

Before doing so, I think it will simplify matters if I send you a copy of Mr. Warren's letter, and inform you that the New Zealand Government and this Board do not consider that Regulation XLI (3) of the London Revision of the Convention takes away the freedom of a sender in New Zealand to route a Pacific message *via* Sydney and Southport if the direct line south of Norfolk Island happens to be interrupted, any more than it does to prevent an Eastern message to Europe being sent by Pacific and Eastern—*i.e.*, *via* Southport and Sydney—in case of a failure of the Extension cables between New Zealand and Australia.

As you are aware, during the interruption last year of the two cables between Sydney and Wakapuaka, Eastern New Zealand business both from and to the United Kingdom was diverted across the Tasman Sea by the Pacific cable route, and the New Zealand Government respected the wishes of the senders by permitting routing "*via* Pacific and Eastern." According to Mr. Warren's view of the regulation, this apparently should not have been done, and all such messages from New Zealand should have been diverted *via* Pacific to destination, the Eastern route to New Zealand being interrupted; further, no messages should have been booked *via* Eastern in the United Kingdom for the same reason.

To put the case generally, it does not appear that a route should be considered interrupted under Regulation XLI (3) when there is an alternative route over the interrupted section, even though such alternative route may form part of another through route to destination at equal charges by which messages might travel. Any such regulation would greatly impair the value of alternative routes generally, both to the public and to the cable administrations.

As regards the application of *pro rata* charges over the diversion during the first twenty-four hours of interruption, a doubt seems to have arisen in connection with the letter of the Berne office to you of the 29th May, 1905 [Enclosure 2 in No. 2, F.—8, 1906], in reply to your letter of the 22nd idem [Enclosure 1 in No. 2, F.—8, 1906], but whether that is the case or not is of little importance. Under any circumstances, after the twenty-four hours the full rates would have to be allowed to the Administrations concerned over the diverted sections, and even during the first twenty-four hours this would appear to be the simplest way of dealing with the matter.

I shall be glad if you will let me hear from you, and meanwhile I do not propose to refer the matter to Berne, as there appears to be some misunderstanding, which on being explained will render any reference unnecessary.

I have, &c.,

C. H. REYNOLDS,  
General Manager.

W. Hibberdine, Esq., Traffic Accountant, Eastern Telegraph Company, London.

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### Enclosure 2 in No. 48.

The TRAFFIC ACCOUNTANT, Eastern Telegraph Company, London, to the GENERAL MANAGER, Pacific Cable Board, London.

The Eastern Telegraph Company (Limited), Electra House, Finsbury Pavement,  
London, 30th August, 1907.

SIR,—

In further reference to your letter on the subject of deviated traffic, we enclose, for your information, copy of our letter to Mr. Warren on this subject.

I have, &c.,

The General Manager, Pacific Cable Board, London.

W. HIBBERDINE,  
Traffic Accountant.

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### Sub-enclosure in Enclosure 2 in No. 48.

The TRAFFIC ACCOUNTANT, Eastern Telegraph Company, to the MANAGER IN AUSTRALASIA, Eastern Telegraph Company, Melbourne.

The Eastern Telegraph Company (Limited), Electra House, Finsbury Pavement,  
London, E.C., 30th August, 1907.

SIR,—

I have to acknowledge receipt of your letters of the 27th May and 26th June [not printed] respectively, on the subject of deviated traffic.

NEW ZEALAND AND GREAT BRITAIN AND AMERICA.

*Ordered via Pacific.*

If the route *via* Norfolk Island is interrupted, either land-line or cable, traffic ordered *via* Pacific passes over the Extension Company's New Zealand cables at the full tariff of 3d. per word.

*Ordered via Eastern.*

If the route by the Extension Company's cables between Australia and New Zealand is interrupted, either land-line or cables, traffic passes *via* Norfolk Island and Southport, that route receiving the full rate of 3d. per word between New Zealand and Australia.

We do not think here that any question of *pro rata* division arises in this question, and we have agreed to the above principle with the Pacific Cable Board in London.

I have, &c.,

The Manager, Eastern Telegraph Company (Limited), Melbourne.

W. HIBBERDINE,  
Traffic Accountant.