

The bureau business was not affected by the increased rates, and, in addition to showing an increase in number, also gave a greater revenue by £14,026. At the same time the average value of each bureau message increased from 6·78d. to 6·89d.

The Government messages, for which no payment was received, show a tendency to steadily increase, and during the year they totalled 140,952. Their value at ordinary rates amounted to £10,774. The increase shown is no less than 13,111 telegrams.

The number of paid telegrams forwarded amounted to 8·9 messages for every 100 letters posted in New Zealand.

On the 13th May, 1916, a system of "urgent" bureau communications was introduced in order to provide for speedy communication being obtainable in cases of urgency. The rates fixed were double those for ordinary bureau communications.

The overhaul and reconstruction of telegraph and inter-urban telephone-lines was steadily proceeded with during the year, the number of miles in each Telegraph Engineer's district so dealt with being as follows: Auckland, 318; Wellington, 548; Nelson, 379; Canterbury, 135; Otago, 845.

Owing to increase in business four offices were converted from telephone to Morse offices, and in two cases, where the business did not justify the retention of Morse instruments, the offices were converted from Morse to telephone. The total number of telegraph-instrument sets of all classes in use in the Dominion is 855. The use of Morse repeating-sets has been extended during the year, resulting in a saving of staff at the offices affected. New test-boards have been installed for long-distance lines at five of the more important telegraph-offices.

The length of telegraph and telephone line and wire on the 31st March, 1916 and 1917 respectively, was as follows:—

	Miles of Pole Line.			Miles of Wire.		
	Year ended 31st March, 1916.	Year ended 31st March, 1917.	Increase.	Year ended 31st March, 1916.	Year ended 31st March, 1917.	Increase.
Telegraph and inter-urban telephone	13,684	13,896	212	48,052	50,320	2,268
Telephone-exchange	3,437	3,897	460	128,525	142,469	13,944
Totals	17,121	17,793	672	176,577	192,789	16,212

A trunk telephone-line has been erected between Dunedin and Central Otago, linking up Alexandra, Clyde, and Cromwell Exchanges and a number of bureau stations with Dunedin.

NEW ZEALAND SUBMARINE CABLE SERVICE.

There was no alteration in the length of submarine cable, which remains at 374 knots.

During the year the cable steamer "Tutanekai" has been in commission for cable repairs in Cook Strait on four occasions. Three out of the four faults were caused by marine-boring crustacean. Repairs to No. 4 Cook Strait cable are hung up owing to difficulty in locating the faulty cable.

The Centre Island to Colac Bay cable developed a fault, repairs to which have not been effected, as it is considered that it would be more economical to substitute a wireless telephone system to operate between Centre Island and Awarua, in conjunction with Puysegur Lighthouse. The proposal is now under investigation.

EASTERN EXTENSION CABLE COMPANY.

Arrangements are well in hand for the transfer of the terminus of the Eastern Extension Company's cables from Wakapuaka to Wellington.

Two new extensions of submarine cable about eighty miles each in length, have been laid between Titahi Bay and the point from which the extensions referred to will be connected in to the existing cables. The laying of the underground section of the cable from Titahi Bay to Wellington, a distance of about sixteen miles, is now well in progress. Other arrangements are also in course of completion.

OCEAN CABLE SERVICES.

The cable business during the year shows a decrease in the traffic handled, and also discloses the fact that the Pacific route, which in the previous year handled 67 per cent. of the ordinary outward business, received 71 per cent., while the Eastern Company's proportion of the business decreased from 33 per cent. to 29 per cent.

The following table shows the total number of ordinary telegrams forwarded by each route during the past five years, and the percentages of the total of such business falling to each:—

PACIFIC.			EASTERN.		
Year.	Messages.	Percentage of Total.	Year.	Messages.	Percentage of Total.
1912-13	99,617	71	1912-13	40,680	29
1913-14	104,638	73	1913-14	38,023	27
1914-15	106,018	74	1914-15	37,446	26
1915-16	114,151	67	1915-16	56,684	33
1916-17	114,718	71	1916-17	47,790	29

The number of international cable messages forwarded during the year shows an increase of 3·06 per cent. on the number sent during 1915-16, and the number forwarded to Australian stations shows a decrease of 11·89 per cent.