

Maintenance Vessel "Iris."

17. The ship has been maintained in first-class order, and the discipline and efficiency of her company have been in every way satisfactory. The scales of pay of officers and engineers have been revised to their advantage.

Stations.

18. *Fanning Island.*—Transport and communication during the year was provided by charter of the Commercial Pacific Cable Company's auxiliary schooner "Flaurence Ward" and the s.s. "Kestrel," each vessel making two calls. In addition the "Iris" made a call in July last.

The Board's endeavours to obtain a suitable and regular steamer service with the island were continued, and negotiations were reopened with the Union Steam Ship Company of New Zealand to this end. It was not possible, however, to make any satisfactory arrangements, and the Board were compelled to acquire an auxiliary schooner for the service. They have accordingly placed a contract in Auckland for the construction of a suitable vessel, and it is anticipated that she will be completed by the end of 1914. The total cost of the schooner (including engines and refrigerator plant, which are being sent out from England) will be approximately £9,000, and maintenance, including insurance, will involve an annual charge estimated at £3,300. The prime cost will be charged against capital, stock cable to this value being transferred from Capital Account to Renewal Account to produce the funds.

19. *Norfolk Island.*—It has been decided to install electric light at the Norfolk Island station. Plant is being sent out which will produce the necessary power, with a margin sufficient to work the cable relays at that station.

20. *Doubtless Bay.*—The Doubtless Bay station having been removed to Auckland in December, 1912, the Board's property in that locality has now been disposed of, with the exception of the land. The buildings, which originally cost £6,005, realized £1,050, and furniture and effects, which cost £1,474, were sold for £350. The sale of the buildings was not effected until after the close of the financial year, and the proceeds have not therefore entered into the 1913-14 accounts.

21. *Sydney.*—In July, 1913, a sub-office was opened in Sydney (Goulburn Street) for the collection of messages. This office is at some distance from the main office, and serves a very important part of the city, being in the vicinity of the premises of fruit and produce merchants who carry on a large cable business.

22. The service of week-end cable letters, which was referred to at some length in the report covering the 1912-13 accounts, has given satisfactory results. There is a steady growth of the volume of traffic under this classification.

Since the close of the year under review modifications have been introduced which have added considerably to the utility of this service. Under the original scheme the week-end cable letters were normally transmitted by post to and from the terminal cable-stations, an additional charge being made if telegraphic transmission throughout was desired. In May, 1914, postal transit to and from the cable termini was abolished, all messages being made telegrams throughout, while the charge per word to the public remains unaltered at 9d. At the same time the minimum charge per message was reduced from 18s. for twenty-four words or less, to 15s. for twenty words or less.

In the same month the service was extended to traffic between Australasia and certain parts of Canada, the tariff being 11s. 8d. (\$2.90) for a message of twenty words or less, and 7½d. (15 cents) for each additional word.

In July, 1914, a further facility was conceded—viz., the delivery of week-end messages, where practicable, on Mondays instead of Tuesdays.

23. 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 ..	1,288,949	415,616	193,688‡	212,500	505,442	44,612‡	2,660,807‡
1913-14 ..	1,329,067½	560,011	214,971	161,478	525,392	326,920	3,117,839½

* 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.

I have, &c.,
H. BABINGTON SMITH, Chairman.

The Lords Commissioners of His Majesty's Treasury.