

The cases are therefore not at all parallel, and neither the company nor the Commonwealth can be expected to transmit these messages free in order to oblige the sender when the normal route "via Eastern" is open, under which they would both get their ordinary transit rates.

With regard to the American traffic, I fail to see anything illogical in my view. There are two normal routes to Great Britain, but only one to America, and when the latter is interrupted there is not a second normal route open to fall back upon.

Your Administration takes a contrary view to that given by Berne as to the right of a terminal Administration to divert, but your reference to the words "Including the Administration which occasioned the diversion" only confirms Berne's view, as wherever the term "rate" is mentioned in the paragraph containing the words you refer to it is the "transit" rate, and it follows that the Administration occasioning the diversion must be an intermediate one. That this is the prevailing view is supported by the circumstance that in all cases where deviated telegrams enter into the international accounts the terminal taxes under the present regulations are treated in full.

I am submitting the correspondence to my head office for consideration, but in the meantime the charges over the company's New Zealand cables for diverted telegrams, as mentioned in my letter of the 26th April last, will be claimed.

I have, &c.,

W. WARREN,

Manager in Australasia.

The Secretary, Post and Telegraph Department, General Post Office, Wellington, N.Z.

[Acknowledged 3rd July, 1907.]

[P.C. Diver. 07/47.]

No. 31.

The ACCOUNTANT, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

General Post Office (Accountant's Branch), Wellington,

29th June, 1907.

(Memorandum.)

I HAVE to acknowledge receipt of your communication of the 10th instant, intimating that your Board is prepared to bear the extra cost of messages diverted to Extension and Southport during interruption to your route by reason of failure on our land-lines. In reply I have to state that this Department will divert as heretofore, but credit forward on the basis of full rates to the Extension and Commonwealth, leaving to your Southport Station the question of any adjustment with the Commonwealth that may be necessary.

I attach for your information copies of letters [Nos. 26 and 30] that have passed between this Department and the Eastern Extension Company with reference to *pro rata* rates for the first twenty-four hours of interruption.

W. R. MORRIS, Accountant.

The Superintendent, Pacific Cable Station, Doubtless Bay, Auckland.

[P.C. Diver. 07/54A.]

No. 32.

The DEPUTY POSTMASTER-GENERAL, Sydney, to the SECRETARY, General Post Office, Wellington.

Commonwealth of Australia, Postmaster-General's Department,

General Post Office, Sydney, 9th July, 1907.

SIR,—

With reference to your communication of the 14th ultimo [not printed], and previous correspondence [Nos. 20 and 22, F.—8, 1907], relative to the allocation of charges on a number of international and Fijian cable messages diverted from the Pacific to the Eastern route on the 2nd August, 1905, I have the honour to point out that the claim in connection with the messages referred to was put in circulation prior to March, 1906, and was therefore within the time allowed in paragraph 5 of Regulation LXXIX, but, unfortunately, a communication bearing on the matter was mislaid, and action was thereby delayed until a copy of the missing communication had been obtained.

I may add that it is considered that the regulation (LXXVI, paragraph 5), in respect of the division of charges on traffic diverted from the normal route during an interruption, clearly shows that the claim set up is justifiable, and it is hoped that your Department will, upon reconsideration, see its way clear to allow the refund asked for.

I have, &c.,

E. J. YOUNG,

Deputy Postmaster-General.

The Secretary, General Post Office, Wellington.

[P.C. Diver. 07/61.]

No. 33.

The SECRETARY, General Post Office, Wellington, to the DEPUTY POSTMASTER-GENERAL, Sydney.

General Post Office, Wellington, 8th August, 1907.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 9th ultimo, relative to the allocation of charges on a number of international and Fijian cable messages for New Zealand diverted from the Pacific to the Extension route on the 2nd August, 1905.

3—F. 8.