

The cash receipts for the year, inclusive of subscriptions from telephone exchanges, private wires, &c., amounted to £93,009 2s. 3d., and the expenditure (exclusive of £19,532 8s. 10d. charged against loan for construction, &c.) was £92,264 11s., the receipts being £744 11s. 3d. in excess of the expenditure. Added to the cash receipts, £21,555 19s. 2d., the value of Government messages, and the fees collected by the postal branch on money-order telegrams, amounting to £813 1s., but not paid over, the value of the services performed by the telegraph is represented by the sum £115,378 2s. 5d., leaving an apparent profit of £23,113 11s. 5d. on the year's business, equal to 4·47 per cent. on the capital cost.

39,816 telegrams of the urgent code, of the value of £5,487 9s. 8d., were forwarded. In 1882 the number was 39,941, for £5,769 6s. There was therefore a falling off last year of 125 messages of this class, and of £281 16s. 4d. in value.

168,141 delayed messages were transmitted during the year, compared with 139,208 in 1882, and 112,776 in 1881. The postage fee formerly collected for delivery was abolished on the 3rd October last, and delivery through the Post Office is now made without charge, which is also the case with ordinary messages when delivered through the post.

The Government telegrams increased by 11,545 in number, and £947 7s. 3d. in value, against a decrease of 14,551 messages the previous year. The increase, however, was only 3,006 messages for the two years.

The average number of telegrams transmitted during the year for every hundred letters posted was 10·78, compared with 13·00 for 1882. This falling off would be mainly due to the temporary check the telegraph business sustained from trade depression. The average number of telegrams forwarded to every 100 letters posted in 1882 and 1883 from offices within the under-mentioned districts was as follows:—

	1882.	1883.		1882.	1883.
Auckland	8·98	8·95	New Plymouth	21·37	17·17
Christchurch	6·67	6·57	Wellington	16·67	15·03
Dunedin	8·55	8·85	Westport	31·08	23·03
Nelson	18·11	18·91			

16,261 money-order telegrams, for £64,735 6s. 7d., were transmitted at a cost to the remitters of £1,892, or 2·93 per cent. on the total sum remitted. The telegraph fees amounted to £813 1s., and the commission to £1,078 19s. The number of orders increased by 1,128, and £4,471 18s. 11d. in amount. The number and value of the money-order telegrams forwarded from offices within the several postal districts will be found in Table No. 27. Auckland sent 18·25 per cent.; Wellington, 13·63 per cent.; Christchurch, 9·22 per cent.; and Dunedin, 9·6 per cent. of the total number of the messages. These four districts sent over one-half of the orders.

Telegraph offices were opened at Waitakerei (Auckland); Waiorongomai (Thames); Greatford (Wanganui); Kaikora North (Napier); Petone (Wellington); Lincoln, Tinwald (Christchurch): a total of seven offices.

Telephone offices have been established at Morrinsville, Wade, Mangapai, Parnell, Rangiriri, Hikurangi, Maungaturoto, Waimate North, Whangapoua, Waihou, Whitianga, Tuakau, Kaukapakapa, Ponsonby, Avondale, and Puhoi (all in the Auckland District); Brightwater, Motupiko (Nelson); Petane (Napier); Otakeho (Wanganui); Taueru, Te Aro, Ashurst (Wellington); Murchison, Waimangaroa (Westport); Bannockburn, Cape Saunders, Dunedin South, Bluespur, Millburn (Dunedin); Maori Point, Skipper's, Pembroke, Pukerau, Mandeville, Riversdale (Invercargill); Renwicktown (Blenheim): a total of thirty-seven offices.

There are now 92 offices connected by telephone. The extension of the telephone system in Auckland was very marked, where fifteen telephone offices were established during the year. The outlying settlers in this district, fully alive to the importance of telephonic communication, availed themselves largely of the facilities offered by the department; and, in cases where a doubt was expressed of an office proposed to be established proving remunerative, they generally came forward and guaranteed the necessary sum, so as to prevent actual loss to the Government.

Telephones were substituted for Morse instruments at Port Albert and Waihemo, from motives of economy.

The number of offices, telegraph and telephone, open at the end of the year was 302.

From the Learner's Gallery, which was re-opened on the 1st February, 1883, were distributed thirty-nine cadets. Three distinct classes were trained, and the last of these was finished on the 29th February last. Four officers were also trained for the Railway Department, which now has a training office at Christchurch. The Telegraph Gallery is closed at present, but will be re-opened about the beginning of next year.

The number of miles of line maintained increased from 3,974 to 4,074; and the average cost for maintenance per mile was £4 16s. 8d., against £5 17s. 5d. the former year.

The number of miles of wire increased from 9,848 to 10,037, which, with 2,820 miles of duplexed wire, gave 12,668 miles of wire accommodation.

The expenditure out of loan during the year for telegraph extension, &c., was £19,532 8s. 10d., and the total expended up to the 31st December last on telegraph lines, cables, &c., amounted to £516,529 15s.

The extension of the telephone-exchange system has been most encouraging, and its convenience and the facilities afforded are daily becoming more and more apparent to the public. An exchange was opened at Invercargill on the 7th November last, and there is a probability of one being established at Nelson, with the minimum number of subscribers—namely, 25. The exchanges at Auckland, Wellington, Christchurch, and Dunedin are now open day and night, with the exception of between the hours of 8 a.m. and 5 p.m. on Sundays. From the 1st January last the annual subscription for the first year was reduced from £17 10s. to £12, which reduction dates back from the commencement of the system, and subsequent years from £12 10s. to £10.