

vince of Canterbury, 371 have been opened to the public since the commencement of the present year. The cost of construction has been about £67 per mile. The poles on a portion of the line being saplings, have been very much objected to; but the Telegraphic Engineer acted under instructions in accepting them, and, therefore, is not responsible. He, however, is of opinion that they will last as long as telegraph poles in England, viz., about 7 to 9 years, which belief is in some measure borne out by the experience of the South Australian Government, which represents that the greater number of the poles will have been in the ground over 8 years, and many perhaps 10 before they are replaced "while the stouter round poles then about to be introduced are expected to last 12 years." The climate, however, of New Zealand is much more humid than that of Southern Australia, and the character of the soil more retentive of moisture. The Superintendent of Telegraphs in South Australia speaks very highly of Swan River Mahogany poles, which he represents as being "perfectly sound after being in the ground over 9 years." Where poles have to be carried coastwise it might be as well to ascertain whether the use of such poles would not be economical. They are represented as costing, delivered on the coast, about 18s. per pole of 20 feet long, 7 inches square at the base, and 5 inches square at the top. I must nevertheless confess that I have grave doubts of the propriety of using green pithy saplings in a humid climate and a heavy clay soil. It would be well worth the attention of Government in any future extension of the line to ascertain whether it would not be more profitable to procure from Britain cast iron hollow posts in which squared timber or even round sapless poles might be placed. The inland conveyance of the posts is a material element in the expenditure, and it is open to question whether the 7 or 8 feet pieces of such iron tubing would be much heavier than an equal length of the green saplings now used. It may be necessary to mention that the item of carriage in Return B, does not indicate the exact expenditure for carriage, as many of the contracts for poles included delivery.

#### STATIONS.

The number of Stations is as follows:—

In Southland 2. Bluff and Invercargill.

In Otago 2. Dunedin and Oamaru.

In Canterbury 4. Timaru, Christchurch, Heathcote Valley, and Lyttelton.

Making a total of 8. In addition to these instruction has been given to establish stations at the Clutha Ferry and Tokomairiro, both in the Province of Otago, and Kaiapoi in the Province of Canterbury, in accordance with the recommendation of the Telegraphic Engineer so that the total number of stations will be 11.

#### RECEIPTS AND EXPENDITURE.

In July, when all the stations were in operation, the total revenue received amounted to £494 18s. 6d., and for the month of August to £469 7s. 6d., or at the rate of £482 3s. monthly, which would create an annual revenue of about £5786. The difference between the months of July and August amounts to £25 11s. Of these sums, £683 12s. 9d. in cash, and £123 7s. 5d. from the Press, represent the real revenue. The remainder, viz., £66 14s. and £90 12s. being merely nominal receipts.

#### EXPENDITURE.

The expenditure for establishments during the same period, viz., for July and August (approximately) may be estimated at about £800. This refers to fixed establishments only. They are calculated for the coming year to amount to about £5,800. Thus showing a considerable deficiency. It is therefore abundantly evident that my oft reiterated advice to avoid drawing hasty conclusions from insufficient data are amply justified, for it is easy to create a costly establishment, but difficult to reduce it without impairing its efficiency. The Telegraph Engineer observes in his report that numerous complaints have been made on the score of the early closing of the office, and he recommends an extension of the time, but as this would entail an addition to the staff, the recommendation cannot at present be entertained. The Superintendent of the South Australian Telegraph very judiciously remarks, "The insignificant revenue derived from small townships contrasts singularly with the eagerness displayed by the inhabitants when urging their claim for a telegraph station," and his advice is judicious when he observes, "That if a telegraph on the whole pays, or nearly pays, its working expences, the country receives ample compensation for the comparatively small outlay required for the construction and maintenance of the lines in the facilities thereby afforded, by means of which the commerce of the Colony is expanded and its people enriched."

Attached to this Report is the scale of charges at present prevailing, and there does not appear any prospect of reduction, considering that the receipts are from the most populous portions of the Middle Island and that, shortly, the expenditure will embrace a large portion of country which is but sparsely occupied.

It will be a question for future consideration whether there should not be established at the chief stations a series of meteorological observations throughout the Island.

In June last I was enabled to avail myself of the valuable assistance of Mr. Balfour, Marine Engineer, whose services had been most obligingly placed at the disposal of the General Government for the survey of Cook Strait, by the Superintendent of Otago, in order to ascertain the best bed for the submarine cable which it was proposed should unite the two Islands. A continuance of