

The Board's appeal was supported by His Majesty's Postmaster-General, who in December last caused a letter to be addressed to the Postmaster-General, New Zealand, urging that in the interests of a regular mail-service, no less than of the Board's station, an early resumption of calls by the mail-steamers was desirable. To both the Postmaster-General and the Board the Postmaster-General, New Zealand, has replied that "the regularity of the service is paramount," and that "it is held that nothing should be allowed to interfere with the quickest transport possible of the mails between the terminal points." It only remains, therefore, for the Board to acquiesce in this decision, and to provide for the increased expenditure it will entail. This must of necessity be considerable, as no alternative appears possible to the purchase and maintenance by the Board of a suitable vessel for the purpose of making periodical voyages between Fanning Island and Honolulu. A scheme for this purpose is accordingly being considered.

Refrigerator and Electric-light Plant, Fanning Island.

13. Electric lighting is now in course of being installed in the buildings on Fanning Island, and additional material has been sent to the island for the enlargement of the existing refrigerator plant, which has not so far worked satisfactorily. The intention now is to house the two plants in one large concrete building, and to work them in conjunction. It is hoped that with the more complete insulation which will thus be given to the refrigerator it will be found adequate to the demand upon it. The cost of engines, plant, building material, and labour is considerable, and the future maintenance will involve an appreciable increase in the yearly cost of the Fanning establishment; but in view of the isolation of this station, and its trying climate and conditions of life, the Board have felt it essential to spare no reasonable expenditure in mitigating its hardships.

Stations, Buildings.

14. In consequence of the closing of the Doubtless Bay Station, the Board's buildings at that station are no longer required, and endeavours have been made to dispose of them. The Board have so far not succeeded in effecting this.

At Southport the reduced establishment has resulted in the two residences being vacated by the staff. One house has, however, been leased to a suitable tenant, and efforts are being made to dispose of the other in like manner.

Terminal Offices.

15. Possession of the premises in Pitt Street, Sydney, purchased from the Commercial Bank of Australia (see paragraph 20 of report for 1912 [F—8, 1913, No. 1]), was obtained at the end of 1912, and the necessary alterations having been executed the Board's Sydney office has been transferred there. The accommodation has been found to be eminently satisfactory. The total cost of the change has been as follows:—

	£
Purchase of premises	7,500
Alterations and additions	3,580
Pneumatic tube to post-office	620
	£11,700

Rates.

16. During the year under review two modifications of previously existing rates have been introduced, the one the institution of what is practically a rate of 9d. per word, between the United Kingdom and Australasia, on messages of a new class called week-end cable letters; the other the reduction of the rate for ordinary Press messages between the same terminals from 9d. a word to 7½d. a word. For both these changes the public is indebted to the initiative of the Western Union Company, acting in conference and co-operation with His Majesty's Postmaster-General. In January, 1912, the company introduced on their Atlantic system a class of message that, under the name of week-end letters, had been for some years established in the United States, and by means of which messages of substantial length might be telegraphed, subject to certain conditions, at a greatly reduced rate, if handed in at the end of the week for transmission during the interval of slack business between Saturday and Monday. The underlying principle of the scheme is that the service represents one of accelerated communication by letter rather than one of deferred telegrams.

17. With a view to extending this service to Australasian traffic, the Board early in March, 1912, addressed inquiries to the several Governments interested in the Pacific cable for the purpose of ascertaining what facilities would be granted for conveyance of these week-end messages inland to and from cable-stations. While these communications were in progress the Western Union Company, in September last, made certain changes in the original conditions of their service, of which the most important were—(a) The substitution of a word rate of charge for the original method of charging by the group of five words, and (b) a reduction in the minimum charge admissible per message. This entailed corresponding changes in the scheme as originally outlined by the Board, and led to some little complication and delay in the negotiations; but in due course the details of the scheme were settled, and the new service was brought into operation on the 1st January last.

Its main features are that messages that reach a cable office before midnight on Saturday are forwarded at the rate of 9d. per word for the transmission by cable, subject to the following conditions: The messages must be in plain language (not code); the minimum charge per message is 18s.

Messages are conveyed to and from cable office by post free of charge to the public, but the sender may have a message conveyed to or from a cable office by inland telegraph on payment of an additional charge of 1d. per word for inland transmission in Australia, or ½d. a word