

It has been the practice hitherto, when quoting figures representing repayments of capital, to include all mortgages repaid, even where a mortgage is repaid by the granting of an increased mortgage to the same mortgagor. As this practice is misleading, it has been decided for the future to publish in this table only the repayments of capital which are included in the ordinary instalments of interest and principal.

#### LOCAL BODIES' LOANS ACT.

An amending and consolidating Act relating to the raising of loans by local bodies will be introduced. This measure will contain provisions which will remove certain restrictions now imposed on local authorities in connection with raising loans. It will also make provision for local authorities to borrow moneys under the guarantee of the Government.

#### LOCAL GOVERNMENT REFORM.

Further information has been obtained concerning local government in some of the States of the Commonwealth. This has been considered by the Government; but, in view of the very heavy programme of legislation provided for this year, it is doubtful if Parliament will have time this session to adequately consider this important subject. It is intended, however, that proposals dealing with local-government reform will, if possible, be circulated this session for the consideration of members of Parliament and local bodies.

#### POST AND TELEGRAPH DEPARTMENT.

The business of the Post and Telegraph Department continues to show a steady and gratifying improvement. The receipts during the year amounted to £1,167,977, an increase of £78,169 over the previous year. The expenditure amounted to £1,066,772, an excess of £5,871 beyond the amount voted, and £80,245 over the previous year. It will be realized, however, that the expenditure of this Department must necessarily increase with the expansion of business and consequent increase in revenue.

The Savings-bank business shows that the public confidence in the Department is unabated, the deposits having amounted to a total of £11,725,183, a higher amount than ever previously received in one year. The deposits were in excess of withdrawals, and the amount standing at credit of depositors on the 31st December, 1912, was £16,330,257, an increase of £787,070 over the amount at credit on the corresponding date in 1911. Owing to the increase in the ruling rate of interest obtainable for ordinary investments the withdrawals from the Post Office Savings-bank were unusually heavy during the year.

The money-order and postal-note business also shows a very considerable increase, the orders and notes issued exceeding in value those of the previous year by well over half a million sterling.

The inauguration of the party-line system has helped to increase very largely the number of telephone-exchange subscribers, and this has necessitated a heavier expenditure on the construction of lines than was anticipated. The revenue derived from this class of business is, however, very satisfactory, and is sufficient to meet all interest charges on the capital borrowed as well as the working-expenses. It amounted to no less than £201,237 during the year.

The net expenditure out of Public Works Fund for telegraph-extension was £251,375.

#### RAILWAYS.

Mr. Hiley, late of the North-eastern and Great Northern Railways of Great Britain, has been appointed General Manager of the New Zealand railways. He will take up his duties on his arrival in New Zealand.

I am pleased to be able to announce that the interest earned by the New Zealand railways on the cost of construction during the year ended 31st March, 1913, is the second highest on record—namely, £4 0s. 9d. per cent. notwithstanding large increases in the wages of the staff made in accordance with the provisions of section 22 of the Appropriation Act, 1912.