3] E.—No. 5.

SECOND REPORT

ON THE

TELEGRAPH DEPARTMENT OF NEW ZEALAND,

BY THE POSTMASTER-GENERAL.

Sir,—
I have the honor to submit, for the information of your Excellency, the following Report on the Telegraph Department for the year ended 30th June, 1866.

I have, &c.,

JAMES PATERSON,

Postmaster-General.

To His Excellency Sir George Grey, K.C.B., Governor of New Zealand.

REPORT.

The system of Telegraphic Communication has made considerable progress during the period that has intervened since the last Report was submitted. At that time the main line did not extend further north than Christchurch, and the stations on the line numbered only eight. Two of these had only been opened for a few weeks. The line has now been extended through the whole length of the Middle Island, and is in full operation from the Bluff at the South to Nelson in the North. The stations have been increased to thirteen, and measures are in progress for the establishment of several more.

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The construction of the Northern portion of the line has been attended with considerable difficulty, chiefly owing to the nature of the country it had to pass through; there have also been several interruptions since the opening of the line, caused by floods, especially in the Province of Canterbury, whereby considerable portions of the line were at various times seriously damaged, and the communication temporarily suspended. In the wooded districts also through which the line passes, several interruptions have been caused by the falling of trees, too little space having been at first cleared to admit of such a thing taking place without falling upon the line. Steps, however, are in progress for remedying the latter evil by widening the space on both sides, and it is hoped that the communication may henceforth be maintained without any serious interruption

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The branch line in the Province of Otago from Tokomairiro to the Lakes in the interior, and that in the Province of Canterbury from Christchurch to the West Coast Gold Fields still continue under the control of the respective Provincial Governments; the line from Dunedin to Port Chalmers also continues under the same private management as at the time of its construction. It is a question worthy of consideration whether it would not be advisable that the General Government confine its attention exclusively to the main line throughout the country, and leave the construction and maintenance of all branch lines to the various Provincial Governments who desire to avail themselves of such accommodation, and who can best judge of their necessity, and the nature and extent of their

From the subjoined Report of Mr. Sheath, the Telegraphic Engineer, it will be seen that while the whole line is at present in complete working order, it is found that in some districts the posts erected in the earlier stages of construction, and some others also of more recent erection, are beginning to exhibit symptoms of decay, and will require ere long to be replaced. This matter will require immediate attention, and measures are now being taken for obtaining the best information on the subject, so that, when the necessity arrives, a suitable substitute of a more substantial nature may be in readiness, whereby the effects of this rapid decay may be avoided, and the works rendered more permanent and effective. It is thought that the substitution of iron for wood, either in whole or in part, may prove an efficient remedy, the comparative advantages of both having been duly ascertained, especially in relation to cost, and the peculiarities of the soil and climate of New Zealand.

The statement of revenue and expenditure submitted in the Appendix to this Report shows the very gratifying fact that the working expenses exceed the revenue by only a very small amount. The rapid increase in the monthly returns since the whole line has been opened, seems to justify the hope that, with additional facilities which further experience may indicate as necessary, the line will not only prove self-sustaining but may shortly become a source of revenue. At the average of the return for the month of June last an annual amount would be realized far in excess of the expenses of the past year. This may reasonably be expected to continue to increase as it has hitherto gradually, month by month, so that not only will current expenses be covered, but something may remain to account of the interest due on the money expended in construction of the line.

The proposal of the Telegraph Engineer to extend the line from Nelson to Greymouth so as to convect the Feet and West Coasts by two lines one from Christoburgh and the other by wear of

The proposal of the Telegraph Engineer to extend the line from Nelson to Greymouth so as to connect the East and West Coasts by two lines, one from Christchurch and the other by way of Nelson, is worthy of consideration, as, in case of accident to one line, communication would still be open by the other. It is also contemplated, should circumstances prove favorable, to extend the line