

PACIFIC CABLE.

The completion of the Pacific cable on the 31st October last was a matter of extreme satisfaction to the Government and people of the colony, both on account of the consummation of this highly important undertaking in which widely separated members of the Empire are partners and because the cable has been the direct means of largely reducing the cost of oversea telegraphing. The lowering of the rates has brought about a considerable increase in the volume of cable messages; but the failure of the Pacific Cable Board at the outset to counteract the strong efforts made in the interests of the rival cable to secure business by the appointment of canvassers has resulted in the loss of business which otherwise would have been secured by the Pacific cable. This, however, is now being remedied.

A disturbing feature, and one which has given much concern to the Government, is the determination of the Commonwealth Government to conclude an agreement for a long term with the Eastern Extension Telegraph Company under which the company secures advantages which militate against the State-owned cable, and will require considerable expenditure by the Pacific Cable Board to minimise. This matter is dealt with fully in a paper which has been laid before Parliament.

The share of the loss to be made good by New Zealand on the working of the cable for the year will be between £9,000 and £10,000, which is much in excess of anticipations. Unforeseen factors have no doubt helped to swell the deficiency, but it is hoped that the energy now displayed by the Board to conserve and increase its traffic will materially reduce the loss year by year. The reduction of rates, it is estimated, means an annual saving of about £50,000 on New Zealand business to the users of the cables.

OCEAN MAIL-SERVICES.

The eighteen months' renewal of the San Francisco service expired in May. A temporary extension has been arranged with the Oceanic Steamship Company until the House of Representatives has had an opportunity of considering the question of the continuance of the service, proposals for which the Government intends to submit to the House at an early date.

It has not been practicable, up to the present, to arrange for the inclusion of a New Zealand port as a calling-place for the Vancouver service. The Commonwealth Government of Australia and the Government of Canada have recently extended the present Vancouver contract for two years. Negotiations were opened with a view of getting this colony included, but the other parties would not concede the extra time it would take to call at New Zealand. It seems as though Queensland is not over-anxious to retain the connection, and there is some hope we may yet get the Vancouver service restored.

SOUTH AFRICAN TRADE.

I am exceedingly pleased to say that, although the first two or three steamers of the subsidised line did not take away much cargo, the development has been such that the contract made with the New Zealand and African Steamship Company has been more than justified, the last three or four steamers having gone away crammed with cargo and with decks full of live-stock. The opening-up of the South African market has relieved the colony of immense quantities of frozen meat, and the taste of our fellow-colonials appears to be for a lighter sheep than is suitable for the London market. The large quantity of beef for which there was no demand in the Home market has found ready sale in Africa. Again, very large quantities of small goods, for which no market whatever could be found elsewhere, are being taken at good prices. Butter is going forward in large and increasing quantities, while for poultry an unlimited demand exists at top figures. Several shipments of frozen fish have been sent, with the result that large orders are on the way. Our oats have found a splendid market this year in Africa, no less than 175,969 sacks having gone forward in the subsidised steamers up till the 14th of last month. Pork, cheese, preserved meats, potatoes, bran, pollard, oatmeal,