

Owing to increase in business, four offices were converted from telephone to Morse, and in four other 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 867. The use of Morse repeating sets has been further extended during the year, and a satisfactory saving in staff has resulted therefrom.

The length of telegraph and telephone line and wire on the 31st March, 1917 and 1918 respectively, was as follows :—

	Miles of Pole Line.			Miles of Wire.		
	Year ended 31st March, 1917.	Year ended 31st March, 1918.	Increase.	Year ended 31st March, 1917.	Year ended 31st March, 1918.	Increase.
Telegraph and inter-urban telephone	13,566*	13,687	121	49,608*	50,291	683
Telephone-exchange plant ...	3,897	4,403	506	142,469	154,799	12,330
Totals	17,463	18,090	627	192,077	205,090	13,013

* Amended figures.

A trunk telephone circuit between Dunedin and Christchurch has been completed and brought into use.

The total length of telephone circuits derived by phantom working over ordinary telephone metallic circuits is now 1,878 miles, and the total length of telegraph circuits obtained by super-imposed Morse working over telephone circuits is 7,678 miles.

In pursuance of the Department's policy of instituting direct telegraph working between distant centres wherever possible, instead of the traffic being handled at one or more intermediate offices, repeaters have been installed at Nelson, through which the Wanganui office works direct with Christchurch. Repeaters are also installed at Wanganui, so that in case of need for an additional outlet Auckland, Napier, Wellington, and Palmerston North may work through Wanganui direct with the South Island.

In the matter of the sale by the Department of second-hand wire, it was arranged that the needs of returned soldiers who require fencing-wire for their own use are to be given first consideration. The wire is very suitable for fencing purposes.

During the year proceedings were taken under section 147 of the Post and Telegraph Act, 1908, against a person who presented a telegram addressed to himself at another place, and signed, without authority, with the name of a merchant, to the effect that a certain commodity had fallen considerably in price. The telegram was fraudulent, and the sender was convicted and fined.

NEW ZEALAND SUBMARINE-CABLE SERVICE.

The negotiations which had been in progress for the transfer of the terminus of the Eastern Extension Company's cables from Wakapuaka to Wellington were completed during the year, and direct communication between Wellington and Sydney was established on the 23rd May, 1917.

The buildings at Cable Bay which have been in use as a cable station were handed over to the Public Works Department.

During the year an additional cable, 42 knots in length, was laid across Cook Strait from Titahi Bay to Dieffenbach Point (Queen Charlotte Sound).

The length of submarine cable for the Dominion now totals 416 knots.

Three faults occurred in the Cook Strait cables during the year, and were repaired.

The Centre Island - Colac Bay cable is still out of action.

Satisfactory arrangements having been made with the Pacific Cable Board for the repair of the Department's submarine cables. The s.s. "Tutanekai" was no longer required for the work, and from the 2nd November, 1917, the vessel was retransferred to the control of the Marine Department.

OCEAN CABLE SERVICES.

The cable business during the year shows an increase in the traffic, and also discloses the fact that the Pacific route, which in the previous year took 71 per cent. of the ordinary outward business, received 63 per cent., while the Eastern Company's proportion of the business increased from 29 per cent. to 37 per cent.

The following table shows the total number of ordinary telegrams forwarded by each route during each of 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.
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
1917-18	114,046	63	1917-18	66,318	37

The number of international cable messages forwarded during the year shows an increase of 20.59 per cent. on the number sent during 1916-17, and the number forwarded to Australia shows an increase of 1.07 per cent.