

The Postmaster-General regrets that a misunderstanding should have arisen with regard to the intention of this Department not to apply the uniform penny terminal rate to New Zealand business sent *via* the Eastern Extension Company's cables, and that his telegram of the 22nd April was not sufficiently explicit to prevent any misconception. So far as this Department is concerned, the negotiations throughout had reference only to the terminal rate affecting the Pacific cable, which rate could not be extended to that of the Eastern Extension Company until that company was prepared to make their cable rates uniform throughout the Commonwealth.

Mr. Drake notes with much pleasure the gratification of Sir Joseph Ward with respect to the extension of the reduced transit and terminal rates of the Commonwealth to all New Zealand business, including the international; and also with regard to the rate of 3s. 4d. per word now enjoyed by New Zealand as the outcome of the negotiations between the Commonwealth Government and the Eastern Extension Company. He regrets, however, that the reduced rates, so far as this Department is concerned, cannot be made retrospective.

The 3s. rate has been secured for Victoria and Queensland without any concessions having been made to the company beyond the granting of a uniform transit and terminal rate for all international business through or to the States of the Commonwealth.

I have, &c.,

ROBT. J. SCOTT, Secretary.

The Secretary, General Post Office, Wellington.

CAPE—AUSTRALIA CABLE.

No. 166.

The MANAGER IN AUSTRALASIA, Eastern Extension Company, Melbourne, to the Hon. the PREMIER, Wellington.

The Eastern Extension Australasia and China Telegraph Company (Limited),

SIR,— Melbourne, 21st October, 1901.

I have the honour to inform you that the laying of the direct Cape cable—Durban to Fremantle—was completed on the 19th instant, and is expected to be officially opened for traffic between Australasia and South Africa on the 1st proximo.

My company will have much pleasure in forwarding any congratulatory telegrams that you may wish to send to South Africa and Mauritius.

I have, &c.,

W. WARREN,

Manager in Australasia.

The Hon. the Premier, Wellington.

No. 167.

The MANAGER IN AUSTRALASIA, Eastern Extension Company, Melbourne, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Melbourne, 24th October, 1901.

CAPE cable will be officially opened first November. Rate from New Zealand to Cocos 2s. a word, and to Rodriguez 3s. From same date cable rate for troop messages to South Africa *via* Cocos will be reduced to one shilling a word.

No. 168.

The POSTMASTER-GENERAL, Natal, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Pietermaritzburg, 1st November, 1901.

HEARTY congratulations on establishment direct telegraphic communication with Australia.

No. 169.

The Hon. the POSTMASTER-GENERAL, Wellington, to the POSTMASTER-GENERAL, Natal.

(Telegram.)

Wellington, 2nd November, 1901.

HEARTILY reciprocate congratulations on establishment direct telegraphic communication.