

The above number of complaints must be considered very small when taking into consideration that the number of telegrams transmitted during the same period amounts to over 98,000.

The arrangements made, by your direction, for establishing a Learners' Gallery in Wellington, for the instruction of cadets in some of the main principles of telegraphy and the routine of office duty, will, in a measure, lessen causes of complaint. This Gallery has been placed under the charge of Mr. C. V. de Sauty, whose experience and attainments as an Electrician especially qualify him for this important duty. The success that has hitherto attended his operations is very satisfactory, and their continuance will, as the Department increases, be the means of opening up to the sons of New Zealand settlers a source of profitable and honorable employment in the public service, and make New Zealand no longer dependant upon neighbouring Colonies for a supply of competent telegraphists. The plan, also adopted by your direction, of teaching the officers of this Department, where practicable, the several duties connected with the daily routine of a Post Office, has proved a means of affording much accommodation to the public, and a source of considerable saving in the maintenance of Telegraph Stations. By this arrangement the expense of a Telegraph and Post Office, where a combination of offices is found practicable, is borne jointly by the Telegraph and Postal Departments.

The stations that have been organized on this footing during the year are Bluff, Featherston, Greytown, Castle Point, and Waipukurau; and it is intended, as soon as the line between Greymouth and Westport is completed, to establish the offices at Charleston and Brighton on the same terms.

FINANCIAL.

In addition to the returns furnished in former reports (see Appendices D., E., F., and G.,) I have added a Table (Appendix H.) showing the total number of telegrams forwarded from, the total value of business, the total cash receipts, and the cost of maintenance, of each station.

On reference to the return in the report of last year of the number of telegrams transmitted during the year 1866-67, (70,952) it will be seen that the number (98,485) transmitted during 1867-8, after deducting 7,912 transmitted by the offices of the West Coast Line (which were not included in last year's return) shows an increase of 19,621, being rather better than 25 per cent.; and the actual cash receipts compared in the same manner show an increase of £1,189 17s. 8d.

The total cash receipts of the Telegraph Department from all sources is £11,652 3s. 7d., and the total value of business done, including guarantees and other receipts, is £18,324 3s. 10d., which, after deducting the cost of maintenance of stations and lines (£14,896 5s. 1d.), leaves a balance to the credit of the Department of £3,427 18s. 9d. (See Appendix I.)

The interruption resulting from the extensive damage done to the lines in the months of August and February have lessened the cash receipts this year by at least £1000, and added fully £1,500 to the cost of maintenance. These losses, however, are not likely to occur again, as one of the principal causes of them, viz., the rotten condition of a part of the line, has been, to a certain extent, and will ere long be entirely, removed.

I think on the whole, that, considering the generally depressed state of the Colony during the period to which this report refers, the progress of this Department in a financial point of view may be considered satisfactory.

In Appendix M. I have given in detail the value of telegrams sent by each Department of the General Government; on reference to this table it will be seen that by far the greatest amount of work of this description is entailed by the Shipping Reports. There is no doubt that the Department actually loses by the publishing of shipping telegrams more than twice the value set down for them in the Table, as each shipping notice now published deprives the Department of several messages each of greater length than the notice as now given.

As the business of this Department increases the saving of time effected by the way in which these reports are now forwarded from the various stations will, without doubt, be of great advantage, and it would be well if other Departments of the Government were to make it their study to be more concise in their communication by wire.

PRESENT RATES OF CHARGES, ETC.

At your request I have attached to my report, in Appendix K. a return showing the charges for the transmission of telegrams in the Colonies of New South Wales and Victoria; and, in order to afford a comparison with those of our own tariff, I have shewn the charges in force in New Zealand for similar distances.

You will observe that the charges made in New Zealand are in every instance much lower than those in the Colonies above mentioned; this is one argument in addition to many others which might be adduced for not attempting to lower the present tariff until the actual cash receipts more than cover the working expenses.

There can be no doubt that the plan now adopted by you of requiring guarantees against loss to the Department from persons wishing to have Telegraph Stations opened in those districts where the extent of population would not otherwise justify such a course being taken, as well as