

## VI—continued.

Details of Securities.	Balance on 31st March, 1904.	Securities purchased during Period of Account.	Total.	Securities sold during Period of Account.	Balance on 31st March, 1905.	Value at Market Price, 31st March, 1905.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Bank of England stock	3,450 0 0	2,050 0 0	5,500 0 0	..	5,500 0 0	301½ 16,582 10 0
Victoria 3-per-cent. stock	4,000 0 0	..	4,000 0 0	..	4,000 0 0	89½ 3,580 0 0
Victoria 3½-per- cent. stock	1,000 0 0	..	1,000 0 0	..	1,000 0 0	99 990 0 0
New South Wales 3-per-cent. stock	5,000 0 0	..	5,000 0 0	..	5,000 0 0	88½ 4,425 0 0
New South Wales 4-per-cent. Treas- ury bills	..	8,500 0 0	8,500 0 0	..	8,500 0 0	100¼ 8,521 5 0
Queensland 3-per- cent. stock	5,000 0 0	..	5,000 0 0	..	5,000 0 0	89 4,450 0 0
New Zealand 3-per- cent. stock	1,000 0 0	..	1,000 0 0	..	1,000 0 0	88½ 885 0 0
New Zealand 4-per- cent. debenture stock	1,000 0 0	..	1,000 0 0	..	1,000 0 0	100 1,000 0 0
New Zealand 4 per- cent. Treasury bills	..	4,000 0 0	4,000 0 0	..	4,000 0 0	100¼ 4,010 0 0
Canadian 3-per- cent. stock	4,938 0 5	10,061 19 7	15,000 0 0	..	15,000 0 0	98 14,700 0 0
Metropolitan Water Board 3-per-cent. stock	..	2,000 0 0	2,000 0 0	..	2,000 0 0	98½ 1,970 0 0
Local loans 3-per- cent. stock	..	5,000 0 0	5,000 0 0	..	5,000 0 0	99½ 4,962 10 0
	25,388 0 5	31,611 19 7	57,000 0 0	..	57,000 0 0	66,076½ 5 0

S. WALPOLE, Chairman.

Examined and found correct—G. H. HUNT, Auditor.  
Pacific Cable Board, 13th June, 1905.

SIR,— The Pacific Cable Board, Queen Anne's Chambers, S.W., 16th June, 1905.

In transmitting to you the accounts of this Board showing (i) the sum issued out of the Consolidated Fund, and the expenditure of the Board on capital account; (ii) the money borrowed and the securities created; (iii) the aggregate amount of capital expenditure up to the 31st March, 1905; (iv) the expenses of the cable in the year ending 31st March, 1905; (v) the account of the Provident Fund; and (vi) the account of the Reserve and General Renewal Fund, I have the honour, on behalf of the Pacific Cable Board, to make the following observations:—

1. Throughout the year 1904-5 the cable was maintained and continued in efficient working-order. I am glad to be able to report that no interruption of any kind occurred on any of its sections. The Board's ship, buildings, electrical apparatus, and plant at all stations are also in good order.

2. The gross message revenue received during the year amounted to £84,301 9s. 1d., against £81,832 16s. 5d. in the previous year, the net revenue having been £82,188 1s. 5d., against £79,824 5s. 5d. From the gross revenue of the year has to be deducted £2,113 7s. 8d. on account of payments made to the Atlantic and Canadian Pacific Telegraph Companies for transmitting between Vancouver and Europe, or *vice versa*, the date and time of filing of all messages between Australasia and the United Kingdom, the Continent, &c., and for delivering messages in duplicate in London and some other large centres in the United Kingdom. These payments became necessary to give to the customers of the Pacific Cable the same facilities as are afforded by the Eastern Company's route.

3. The number of messages and words transmitted during the year 1904-5 were approximately 177,968 and 2,056,953 respectively, of which 106,782 messages and 1,183,929 words were intercolonial. The audited traffic figures for 1903-4 amounted to 176,824 messages and 2,097,897 words, of which 108,211 messages and 1,232,928 words were intercolonial.

4. The actual expenditure of the Board on the services of the cable during the twelve months ending 31st March, 1905, amounted to £50,751 11s. 2d., against £54,824 19s. 8d. in the previous year.

The receipts amounted to £87,446 10s. 8d. (including a special item of £5,118 15s. on account of repair services rendered by the "Iris"), against £80,118 13s. 3d. last year. The surplus on actual working was, therefore, £36,694 19s. 6d. The Board, however, set aside £35,000 for the Renewal Fund, and they had also to provide a sum of £77,544 18s. for interest and sinking fund. This sinking fund will extinguish in fifty years the entire capital expenditure. Adding these payments to the expenditure, the deficiency on the year's operations amounts to £75,849 18s. 6d., against £87,751 4s. 5d. in the previous year. This deficiency has to be made