

The telephone-exchange receipts on the 30th April last were at the rate of £12,588 15s. a year. Under the reduced rates of subscription, which came into operation on the 1st July ultimo, the receipts are now £9,548 10s. per annum.

The capital expended up to the 31st December last in connection with establishing the several exchanges was £26,178 2s. 11d., and the annual cost for maintenance, repairs, and working expenses is estimated at £5,590 17s.

The reductions made in the subscription to the telephone exchanges since they were established have been as follow: On the 1st January, 1884, the annual subscription for the first year was reduced to £12 from £17 10s., which dated back from the establishing of the exchanges; and for subsequent years from £12 to £10. On the 1st July last a further reduction, as under, was made:—

	Per Annum.
To each of the first one hundred subscribers to any new exchange—	
For a single wire to the end of the first year	£9 0 0
For every year following	8 0 0
To every subscriber after the first hundred to any new exchange, and to every subscriber to the exchanges already established...	10 0 0
For every year following	8 0 0
For every additional wire required	7 0 0
The above rates are for connections with a telephone exchange of warehouses, stores, shops, and business-places not more than half a mile from the exchange, and of private residences not more than one mile from the exchange.	
For every additional quarter of a mile or fraction thereof—	
To the end of the first year	1 0 0
For every year following	0 15 0

The extent to which the advantages of the telephone exchanges are availed of in New Zealand, compared with what has followed the introduction of the system in London and in four of the principal cities in the United States, will be gathered from the following statement:—

STATEMENT showing, according to latest Returns, the Number of Subscribers to the several Telephone Exchanges in New Zealand, and also in several of the Principal Cities of the United States and in London, together with the Population, Annual Subscription to the Exchanges, &c.

Telephone Exchanges at	Number of Subscribers.	Average Number of Calls daily by each Subscriber.	Population.	Population to each Subscriber.	Annual Subscription.
Auckland ..	320	5.6	34,088	106.5	For each of the first one hundred connections to any new exchange: For hire of each set of instruments and wire to the end of the first year, £9. For every year after the first, £8. For every connection after the first hundred to any new exchange, and for every connection with the exchanges already established, £10. For every year after the first, £8. For every additional set of instruments and wire required by one person or firm, £7. The above rates are for connections with a telephone exchange of warehouses, stores, shops, and business-places not more than half a mile from the exchange, and of private residences not more than one mile from the exchange. For every additional quarter of a mile or fraction thereof: For the first year, £1. For every year after the first, 15s.
Wellington ..	204	9.25	22,885	112.1	
Nelson ..	39	4.0	7,287	186.8	
Christchurch ..	184	10.2	32,915	178.88	
Oamaru ..	33	2.5	6,587	199.6	
Dunedin ..	343	8.1	43,846	127.83	
Invercargill ..	41	4.4	9,350	228.0	
London ..	12,000	10.9	4,000,000	334.0	£20.
New York ..	4,808	5.4	1,206,299	250.9	\$150 (£31 5s.).
Chicago ..	3,246	8.4	503,185	155.0	\$125 (£26 0s. 10d.).
Philadelphia ..	2,199	8.0	847,170	385.2	\$120 (£25).
Brooklyn ..	1,846	3.0	566,663	307.0	\$90 (£18 15s.).

The number of subscribers to the New Zealand exchanges is exclusive of the free connections, of which there are 8 in Auckland, 30 in Wellington, 5 in Nelson, 11 in Christchurch, 6 in Oamaru, 15 in Dunedin, and 1 in Invercargill.

The following examples of the extraordinary differences which exist in the subscriptions charged for telephonic service (telephone exchanges) in various parts of the United Kingdom will not be uninteresting: Dundee (controlled by a co-operative company, every subscriber a shareholder) £5 a year; Carlisle, £10; Belfast, £15; Leeds, £14; Dublin, £12; Aberdeen, £10; Leicester, £14; Bradford, £15—second year, £10; Halifax, £10; Sheffield, £10; Wolverhampton, £12; Wolverhampton and Birmingham, £18; Wolverhampton and Walsall, £17; Newcastle-on-Tyne, £12; Newcastle-on-Tyne and Gateshead, £14; Nottingham, £10 10s.; Birmingham, £12; Hull, £14; Edinburgh, £15 15s.; Glasgow, £20; Liverpool, £20; Manchester, £20.

Bureau offices have been established at Upper Symonds Street (Auckland), Caversham Town Hall, Ravensbourne, North-East Valley (Dunedin). There are 22 bureau offices.