

vessel is exempt from dues, and therefore the question of special exemption by the Board does not arise. Much obliged if you would have matter again submitted to your Board, and dues already paid by the "Anglia" refunded. Wellington Board has already agreed to exempt steamers of Cable Board from dues.

Confirmed by letter of same date.

No. 89.

The Hon. the PREMIER to the AGENT-GENERAL.

Premier's Office, Wellington, 14th April, 1902.

SIR,—

Pacific Cable.

In connection with the mission to the colonies of Mr. C. H. Reynolds, General Manager to the Pacific Cable Board, I have the honour to advise you that he arrived in Wellington on the 12th ultimo. He met the Postmaster-General two days later, when the question of the cable rates, buildings, staff arrangements, and, generally, matters requiring consideration before the working of the cable commenced were discussed. Among other subjects dealt with were the following:—

Through and Terminal Rates.

Although a basis was arrived at, the rates, particularly those to and from Australia, were not definitely settled owing to the Federal Post Office not having fixed the Australian terminal rates, which has necessitated Mr. Reynolds returning to Melbourne. The Federal Postmaster-General has since proposed that New Zealand should reduce her terminal charges on messages to and from Australia from 1d. to $\frac{1}{2}$ d. per word, in the event of Australia adopting one uniform terminal rate of 1d. a word throughout the Commonwealth, in place of the separate terminal and transit rate at present paid to each State. So far the Postmaster-General has been unable to accept the proposal. You will be at once advised when the matter is definitely settled.

Customs Duties, Light, Harbour, and Port Dues.

The Postmaster-General was of opinion that it would be proper to relieve the Pacific Cable Board from all Customs duties on material and furniture for the use of the Doubtless Bay station, and from all light, harbour, and port dues. The Commissioner of Customs readily acquiesced, and has agreed to admit free all telegraph material, stores, and furniture which may be imported on behalf of the Pacific Cable Board or the contracting Governments in connection with the laying and maintenance of the cable, and the maintenance of the office at Doubtless Bay. The term "stores and furniture" is to be understood to be telegraph stores and furniture, and not supplies for the use or maintenance of officers of the Board or of the contracting Governments stationed in New Zealand. The Marine Department has not yet settled the question of light dues, but I have no doubt that these will not be enforced.

As regards port, harbour, and wharfage dues, the Harbour Boards at Auckland and Wellington were immediately communicated with. The Boards considered that they had no power under their Acts to remit dues. The question was submitted to the Solicitor-General, who gave an opinion to the effect that the cable-steamers were exempt from dues under section 132 of "The Harbours Act, 1878." The ships, although nominally in the service of the Pacific Cable Board, would actually be in the service of the Governments mentioned in "The Pacific Cable Authorisation Act, 1899." As this opinion may be of value to the Board, under similar circumstances, in respect to other countries, I shall, if you desire, obtain the Solicitor-General's consent to the full text of the opinion being forwarded to you. On the Wellington Harbour Board being advised of the result of the reference to the Solicitor-General, it at once agreed to exempt the "Anglia," and any steamer of the Pacific Cable Board, from all port dues; and you will no doubt suggest to the Cable Board the advisability of making an acknowledgment to the Wellington Harbour Board. The Auckland Harbour Board, unfortunately, had no meeting before the "Anglia" arrived and left that port, but the Postmaster-General is now in communication with the Chairman with a view to the remission of the charges paid on behalf of that vessel.

Staff.

After very full discussion it was mutually agreed between the Postmaster-General and Mr. Reynolds that it would be practicable, as well as a very convenient and economical arrangement, to have only one staff at Doubtless Bay for the cable and land-line work. Mr. Hertslet, an officer of the Post and Telegraph Department of this colony, who possesses a good reputation for business as well as electrical ability, was selected by Mr. Reynolds as Superintendent. Mr. Hertslet completely severs his connection with this Government's service. Two New Zealand telegraph operators will also be transferred to the service of the Board to complete the staff at Doubtless Bay. Under this arrangement the Cable Board will become responsible for the whole of the cost of the buildings and for other expenditure involved in fitting up the Doubtless Bay station, and the Post and Telegraph Department will pay to the Board the equivalent of the salaries of the two operators to be employed on the land-line circuits. I understand that Mr. Reynolds has advised the Board of this. The selection of one of our officers for the important position of Superintendent is regarded as a marked compliment to the Post and Telegraph Service of this colony.