

for similar transmission in the United Kingdom or New Zealand. This service represents a further development of the policy embodied in the system of deferred messages at half-rates, introduced on the 1st January, 1912, and described in last year's report—viz., the policy of offering to the public alternative methods of cabling at reduced rates for messages of less urgent character, that can be transmitted at times of least pressure on the cables and without interfering with the prompt transmission of messages that cannot brook delay and that are paid for at the full rates of charge. It is too early as yet to form a judgment as to the extent to which advantage may be taken of this latest innovation; but up to date the traffic under the head of "week-end cable messages" has averaged about 5,000 a week, and as illustrating the benefit that these cheaper services confer on the public, it may be mentioned that, comparing the quarter to 31st March, 1911 (when neither the deferred rate nor the week-end rate was in force), with the quarter to 31st March, 1913 (the first three months of the week-end service), it is found that the number of words, which in 1911 under the head of "Ordinary" was 329,438, had increased in 1913 to 473,491 under the three categories into which that head had expanded, or an increase of 44 per cent., while the cost to the public had increased from £46,537 to no more than £53,833, or only by 16 per cent.

18. The reduction of 1½d. per word in the rate for ordinary Press traffic was rendered possible by the reduction in September last by the Atlantic cable companies of the transatlantic rate from 5d. to 3½d. As the Board and the Australasian Governments had already reduced their share of the through rate by one-half as long ago as 1909, no further reduction was possible on the Pacific portion of the transit.

Board and London Office.

19. The vacancy on the Board caused by the retirement of Sir William Hall-Jones (as announced in paragraph 22 of last year's report [F.-8, 1913, No. 1]) was filled in October last by the appointment of the Hon. Thomas Mackenzie, High Commissioner for New Zealand. In the autumn Mr. A. S. Baxendale, who had held the post of London manager and secretary since August, 1908, tendered his resignation, with a view to taking up other work, and, to the great regret of the Board, he retired from the service at the end of November. The Board are taking the opportunity to reconsider the organization of their London office, and in the meantime temporary arrangements have been made for carrying on the business without making a permanent appointment to fill the vacancy caused by Mr. Baxendale's retirement.

20. The following statement shows the progress of the international traffic since the opening of the Cable:—

Number of Words dealt with.—International.

Year.	Ordinary.	Deferred Ordinary.	Government.	Press.	Deferred Press.	Week-end Cable Letters.	Total.
1902-3 ..	202,313	..	24,210	1,831	..	..	228,354
1903-4 ..	744,034	..	83,116	37,819	..	..	864,969
1904-5 ..	781,028	..	71,575	19,110	..	..	871,713
1905-6 ..	834,778	..	74,763	13,225	..	..	922,766
1906-7 ..	1,010,133	..	101,307	17,222	..	..	1,128,662
1907-8 ..	1,041,433	..	105,519	84,940	..	..	1,231,892
1908-9 ..	1,012,998	..	116,847	95,203	..	..	1,225,048
1909-10 ..	1,109,639	..	120,415	126,081	..	..	1,356,135
1910-11 ..	1,215,306	..	166,812	467,495	..	..	1,849,613
1911-12 ..	1,346,346	46,450*	164,639	501,952	71,989†	..	2,131,376
1912-13 ..	1,301,713	415,689	193,442	211,754	505,152	42,825‡	2,670,575

* Introduced 1st January, 1912.

† Introduced 6th December, 1911.

‡ Introduced 1st January, 1913.

In addition to the above a very considerable intercolonial traffic is carried between Australia, New Zealand, and the Fijis, keeping the southern sections of the cable fully occupied during business hours.

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H. W. PRIMROSE, Chairman.

PACIFIC CABLE BOARD (1 EDWARD VII, C. 31).—ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1913.

I.—Statement showing the Sum issued out of the Consolidated Fund, and the Expenditure.

—	Year in which issued.	Amount.			—	Amount.		
		£	s.	d.		£	s.	d.
Sum issued (out of an authorized issue of £2,000,000)	1901-2	1,060,935	0	0	Expenditure in the period ended 31st March, 1912	1,996,703	8	1
Sum issued (out of an authorized issue of £2,000,000)	1902-3	939,065	0	0	Expenditure in the year ended 31st March, 1913	Cr. 3,169	7	6
					Balance in hand	1,993,534	0	7
						6,465	19	5
		2,000,000	0	0		2,000,000	0	0