, Eastern Extension Company, Adelaide, to the SECRETARY, General Post Office, Wellington.

SIR,—

Adelaide, 27th April, 1900.

Confirming my telegram of 26th instant, I have the honour to state, for the information of the Hon. the Postmaster-General, that it has been decided to adopt the international system of charging a word-rate for the intercolonial traffic passing over the New Zealand cables from the 1st proximo, and that the cable-rate for both ordinary and Government telegrams will be 3d. per word. The present intercolonial Press-rate to remain in force.

I have, &c.,

W. WARREN, Manager in Australasia.

The Secretary, General Post Office, Wellington.

No. 22.

The Hon. the POSTMASTER-GENERAL, Wellington, to the MANAGER in AUSTRALASIA, Eastern Extension Company, Adelaide.

(Telegram.)

Wellington, 28th April, 1900.

Re interview in London: I did not understand that it meant an increase of the existing guarantee. But the ordinary increase in business itself which has come before me since then would not, under any circumstances, warrant this colony agreeing to an additional guarantee, the more so as duplicate-cable guarantee of thirty-two thousand pounds of other colonies has been entirely foregone. In my opinion, proposed rate of threepence per word without a minimum should be satisfactory; and I should expect to find at the end of the year it had meant considerable increase in revenue to your company. I think it is only right, however, to say that this does not represent a concession to the public, as the percentage of commercial messages of ten words and under is only about forty-six decimal thirty-four per cent. of the whole; nor is it a concession in respect of Government messages. I feel disappointed at the proposed money-order telegram rate, which at present is a fixed one of two-and-sixpence per message. Average length of each message does not exceed eleven words. Such messages must be governed by fixed rate, to obviate great public inconvenience and needless departmental labour. Indeed, instead of applying the threepenny rate to them, I would ask you to make a fixed charge of, say, eighteenpence a message. The public must know what the total cost is for this class of message. It is not necessary to go further at present into the question of profits or costs of cable. I fully recognise that in the absence of any guarantee I must negotiate with you upon ordinary business lines. Have you any objection to ascertain from your Board what they will accept for the old and the new intercolonial cables?

No. 23.

The SECRETARY, General Post Office, Wellington, to the MANAGER in AUSTRALASIA, Eastern Extension Company, Adelaide.

(Telegram.)

Wellington, 28th April, 1900.

POSTMASTER-GENERAL is cabling you *re* money-order telegrams, giving reasons not only why word-rate should be applied, but that special rate of eighteenpence should be agreed to—reasons which will, no doubt, have due weight with Board. I note that postal messages will be charged penny a word.

No. 24.

The MANAGER in AUSTRALASIA, Eastern Extension Company, Adelaide, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Adelaide, 29th April, 1900.

Re money-order telegrams: Regret cannot entertain your suggestion eighteenpence message, nor can I recommend Board to do so. You must please bear in mind that New Zealand has the cheapest cable-tariff in the whole world, and is only one-fourth of the Atlantic cable-tariff, over which cables there is an enormous traffic, whereas the New Zealand cable has a very poor one as compared with other cable-service with a much higher tariff. Therefore feel assured you will recognise this. I will submit your question Board *re* price for the two cables. The other colonies have been instructed to charge threepence per word cable-rate for money-order telegrams to New Zealand.