

The laying of the Norfolk Island-Fiji section was completed on the 10th April, when further congratulatory messages were exchanged with the Officer administering the Government of Fiji, and others.

The cable is expected to be completed to Vancouver and opened for through traffic about November next.

The cables were tested daily for thirty days on behalf of the Pacific Cable Board, and at the end of that time were found to be working satisfactorily, and taken over by the Board in terms of the contract with the Telegraph Construction and Maintenance Company for making and laying the cable.

A site consisting of 15 acres 2 roods 16 perches of Block IV., Mangonui Survey District, Auckland, had been reserved for cable-station purposes at Doubtless Bay, and 13½ acres were subsequently purchased. The contract for the buildings was accepted on the 10th December, 1901, and the cable-house was reported as finished on the 3rd March, 1902. The office building was completed at the beginning of April, the staff quarters at the end of that month, and the residences for the Superintendent and the Assistant Superintendent at the end of May. The land, buildings, &c., are to be paid for by the Pacific Cable Board and become its property.

As one outcome of Mr. Reynolds's visit it was arranged between the Pacific Cable Board and the Postmaster-General that the working of the land lines as well as the cable should be undertaken by the Board's staff, this Department paying a proportion of the operators' salaries for the land-line work. So far this arrangement has been found to work very satisfactorily. One of our experienced officers was transferred to the service of the Board and appointed to the charge of the station.

As a direct result of the advent of the Pacific cable the terminal Australian rate on New Zealand-Australian traffic was reduced to a uniform 1d. per word, instead of 1d. per word per State, as hitherto, and the New Zealand terminal rate from 1d. to ½d. per word. This enabled the charges for New Zealand-Australian telegrams, except to and from Tasmania, being reduced to one uniform rate of 4½d. per word, and to Tasmania to 5½d. The additional 1d. to Tasmania is to cover the transmission over the Australia-Tasmania cable. Lengthy negotiations, however, had taken place before the terminal rates were settled, and the reduction of New Zealand's rate to ½d. was conditional on the Commonwealth accepting New Zealand's penny letters and delivering without surcharge. No change has been made in the terminal rate for international traffic.

The rate for Government telegrams *via* Pacific Cable is 1d. per word less than for ordinary telegrams.

To Norfolk Island the charge for ordinary telegrams is 3d. per word, and to Fiji 8d. per word.

In addition to the reduction of the rates for telegrams to and from Australia, the opening of the Pacific cable has, in one unexpected direction, given considerable relief to the senders of cable telegrams to places beyond Australia, by bringing about a general reduction of the rates from New Zealand, Queensland, and Victoria to the more favourable rates which had subsisted in New South Wales, South Australia, and Western Australia under an agreement with the Eastern Extension Company. The rates on ordinary telegrams from New Zealand to Europe were reduced, as from the 1st June, from 5s. 2d. to 3s. 4d. per word. This reduction is made under a tentative agreement between the Australian Commonwealth and the Eastern Extension Telegraph Company, subsequently extended to this colony by the company, whose action is highly appreciated by the New Zealand Government. The agreement, however, is subject to the whole question of rates and cable matters generally coming up for discussion in London presently.

The Pacific cable was opened for business on the 23rd April. A separate copper wire from Auckland to Doubtless Bay was erected for the cable traffic, which up to the present has in volume far exceeded anticipations.

On the completion of the Pacific cable the through rate to and from Europe by that route will be 3s. per word.

Copies of correspondence to date will be presented to Parliament in usual course.

CABLE COMMUNICATION WITH SOUTH AFRICA.

On the 1st November, 1901, the new cable between Durban in the Colony of Natal and Fremantle in Western Australia was opened for traffic. The section Fremantle to Glenelg was opened on the 1st March last. This cable is divided into five sections, as follows: (1) Durban to Mauritius; (2) Mauritius to Rodrigues; (3) Rodrigues to Cocos; (4) Cocos to Fremantle; and (5) Fremantle to Glenelg in South Australia. The rates on telegrams from New Zealand to Durban and Capetown were reduced from 7s. 6d. to 3s. and 3s. 1d. per word respectively from 1st December, 1901, a sympathetic reduction also applying to other South African stations.

STEWART ISLAND CABLE.

The laying of a cable from Bluff to Lee Bay, connecting by four miles of land line with Half-moon Bay, which was successfully accomplished on the 11th June instant, was a notable event, completing as it does telegraphic communication from one extremity of the colony to the other. The cable was laid in an unusually short space of time, showing the value of the Government possessing a cable steamer. On the 5th June the Postmaster-General directed that the work was to be done. The fixing of the cable machinery was begun the same day, the cable required taken on board without delay, and the "Tutanekai" was able to leave Wellington at noon on the 8th, and she reached the Bluff on the forenoon of the 10th. During the afternoon the landing-place at Ocean Beach, outside the Bluff, was surveyed; at daylight the following morning the operation of laying the cable commenced; seven hours later the shore end was landed at Lee Bay and connected up with the land line, which had already been erected; and a telephone-office opened the same afternoon at Half-moon Bay. The cable, which is a single-core, and weighs six tons to the knot, is a little over nineteen knots in length.