

No. 15.

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

(Telegram.)

Christchurch, 7th April, 1900.

HAVE received telegram from Mr. Warren, Manager, Eastern Extension Company, advising that his company purposes increasing the Sydney-New Zealand cable guarantee from £20,000 to £26,000 a year. For your information I forward you copy of reply I have sent Mr. Warren, and shall be obliged if you will favour me with your views. [See No. 14.]

No. 16.

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

(Telegram.)

Sydney, 10th April, 1900.

Re Cable Company's proposal to increase New Zealand cable guarantee and your reply to Warren: We will not renew guarantee. Unfair to tax the whole community for the benefit of the comparatively few who use the cable. Matter was dealt with, from my point of view, in departmental letter of 20th ultimo.

No. 17.

The Hon. the PREMIER, Wellington, to the Hon. the PREMIER, Adelaide.

SIR,—

Premier's Office, Wellington, 24th April, 1900.

I have the honour to acknowledge the receipt of your letter of the 22nd ultimo, transmitting copy of the notice from the Eastern Extension Australasia and China Telegraph Company (Limited) of termination on the 30th instant of the existing tariff agreements between that company and the Governments concerned.

I am, &c.,

The Hon. the Premier, Adelaide.

J. G. WARD (for the Premier).

No. 18.

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

(Telegram.)

Adelaide, 26th April, 1900.

REFERRING to your telegram of 7th instant, I have to point out that the company never deemed the revenue of £20,000 sufficient, as that sum, after deducting working-expenses, maintenance, and amortization, gives a net return of less than one per cent. on capital invested. Company only agreed to accept a guarantee of £20,000 as part of the larger arrangement entered into at the time with the other Australasian Colonies. I have now to inform you the Board, after carefully considering the circumstances, has decided, by way of experiment, for one year from 1st May next, to adopt international system of charging a word-rate of 3d. per word for the intercolonial traffic passing over the New Zealand cable both for ordinary and Government telegrams, no alteration to be made in intercolonial Press-rates.

No. 19.

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

(Telegram.)

Wellington, 27th April, 1900.

THANKS for information contained in your cable. I note the decision of your board of directors. Am I right in assuming the effect of this to be that instead of paying two shillings for ten words, as at present, it means, under the threepenny rate, paying two shillings and sixpence for ten words, and that if a person sent a cable of only three words the full amount he would require to pay would be ninepence? If my assumption is right, and there is no minimum with the threepenny word-rate, it is so far satisfactory. With reference to your remarks about the twenty thousand pounds, I note that the net return is computed by you at less than one per cent. upon the capital invested. This is, I think, scarcely a fair way of putting the position. The capital originally invested will, I presume, have been largely written down, and have been provided for to a material extent out of profits. This is, of course, a system that commends itself; but, from the point of view I take, if the twenty-thousand-pounds guarantee were sufficient during the years it existed, it was scarcely to be expected that I could agree to the augmentation of the guarantee to twenty-six thousand pounds, particularly in view of the large increase of revenue which was taking place over the cable.

No. 20.

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

(Telegram.)

Adelaide, 27th April, 1900.

GLAD to learn you approve adoption word-rate. Your assumption correct: no minimum. Three words would be ninepence for cable. You have apparently not taken into account cost of the duplicate-cable working-expenses, maintenance and amortization for both cables. Think you