

cables would be below the rate charged on inland telegrams. With this further information hope you will reconsider, and agree to a terminal rate of one penny in New Zealand as well as Australia. I sincerely trust that no attempt will be countenanced by you to force New Zealand to adopt a rate lower than exists within our own colony.

No. 121.

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

(Telegram.)

Melbourne, 16th April, 1902.

MR. REYNOLDS pressing for settlement question of terminal rates. Please furnish immediate reply. Reduction of our rate to one penny involves larger loss of revenue than your reduction to halfpenny.

No. 122.

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

(Telegram.)

Wellington, 17th April, 1902.

SIR JOSEPH WARD's message of yesterday to Hon. Mr. Drake *re* terminal rates crossed yours to me.

No. 123.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 17th April, 1902.

SCOTT's telegram compared miles of line stated in your annual report for 1900 as 7,249, not miles of wire, which, of course, much greater both in New Zealand and Commonwealth. Consider area fair argument both as regards Britain and Commonwealth. Latter more sparsely peopled in proportion to area than New Zealand. Think that when proposal made to reduce our rates from one penny, twopence, and threepence a word to uniform one penny, quite fair to ask you to reduce your one-penny rate to halfpenny. If you cannot do this we can only accept suggestion that you make rate same as inland—first twelve words halfpenny, additional words one penny—Commonwealth reserving right to make rate first twelve words twopence. Would much regret loss of uniformity and new principle as far as terminal and transit rates are concerned.

No. 124.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Melbourne.

(Telegram.)

Wellington, 18th April, 1902.

TERMINAL rates: Sorry any misunderstanding whether telegraph line or wire meant, but this in no way weakens my objections to our being required to reduce our terminal rate to halfpenny, because it may be possible for you to adopt uniform penny throughout Australia. I much regret that you should consider it necessary to stipulate what our terminal rate on intercolonial messages should be. I have not in any way suggested what yours should be. I am, however, willing to meet you on the following lines: You have so far not agreed to the introduction of our letters at the one-penny rate into the Commonwealth of Australia, although from a revenue point of view this would not detrimentally affect the Commonwealth, and you are the only British country that has said "No" to request for the introduction of our penny letters. The request, I think, is not unreasonable particularly in view of the fact that it does not affect your revenue. You say "Yes" to the introduction of our penny letters into Australia, and I will say "Yes" to the halfpenny terminal rate.

No. 125.

The Hon. the POSTMASTER-GENERAL, Melbourne, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Melbourne, 19th April, 1902.

TELEGRAM received. I shall send you answer on Tuesday next.

No. 126.

The SECRETARY, General Post Office, Wellington, to the GENERAL MANAGER, Pacific Cable Board, Southport.

(Telegram.)

Wellington, 21st April, 1902.

SIR JOSEPH WARD hopes that intercolonial terminal rates will be definitely settled to-morrow. Meantime, could you send me particulars of the other rates? Assume that cables will be opened for traffic first proximo, and that it will be arranged for the transmission of international business. Hear that you are leaving to-night for Fiji. Wish you a very pleasant voyage. Regret you could not return to Auckland, and visit Norfolk Island in "Tutanekai."