

The number of paid forwarded telegrams to every hundred letters posted in New Zealand was 8·57.

From March, 1911, the method of estimating the deficiency on subsidized telephone-lines was changed, $3\frac{1}{2}$ instead of 5 per cent. per annum being charged on the cost of construction. Guarantors of such lines are now required to pay only half the estimated deficiency, the Department taking half the risk of the expected loss. The charge for stationery has been abolished.

From the 27th October, 1910, the period for which inland telegrams are kept was reduced from six to three months.

A twopence-in-the-slot telephone instrument was erected on the Queen's Wharf, Wellington, in December, 1910, and at Strand Arcade, Auckland, in March, 1911. Similar machines are also installed on the Lambton and Thorndon Railway-stations, at the Christchurch Railway-station, and at the Tolls Office, Queen's Wharf, Wellington, the last-named being open continuously. On placing two pennies in the slot the central exchange is notified and makes the necessary connection with the number asked for. If the number asked for cannot be connected the coins are automatically returned.

The Napier-Gisborne trunk telephone line (metallic circuit) was opened for traffic on the 8th July, 1910.

Hangers and copying pencils were substituted for pen and ink in August, 1910, at all telegraph-offices at the public desks used for writing telegrams.

NEW ZEALAND CABLE SERVICE.

The No. 4 Cook Strait cable parted on the 13th February. It was repaired on the 22nd February, 1911.

OCEAN CABLE SERVICES.

The ordinary international telegrams for the year increased 6·3 per cent., and the intercolonial 2·33 per cent.

New Zealand's proportion of the deficit of £59,586 6s. 7d. on the eighth year's working of the Pacific cable, 1909-10, amounted to £6,620 18s. 6d.

The receipts and working-expenses of the Pacific cable for the year ended the 31st March, 1911, are estimated as follows :—

Traffic revenue	£ 135,000	Annuity and renewals	£ 107,545
Estimated deficit	54,546	Working-expenses	82,001
	<u>£189,546</u>		<u>£189,546</u>

New Zealand's proportion of the loss is estimated at £6,060.

The share of ordinary paid business obtained by the Pacific cable shows a decrease. In 1906 the Pacific's proportion was 89 per cent., the Eastern's 11 per cent. Last year's figures are : Pacific 72 per cent., Eastern, 28 per cent.

The following figures show the total number of forwarded ordinary telegrams for each of the past five years, and the percentages of such business falling to each route :—

Pacific.				E.E.A. & C.			
Year.	Messages.	Percentage of Total.		Year.	Messages.	Percentage of Total.	
1906	94,199	89		1906	11,522	11	
1907	102,490	88		1907	13,610	12	
1908	101,724	85		1908	18,873	15	
1909	96,648	83		1909	19,812	17	
1910	87,326	72		1910	33,273	28	

The average best times in which messages are handled on the Pacific route are :—

	H.	m.
From London	1	20
From America	0	17
From Sydney	0	4½
From Melbourne	0	16

During the year New Zealand has only given the Pacific route 72·68 per cent. of the ordinary business to Australia, as against 83·77 per cent. last year.

Nine hundred and twenty-five Press telegrams were sent *via* Pacific and 1,336 *via* Eastern, compared with 1,050 and 1,220 respectively last year.

In view of delay happening occasionally to cable traffic between New Zealand and Australia *via* Pacific through the deviation to Norfolk Island and the traversing of the long land-section between Southport and Sydney, the partners in the Pacific cable discussed the advisability of laying a direct cable between New Zealand and Australia. The proposal was agreed to. In terms of the Pacific Cable Authorization Act, 1906, a motion agreeing to the scheme was submitted to both Houses of the New Zealand General Assembly on the 28th September, 1910, and carried.

In order to provide a more satisfactory service for cable messages across Canada, the Pacific Cable Board obtained from the Canadian Pacific Railway on lease for five years from the 24th August, 1910, the exclusive use of a telegraph wire between Montreal and Bamfield. The wire will be operated by the Cable Board's staff.

A break in the Wakapuaka-La Perouse cable was repaired by H.M.C.S. "Iris" on the 14th July, 1910. It lasted about a week.