

In reply, I have to inform you that there does not appear to be any reason disclosed in your letter, now under reply, to cause this Department to reverse or qualify the decision conveyed in my letter of the 4th June last [No. 22, F.—8, 1907]. I would emphasize the fact that on at least three previous occasions our accounts for diverted messages were rendered on a similar basis, and your office did not then take any exception to the allocation of charges. The diversion of traffic referred to occurred as far back as the 2nd August, 1905; and the papers in my possession do not show that the claim for a recredit was taken up prior to the 8th April last. It is clear that these facts put any claim of right for a refund entirely aside.

However, it has been decided to allow the refund as an act of grace. A recredit has been arranged, and will be given in the accounts for the period July 16–23.

I have, &c.,

D. ROBERTSON, Secretary.

The Deputy Postmaster-General, Sydney.

[P.C. Diver. 07/63.]

No. 34.

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

SIR,—

Pacific Cable Station, Doubtless Bay, 8th August, 1907.

In reply to the letter dated the 29th June (signed by the Accountant), I beg to forward you a copy of a letter from the General Manager, addressed to Mr. Milward, from which it will be seen that the Board is prepared to accept traffic at the usual rate when the land-line is interrupted between Auckland and Doubtless Bay: and, further, the Board will pay the Eastern Extension Company and the Commonwealth full transit rates on all messages diverted *via* Waka-puaka and Southport for Norfolk Island and north thereof.

I may mention that the paragraph referring to cases (e) and (f) deals with the *pro rata* settlement for the first twenty-four hours on messages diverted by Norfolk Island: this still applies, as such diversions can only take place while messages are in course of transmission.

I have, &c.,

C. L. HERTSLET, Superintendent.

The Secretary, General Post Office, Wellington.

[Acknowledged 26th August, 1907.]

P.C. Diver. 07/66.]

Enclosure in No. 34.

The GENERAL MANAGER, Pacific Cable Board, London, to the CHIEF ELECTRICIAN, Pacific Cable Board, Sydney.

The Pacific Cable Board, Queen Anne's Chambers, Tothill Street, Westminster, London, S.W., 20th June, 1907.

SIR,—
With reference to your letter dated the 14th May [not printed], you will see by the latter part of my letter dated the 8th January [Enclosure 8 in No. 19, F.—8, 1907] that the Board does not wish, in the case of an interruption lasting more than twenty-four hours, the entire Pacific cable route to be practically closed because of an interruption on one of the two routes south of Norfolk Island, and that it is prepared to leave the tariff unchanged as regards the public, and pay the full rates of the Australian and New Zealand Governments and the Extension Company's cable for the diverted telegrams on sections south of Norfolk Island.

In the case of interruptions less than twenty-four hours, it was understood that the charges, at the wish of the Commonwealth Post Office, should be dealt with *pro rata* under Regulations 42/2, 76/5, and 76/7 of the Convention. If under Berne's ruling the *pro rata* arrangement cannot be applied within the twenty-four hours to cases of messages *originating* in Australia and New Zealand and diverted as far as Norfolk Island to rejoin the Pacific route (and I think such is the case), we shall have to treat such messages within the twenty-four hours in the manner already arranged for interruptions lasting more than twenty-four hours, and give up the full charges, leaving the charge to the public unaffected. There is no objection to this, and I shall be glad if you will advise the Australian and New Zealand Post Offices accordingly. In other words, so long as the Pacific route is open by one route to Norfolk Island, and is also right beyond, we do not wish that the route should be considered interrupted in any way, either for twenty-four hours or longer, and booking should go on as usual. Upon any diverted telegrams on sections south of Norfolk Island we would pay full rates as usual.

Having provided by the institution of an office at Norfolk Island, with the assistance of the Extension Company's cable, an alternative route from Australia and New Zealand to that island, it would be entirely wrong to treat the Pacific route as interrupted because one of the alternatives to Norfolk Island might happen to be closed.

I agree with you as regards cases (e) and (f) in your letter under reply, but such cases will be very few, I hope.

Please advise Messrs. Judd and Hertslet of the contents of this letter.

I have, &c.,

C. H. REYNOLDS,

General Manager.

J. Milward, Esq., Chief Electrician, Pacific Cable Board, Sydney.