

locality and lodging allowances, to the provision of electric light and refrigerating plants at Fanning Island, and to the increased cost of steamer calls there.

5. The actual sum withdrawn from the Renewal Fund in connection with the provision of the cable Sydney and Auckland, and the extension of the Norfolk Island—Doubtless Bay section to Auckland, was £177,254 7s. 4d. To repay this amount to the fund in thirty-five years with interest at  $3\frac{1}{2}$  per cent. in accordance with the provisions of the Pacific Cable Act, 1911, an annuity has been created, the first two payments being £9,056 13s. each, and the subsequent payments £9,150 5s.

#### *Cables.*

6. No interruption of communications occurred on the Board's system during the year. The cables, depots, instruments, and plant generally have been maintained in a high state of efficiency.

#### *Land Lines.*

7. *Canada.*—The land line between Montreal and Bamfield, which the Board leases from the Canadian Pacific Railway Company, has enjoyed a year of exceptional freedom from serious interruptions. During the first half of the year numerous minor interruptions were caused by the operations of railway-construction gangs working along certain sections of the route. The Canadian Pacific Railway Company were able later to devise means for disposing of this difficulty. The traffic on the leased line continues to be handled with expedition and accuracy.

The portion of the line which traverses Vancouver Island continues to give the Board some anxiety. The land line from Alberni to Nanaimo has always been insecure, owing to the climatic conditions and the nature of the country through which it passes. Moreover, the cable passing through the Alberni Canal, from Bamfield to Alberni (laid by the Board for the Canadian Pacific Railway Company in 1903) has been in service for a number of years, and, being of a light type, can no longer be depended upon. This cable developed its first fault on the 20th April of this year, and was repaired by the company on the 22nd April.

After considering various projects for improving the connection between Bamfield and Vancouver, the Board decided to lay a cable from Bamfield to Victoria, thus securing a second and quite independent route from Bamfield to Nanaimo, the landing-place of the cables from Vancouver Island to Vancouver. The new cable was successfully laid in August, 1914.

8. *Australia.*—As a result of the laying of the cable between Sydney and Auckland, and the consequent change in the routing of Australian traffic (other than Queensland), which now enters direct into Sydney, the land line between Sydney and Southport, of which the Board had the exclusive use, was released and was handed back to the Commonwealth Telegraph Department.

The Board is now representing to the Commonwealth Government the urgent need which exists for the allocation of the exclusive use of a copper wire between Sydney and Melbourne for the purposes of their business.

The total amount of cable traffic with Melbourne has increased by leaps since 1905, and this fact renders the demand more imperative. With the exclusive control of a land line—staffed at Sydney by the Board's officers—a very rapid and trustworthy service could be maintained with Melbourne, and the Board have every reason to feel assured that a considerable increase in the proportion of Melbourne traffic transiting the Pacific cable would result. They hope, therefore, that the Commonwealth will in the near future be in a position to grant their request.

#### *Changes on the Board.*

9. The Board have suffered a loss during the year owing to the death on the 21st January last of the Right Hon. Lord Stratheona and Mount Royal, G.C.M.G. His association with the Pacific cable began in 1899 with his service on the Pacific Cable Committee of that year, and he was a member of the Board from its institution. Lord Stratheona was held in high esteem by all his colleagues, and his death was deeply deplored. The vacancy in the representation of Canada on the Board has not yet been filled.

10. The constitution of the Board underwent a change owing to the retirement in February last of the Right Hon. Sir Henry W. Primrose, P.C., K.C.B., C.S.I., who had occupied the chair since July, 1907. Sir Henry Babington Smith, K.C.B., C.S.I., was appointed by the Treasury, in his place, to be one of the British representatives and Chairman of the Board.

11. During the absence from England of the Right Hon. Sir George H. Reid, P.C., G.C.M.G., Captain R. Muirhead Collins acted as one of the representatives of the Commonwealth Government on the Board.

#### *Staff.*

12. The general health of the staff has remained satisfactory during the year, and the continued zeal and efficiency with which their services are rendered is gratifying to the Board.

13. An age-limit has been fixed at which all officers will be retired. In the case of operators the limit is fifty-five years of age, and for all other officers, sixty.

14. The Board are engaged in the examination of a proposal for instituting a staff pension scheme in lieu of or supplemental to the existing Provident Fund.

15. A vacancy in the head-office staff was caused by the resignation in November, 1912, of the London Manager and Secretary. The Board decided to make a change in the organization of the head office. The post of London Manager and Secretary was abolished, and Mr. F. J. Adye (formerly Accountant and Assistant Secretary) was appointed Secretary and Accountant, with the title Secretary.

16. Under the instructions of the Board Mr. Milward, Manager in the Pacific, came to London in July, 1913, and remained in England for eleven months. The Board derived great advantage from his presence in London, and from his advice, based on intimate knowledge of the working of the cable and of the conditions in Australasia, Canada, and the Pacific.