

than compensate for the share of the traffic which would be lost is a very difficult question, which there are not sufficient data to decide. But it is certain that the increased telegraphic facilities which would be afforded would, at any rate, as far as Canada is concerned, be great, and any additional telegraphic facilities probably tend to create additional telegraphic business.

2. The weak point of the Pacific cable is that it is a single line, and every single line is necessarily liable to interruption. Such interruption may occur at any part of the cable. But it would be specially serious if it should occur on the Vancouver-Fanning section. That section represents the longest cable in the world; and it is also the farthest from the station (Fiji) where the repairing-ship of the company will probably be stationed. Any interruption in this section, therefore, will involve a voyage of many thousand miles before the very delicate repair required in a cable of such great length can be commenced. During the whole of this time the whole cable and its staff will practically be idle, and all telegraphic business between Australasia and Europe must again revert to the Eastern Extension Company. If, however, a connection between Fanning and Honolulu was established, an alternative route would at once be afforded, and temporary interruption between Vancouver and Fanning would cease to be of such significance if messages could be sent to Fanning *via* San Francisco and Honolulu. It is this fact which seems to constitute the strongest reason for connecting Fanning with Honolulu by a fresh cable.

3. It is true that the British Pacific cable is on an all-British route, and that the alternative route *via* San Francisco and Honolulu would pass over American soil, and presumably through the hands of American operators. But this deviation would only occur, except in specially routed messages, when the cable is broken. And even the most ardent advocates of an all-British route would hardly argue that it is better to stop all communication when the cable is broken than send it through stations of a friendly and allied nation.

4. The distance from Honolulu to Fanning is about, rather less than, a thousand miles. The cost of a cable between the two would probably amount to £200,000, and would certainly not exceed £250,000.

5. In the event of the Governments interested considering the connection desirable they would have further to consider—(1) whether they would lay the cable themselves; (2) whether they would encourage the American Pacific Cable Company to lay it; or (3) whether the cable should be the joint property of the American Pacific Cable Company and the Pacific Cable Board. Precedent and convenience—if the cable is to be made—seems to point to the last of these three alternatives.

You will observe that in this letter the Board has carefully avoided giving any opinion either for or against the construction of the cable. It seemed in the first instance far better to place the matter before His Majesty's Government in a shape which might assist the Government to arrive at its own decision upon it. But the Board is strongly of opinion that the Government should consider what its policy should be, and it is because its members are very sensible that it may be necessary for it to arrive at such a decision at any time that it has thought it right to lay before you the various considerations which must apparently be taken into account in arriving at it.

It is understood that the San Francisco-Honolulu cable will be completed and laid in the course of 1902.

I am, &c.,

S. WALPOLE, Chairman.

The Under-Secretary of State, Colonial Office, S.W.

No. 44.

The Hon. the POSTMASTER-GENERAL, Wellington, to the SECRETARY, Pacific Cable Board, London.

SIR,—

General Post Office, Wellington, 4th February, 1902.

Adverting to my letter of the 21st October last, I have the honour to enclose copy of progress report, dated the 31st ultimo, furnished by the Under-Secretary for Public Works, on the work of erecting the Pacific cable station at Doubtless Bay.

I have, &c.,

THOMAS ROSE, for the Postmaster-General.

The Secretary, Pacific Cable Board, 24, Queen Anne's Gate, London, S.W.

Copy of Progress Report on Pacific Cable Station, Doubtless Bay.

CONTRACT: C. H. Frankham, £4,779.—This contract was accepted on the 10th December last. A good amount of timber has been shipped and the contractor has gone on with his men to start the work, and intends pushing it on as fast as possible.

H. J. H. BLOW, Under-Secretary.

Public Works Department, Wellington, 31st January, 1902.

No. 45.

The SUPERINTENDENT of ELECTRIC LINES, Wellington, to the UNDER-SECRETARY, Public Works Department, Wellington.

General Post Office, Wellington, 7th February, 1902.

(Memorandum.)

Pacific Cable.

I HAVE now received, under date of the 11th December, confirmation of a telegram of the same date from the Secretary of the Pacific Cable Board, London, not received here, as follows: "Expect cable reach New Zealand middle March. Hope buildings will be ready. Please order arrangements water-supply, furniture."