F.—1.

The offices at Cape Foulwind, Mauku, and Purekireki were closed.

The number of offices at which postal notes were sold at the end of the year was 452, as compared with 440 at the end of 1896.

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409,866 notes, of the value of £137,113 15s. 2d., were sold, as against 376,796, of the value of

£129,011 18s., during the previous year.

The postal notes paid numbered 407,610, of the value of £134,045 7s. 0d., as compared with 375,208, for £128,655 18s. 6d.—an increase for the year of 32,402 in number and £5,389 8s. 6d. in

The postal-note commission amounted to £2,735 5s. 8d.

SAVINGS-BANKS.

This branch maintained during the year the steady advance which has characterized it, with but few and slight exceptions, since its inception.

The facilities for making use of the bank were further extended by the opening of eighteen

additional offices—the total number at the end of the year being 388.

The accounts opened numbered 36,394, and 24,821 were closed, giving a net increase of 11,573 depositors, and raising the proportion of accounts per head of population from one in 4.83 to one in 4.58, or, say, one account to every four and a half souls in the colony, unmistakably indicating how widely the advantages of the Post-Office Savings-Bank are appreciated. That there are 159,331 depositors in a population of 729,056 is to be regarded as satisfactory.

The deposits numbered 267,615, representing £3,187,219 2s. 4d.—an average of £11 18s. 2d. per transaction. The withdrawals amounted to £2,891,169 5s. 8d., which, being divided by 179,555, the number of operations, gives an average of £16 2s. per withdrawal. The transactions and amount is considerable, as a reference to Table No. 5 will show. The increase both in

The net amount added to the depositors' savings was therefore £296,049 16s. 8d., and £137,240 8s., the interest earned, or a total of £433,290 4s. 8d. added to depositors' accounts during the year. The sum at the call of depositors increased from £4,311,634 13s. 5d. at the close of the previous year to £4,744,924 18s. 1d. on the 31st December last, representing a sum equal to £6 10s. 2d. per head of the entire population, and £29 15s. 7d. per depositor. Last year the figures were £6 0s. 9d. and £29 3s. 7d., and in 1891 £4 5s. and £29 16s.

As illustrating the earning-power of small savings, it may be pointed out that the sum of £1,777,747 0s. 6d. has been credited to depositors as interest since the Post-Office Savings-Banks

were established in 1867.

That the depositors are mainly persons by whom the facilities for accumulating small savings are widely appreciated is shown by Table No. 9, from which it will be seen that out of the 159,331 accounts, 143,898 had balances under £100 to credit.

The cost of working the savings-banks amounted to only 4.29d. per transaction, or £8,000 for

the year.

Profits amounting to £15,000 were paid to revenue; and the balance to credit of Profit and

Loss Account stood at £95,773 5s. 3d. on the 31st December, 1897.

On the 1st November last the rate of interest allowed depositors was further reduced from 31/2 to 3 per cent. on sums not exceeding £200, and from 3 to $2\frac{1}{2}$ per cent. on amounts exceeding £200 but not exceeding £500. The immediate effect of the reduction was that the withdrawals for November exceeded the deposits by £13,292, but in December the deposits exceeded the withdrawals by £2,157, and in January by £6,644, since when the transactions have been normal.

The following table shows the average daily transactions:—

Average numb	oer of deposits per da	y, 1896.		 	792
,,	,,	1897 .		 	874
	per cent			 •	10.35
Average num	per of withdrawals pe	er day, 18	. 96	 	546
,,	"	18	97	 	587
Increase,	per cent			 	7.51
Average daily	amount deposited, 1	896		 £9,415	10s. 8d.
,,	,, - 1	897		 £10,415	15s. 0d.
Average daily	amount withdrawn,	1896		 £8,469	2s. 11d.
,,	,,	1897		 £9,448	3 5s. 4d.

Cost of management per cent. on total amount to credit of depositors, 17, or 3s. 5d. per £100.

TELEGRAPHS.

The total value of the telegraph and telephone business for the year ended the 31st March last, including Government telegrams and miscellaneous telegraph receipts, was £160,725 5s. 2d., as compared with £152,752 18s.—an increase of £7,972 7s. 2d., or 5.22 per cent.

The following is a comparison of the business in paid telegrams during the last five years:—

	Number.			Value.	
1893-94	 1,839,094	***	***	£88,371	
1894-95	 1,802,182	Decrease, 2.01	per cent	85,388	Decrease, 3.38 per cent.
1895-96	 1,899,632	Increase, 5.41	per cent	92,289	Increase, 8.08 per cent.
1896-97	 2,285,001	Increase, 20.29	per cent	97,453	Increase, 5.60 per cent.
1897-98	 2,469,415	Increase, 8.07	per cent	96,537	Decrease, 0.94 per cent.

Delayed telegrams were abolished and the ordinary telegram rate reduced from 1s. to 6d. on 1st June, 1896. The business for the twelve months ended 31st May, 1898, exceeded that of the