

POST-OFFICE SAVINGS-BANK.

The Post-Office Savings-Bank still continues to reflect in a marked manner the prosperous condition of the workers of the colony. During the year 1903 the number of depositors' accounts increased by 16,210, bringing the total open accounts up to 243,675, or one in every 3·42 of the population.

The balance at credit on the 31st December reached the sum of £7,388,682, disclosing a net increase during the year of over half a million sterling. The average amount at credit of each depositor was £30 6s. 5d.

PACIFIC CABLE.

The working of the Pacific Cable, as well as the Canadian land-lines, and the Atlantic Cable service, has been satisfactory.

New Zealand's proportion of the deficit for the current year is estimated at £10,058. It should, however, be recollected 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 a sinking fund as well, which will in fifty years repay the whole of the £2,000,000 sunk in the cable. In addition, £25,000 is set aside every year as a reserve fund for the purpose of replacing the original cable, if necessary, in forty years.

The colony has good reason to be satisfied with its investment. The advent of the Pacific Cable has brought about a reduction of rates, an improved oversea cable service, and a saving to the users of the cable of over £50,000 a year.

The long-deferred Conference of delegates representing the Pacific Cable partners to consider the Commonwealth agreement with the Eastern Extension Telegraph Company, and other important matters affecting the Pacific Cable, will, it is hoped, take place this month. Sir Sandford Fleming, formerly Engineer-in-Chief of Canadian Railways, and who has taken a special interest in the inauguration of the Pacific Cable, will represent the Government at the Conference.

DEFENCE.

The conditions prevailing, especially in the Far East, will naturally excite inquiry as to the harbour defences and defence forces generally of our colony. I am happy to say that the Volunteers now number over nineteen thousand. They are better armed and equipped than they have ever been in the history of New Zealand. A further supply of small arms has been ordered, and the ammunition and munitions of war are much greater than have hitherto prevailed. Under this head we are in a better position than we have ever been before. The amount asked for—£45,000—is principally for payment of small arms, ammunition for large and heavy guns, and equipment generally.

It must not be forgotten that, in addition to the rifle corps, there are some ten thousand cadets in our colony. The cost of maintenance is comparatively small as compared with the importance of the military training of the youths of this promising land.

Under the heading Permanent Militia and Volunteers the appropriations last year were £140,464; the appropriations asked for this year amount to £131,610.

Under the heading, however, of Stores and Magazines and Miscellaneous Services the appropriations of last year were £28,140. This year under the same heading no less a sum than £55,360 is asked for, the increase being caused by the purchase of small arms, ammunition, and cordite.

There are practically eleven million rounds of small-arm ammunition available.

It is now recognised that the training of officers and non-commissioned officers is essential if the corps are to be efficient, and their efficiency depends upon the knowledge possessed by the officers and non-commissioned officers. Manuals for the instruction of rifles and mounted infantry have been made and distributed. For infantry single rank has been adopted, and the drill assimilated to that of the mounted branch.

Various alterations respecting our harbour defences are under way, and the equipment of our heavy guns has been increased.