

messages. As the Postmaster-General is aware, the Atlantic cable companies are prepared to let us use the cipher, which would express the date and hour, but not the minute, though in practice this would mean that the time of the message would be given on the average within fifteen minutes of the actual moment of sending. No doubt some commercial firms would prefer to have it even more exactly. The difficulty is that to give the date, hour, and minute would require two words, and would, it is estimated, cost us £10,000 a year. The Eastern Company's system is to assume the date and telegraph the hour and minute. I urged the Board to adopt the same system as the Eastern Company, but the other members, and the Chairman particularly, were unwilling to do this, holding that there might be some risk and possible errors in the date. Finally it was agreed, at a meeting of the Board, that the Chairman should ask you to agree to accept the date and hour, and forego the question of the minute. The Australian Government has already agreed to this. If an answer is received from you declining to do this, then the Board promised me to reconsider the matter.

The Postmaster-General will be pleased to know that the Attorney-General here, Sir Robert Findlay, has given a legal opinion in favour of my view that the Board has power to redress the injustice caused by the excessive terminal rates imposed by Australia. In other words, Sir Robert Findlay holds that the Board may make arrangements granting special rebates in consideration of low terminal charges. The Chairman, who holds the contrary view . . . , has already hinted that if New Zealand is to claim a special rebate then something ought to be done for Canada and the United Kingdom. The matter is to come up at the next Board meeting. I will do the best I can for the colony, and am inclined to think that the ultimate result of the whole thing will be that the Australian terminal rate will be reduced.

You will be glad to learn that the amount of business coming over the cable is showing a gratifying increase, and that the number of telegrams between the United States and New Zealand and Australia is much larger than was predicted. The General Manager showed me the last week's returns, from which I noted that more than one-third of the whole Pacific business was with the United States and Canada. This, I think, is encouraging.

The Hon. the Premier, Wellington.

I have, &c.,

W. P. REEVES.

17th January, 1903.

P.S.—Since writing the above I have had another interview with Mr. Reynolds, who informs me that the Postmaster-General has telegraphed from New Zealand to the effect that it is absolutely necessary that the Board should give the minute as well as the date and hour. If this is done in the case of all messages it will mean that we must pay the Atlantic companies for two words. The Chairman and Mr. Reynolds estimate that this will cost the Pacific Cable Board 14 per cent. of its income. Mr. Reynolds states that, as regards messages outwards to New Zealand, we could “flake” the dates, as our own operators could fill in the necessary figures on receipt of the messages. The difficulty is that this cannot be done in the case of Homeward messages, as the operators are not our servants, but the servants of the Atlantic companies. The Chairman has summoned a special meeting of the Board for next Monday, and I will either cable the result then arrived at to you or will arrange with Mr. Reynolds to do so. I should like to add that if for some weeks past I have not been cabling to you on the subject of the Pacific cable business, I hope you will not suppose that I am not following it all very closely. Mr. Reynolds tells me of every telegram he sends out to New Zealand and of the answers he receives. I do not therefore think it needful to telegraph myself, as that would merely double the expense.

As regards the question of terminal rates, the Manager indicated to me yesterday that he thought the British representatives of the Board would propose to pool all terminal rates, and then divide according to each country's proportion of guarantee. This would, of course, be a much better arrangement for New Zealand than the present state of things, but I propose hearing it discussed before deciding to support it.

W. P. R.

No. 290.

The GENERAL MANAGER, Union Steam Ship Company, Dunedin, to the OFFICER in CHARGE, Telegraph Office, Dunedin.

Union Steam Ship Company of New Zealand (Limited),
Dunedin, 16th January, 1903.

SIR,—

I would call your attention to the fact that recently we have received several cablegrams from Suva, and also messages from Vancouver, from which the time handed in and date of despatch have been omitted and marked “Nil.”

As it is important that we should in nearly all cases know the time at which a message has been handed in, we shall be obliged if you can give instructions that the practice hitherto in force of showing the time and date be reverted to.

Yours, &c.,

The Officer in Charge, Telegraph Office, Dunedin.

S. C. COPE,

For General Manager.

No. 291.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

(Telegram.)

Wellington, 19th January, 1903.

PACIFIC cable: Several principal London New Zealand firms giving directions divert cables to Eastern route owing absence time and date *via* Pacific. Matter certain crop up in Parliament. Will be alleged Board playing into hands Eastern Company, and that all efforts New Zealand popularise Pacific cable destroyed. Supporters Pacific cable incensed.