

rent, repairs, and superintendence. It is understood that the whole of the buildings will become the property of the Board on the cost being refunded this Government.

I regret, however, that the second proposal that half the cost of the Abstract and Check Clerks at Doubtless Bay should be paid by the colony is not acceptable, for the reason that the Department has a separate staff of its own, who prepare the Pacific cable abstracts and accounts so far as they affect New Zealand. These accounts, with the abstracts, are sent to the Superintendent, Doubtless Bay, for verification, and for the incorporation of the figures in his accounts for the London office.

The actual salaries and foreign-service allowances of the operators engaged on the land-lines will be refunded the Board; and at a later stage the alternative suggestion that a fixed sum might be determined upon as representing the mean between the minimum and the maximum salaries, as well as locality allowances, will be considered.

I have, &c.,

J. G. WARD, Postmaster-General.

The Secretary, Pacific Cable Board, London.

No. 116.

The AGENT-GENERAL to the Hon. the PRIME MINISTER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
13th February, 1903.

SIR,—

Pacific Cable Board.

I beg to transmit herewith copies of the undermentioned papers, which have just been received from the Secretary to the Pacific Cable Board, in connection with the estimated expenditure of the Board for 1903-4: (1.) Letter of the 24th January, 1903, from the Pacific Cable Board to the Treasury. (2.) Abstract of estimates enclosed in No. 1. (3.) Memorandum attached to No. 2. (4.) Treasury letter, of the 5th February, 1903, in reply. (5.) Enclosure in No. 4. (6.) Abstract of estimates for grant-in-aid of £120,000 for 1902-3.

I am, &c.,

W. P. REEVES.

The Hon. the Premier, Wellington.

Enclosure 1 in No. 116.

The SECRETARY, Pacific Cable Board, London, to the SECRETARY TO THE TREASURY, London.
SIR,—

London, 24th January, 1903.

With reference to your letter of the 8th November last, I am now directed by the Pacific Cable Board to enclose, for the information of the Lords Commissioners of His Majesty's Treasury, a copy of the estimates which have been prepared of the receipts and expenditure of the Board for the financial year 1903-4.

1. I am to point out that the estimated receipts have been mainly based upon such returns as are available of the traffic carried since the completion of the cable on the 8th ultimo, and that in the event of any interruption the receipts would be reduced by an amount proportionate to its duration.

2. In calculating the expenditure, allowance has been made under the head of depreciation and renewals for an amount equivalent to 5 per cent. upon the capital cost of the station buildings and cable-repairing vessel, and 10 per cent. upon the cost of the station and ship's instruments and cable-repairing machinery, in addition to the £25,000 Cable Reserve Fund approved by their Lordships as notified in your letter of the 19th May, 1902.

I am, &c.,

HUGH LATHAM, Secretary.

The Secretary, His Majesty's Treasury, Whitehall, S.W.

Enclosure 2 in No. 116.

ABSTRACT OF ESTIMATES REFERRED TO IN SECRETARY'S LETTER OF THE 24TH JANUARY.

PACIFIC CABLE, 1st April, 1903, to 31st March, 1904.

<i>Estimated Expenditure.</i>					£	s.	d.
First annuity payment	...	...	...	...	77,545	0	0
Head Office	...	...	...	...	4,400	0	0
Stations	...	...	...	...	26,300	0	0
Ship	...	...	...	...	19,500	0	0
Renewals and depreciation	...	...	...	...	35,500	0	0
Royalty on instruments	...	...	...	...	400	0	0
Engineer's fees	...	...	...	...	300	0	0
Provident Fund	...	...	...	...	1,555	0	0
<i>Estimated Receipts.</i>					£165,500	0	0
Through traffic on supposition that it will be maintained on the present rate—say, £1,150 a week					£59,800		
Local receipt	...	...	...	...	13,600		
					73,400	0	0
Probable deficit	...	...	...	...	£92,100	0	0