

The expenditure was £104,391 3s. 10d., against £101,433 11s. in 1889-90—an increase of £2,957 12s. 10d., or 2·91 per cent. The expenditure, therefore, was £7,395 14s., or 6·61 per cent. less than the receipts.

The total value of the services performed by telegraph for the year, inclusive of Government telegrams, £26,070 12s. 7d., and £923 8s., fees collected on money-order telegrams, was £138,780 18s. 5d.

There was, therefore, a credit balance of £34,389 14s. 7d. on the year's transactions,—a return equal to 5·35 per cent. on the capital cost.

35,667 urgent telegrams, of the value of £4,749 17s. 4d., were forwarded—an increase of 5,769 in number, and £689 19s. 9d. in value, compared with the figures for 1889. The number of urgent telegrams forwarded in 1889 were 3,158 fewer than the number dealt with the previous year.

530,324 delayed telegrams were forwarded, as against 497,628, dealt with in 1889, an increase of 32,696, or 6·57 per cent.

The proportion of delayed to ordinary telegrams was 54·36 per cent.

226,780 Government telegrams, of the value of £26,070 12s. 7d., were forwarded, being 12,950 in number and £1,852 3s. 4d. in amount more than in 1889. The number in 1889 was 3,800 less than in 1888. The value of telegrams forwarded by Government departments will be found in Table No. 21.

The number of forwarded telegrams to each hundred letters posted in the colony for delivery within the colony was 9·12, compared with 8·57 in 1889 and 9·05 in 1888.

18,468 money-order telegrams, for £60,869 9s. 3d., were transmitted, compared with 16,784, for £56,527 17s. 11d., in 1889. The telegraph fees received amounted to £923 8s.

The number and value of money-order telegrams forwarded from offices in the several postal districts will be found in Table No. 20.

Telephone offices were established during the year at the following places :—

Atiamuri	Mokihinui	Te Arai Bridge
Awanui	Mossburn	Tikokino
Canville	Muriwai	Tokomaru Bay
Eketahuna	Nenthorn	Waharoa
Ettrick	Ngakawau	Waianiwa
Garston	Okoroire	Waikiwi
Kaitaia	Ongaonga	Waikoikoi
Karori	Orewa	Waipiro Bay
Kimihia	Oroua Bridge	Wairakei
Kuaotunu	Otorohanga	Wallacetown
Lichfield	Oxford North	Wallacetown Junction
Matakana	Patearoa	Western Springs.
Miller's Flat	Rangiahua	

Owing to the increase of business at Kuaotunu the telephone was replaced by a Morse instrument, and the office placed in charge of a permanent officer.

The telegraph offices at Alexandra and Waiorongomai were converted into telephone offices. The telephone office at the railway-station at Morrinsville was converted into a Morse telegraph office.

The telephone offices at Exhibition (Dunedin), Tamahere, and Western Springs were closed.

At the close of the year there were 270 offices connected by telephone.

The number of telegraph and telephone offices open at the end of the year was 540.

The number of miles of line maintained during the year was 5,061, an increase of 186 miles.

The average cost for maintenance per mile was £5 13s., compared with £5 8s. 7d. in 1889.

The net expenditure out of loan for telegraph extension was £16,291 14s., being £54 1s. 7d. less than in 1889.

The number of private wires increased from 82 to 102. The rental amounted to £1,286 16s. 8d., which was £125 16s. 8d. more than received the previous year.

#### TELEPHONE EXCHANGES.

The increase in the number of subscribers to the several telephone exchanges for the financial year ended the 31st March last was 208, as shown by the following table :—

	Mar. 31, 1891.	Mar. 31, 1890.
Auckland	507	459
Napier	125	115
Wanganui	60	58
Wellington	512	458
Nelson	49	49
Blenheim	46	46
Greymouth	31	36
Christchurch	446	389
Timaru	55	55
Oamaru	52	53
Dunedin	607	590
Port Chalmers	10	11
Invercargill	72	56
Bluff	12	9
Gore	8	...
Totals	2,592	2,384