

OFFICES OPENED and CLOSED during Financial Year ended 31st March, 1904.

Opened.

Albany,	Island Bay,	Maungatua,	St. Omer,
Beckenham,	Kaiteratahi,	Mokihinui Mine,	Taumarunui,
Chatton,	Kaka Point,	Ohutu,	The Spa,
Crail Bay,	Karama,	One Tree Hill,	Tuahiwi,
Domett,	Kauaeranga,	Otaio,	Tuatapere,
East Tamaki,	Knapdale,	Outram Bureau,	Waerenga Farm
Eli Bay,	Kongahu,	Paengaroa,	Waimangu,
Glasgow Wharf,	Koutu,	Piriaka,	Waiotemarama,
Globe Mine,	Kuripuni,	Poerua,	Wakarara,
Grassmere,	Little Wanganui,	Poolburn,	Wangaehu,
Grey Lynn,	Long Gully,	Puponga,	Wayby,
Hampden Square,	Lower Riccarton,	Rona Bay,	Wharanui,
Harewood Road,	Lower Shotover,	Roseneath,	Woodside.
Hobsonville,	Mapuna,	Ruanui,	
Homewood,	Mataroa,	Ruaapekaeka,	

Closed.

Great North Road,	Newmarket Railway,	Omanaia,	Poerua,
Hyde,	Ogilvie's,	Otamatea,	Whenuakura.

Summary.

Open 31st March, 1903, 1,103. Opened during year, 58; closed, 8: increase 50. Number 31st March, 1904, 1,153.

TELEGRAPH CABLE SERVICES.

The great improvement in the cable services, coupled with the reduction in the cost of cabling, due to the inauguration of the Pacific cable, has materially popularised the cable system, as may be gathered from the fact that the colony's cable business increased 25 per cent. during the year.

The average time of transmission of cable messages generally has further improved. Messages from the United Kingdom *via* Pacific frequently reach the colony within thirty minutes of the time of presentation, and from America and some of the Australian States well under fifteen and the minutes respectively.

The working of the Pacific cable, as well as the Canadian land-lines and the Atlantic service, has been satisfactory. The land-line between Bamfield and Alberni, which had given so much trouble, has been replaced by a sea-cable, the laying of which was completed on the 28th July last year.

New Zealand's proportion of the deficit of £90,518 4s. 3d. on the first year's working of the Pacific cable amounted to £10,057 11s. 7d. Against this the colony secured an improved oversea cable service, and the users of the cables saved over £50,000 a year.

The relatively large deficiency gave rise to comment; but the position is not serious when it is remembered that, besides the ordinary items of expenditure usually charged against cable working-expenses, a terminable annuity-payment of £77,545 a year is made, which not only provides for interest but also for a sinking fund as well, which will in fifty years repay the whole of the £2,000,000 sunk in the cable. In addition, there is a cable reserve fund of £25,000 a year for the purpose of replacing the original cable, if necessary, in forty years. The position was clearly explained by the General Manager in an address delivered to the Melbourne Chamber of Commerce in September last, from a report of which the following is extracted:—

"The question of the cable being looked upon as a great financial disappointment, and that the results were not what were anticipated, and so on, caused some surprise among the members of the Board. Mr. Reynolds wished to explain that the deficiency of something over £90,000 a year did not refer merely to working-expenses. He was surprised that the outside public believed that the cable had such a deficiency on its annual working-expenses. The following extract from a report of Lord Selborne's Committee, dated 5th January, 1897, would throw light on this point: 'The financial position of the cables would be a very strong one. The custom of owners of cables is to put by such a sum of money every year as will enable their cables to be kept in continual repair, and the old cable to be entirely replaced by a new cable within a certain number of years. This they consider to be a sufficient provision for the replacement of their capital. The committee have, however, suggested that in the case of a Pacific cable there should be what practically amounts to a double replacement of capital. They have recommended that a sufficient sum should be set aside for annual maintenance to insure the complete renewal of the cable within forty years, so that at the end of that time the associated Governments should either be in possession of a new cable or, if the old cable had not been wholly renewed, of a reserve fund sufficient to replace such part of the original cable as still existed. And, further, they have provided for the complete extinction of the original loan at the end of fifty years. These facts must be borne in mind in considering the financial prospects of the cable.'"

"The following figures, extracted from the *British Australasian* just to hand, set forth the financial position of the cable in a convenient form. For the period from the 1st January, 1901, to the 31st March, 1903, the disbursements are set out thus:—

	£
Interest on money borrowed to lay the cable (£2,000,000) ...	65,000
Head office salaries and expenses ...	5,500
Expenses of stations ...	26,000
Repairing cable-ship ...	11,000
Renewals ...	12,500
	120,000