

against £17,862 5s. 9d. for the previous year; contributions refunded, £5,744 13s. 5d.; compensation, £3,197 0s. 7d.; and expenses, £1,657½5s. The total value of the fund at the end of the year was £263,948, the greater part of which was invested by the Public Trustee at rates ranging from 4½ per cent. to 5 per cent. The number of contributors at the beginning of the year was 7,323, and 1,520 new contributors have since joined, including the 773 members of the Police Provident Fund. The number of officers who ceased to contribute during the year by reason of having left the service, retired on pension, or died was 472, leaving a total of 8,371 effective members of the fund at the end of the year. The statutory triennial examination of the fund is being made.

POST AND TELEGRAPH DEPARTMENT'S OPERATIONS.

The returns of the Post and Telegraph Department indicate a very successful year. For the first time in the history of that Department the revenue has exceeded one million pounds, as will be seen by the table of revenue. The balance of revenue over expenditure for the year amounts to £123,196 9s. 5d. The Savings-bank deposits reached the large sum of £10,708,938 16s. 10d., bringing the balance to credit of depositors up to £14,104,989 19s. 2d. The turnover of the money-order and postal-note business for the year exceeded five and a half million pounds. These figures show a very healthy state of business in the Dominion.

Steady progress has been made in connection with the extension of the telephone system to remote districts. The recent decision under which the Department takes half the risk of the estimated deficiency on telephone-lines applied for has been the means of providing communication to many places where the business would not have warranted such facilities unless on payment of a comparatively heavy subsidy by the settlers. At the same time the rate of interest hitherto charged on the capital cost of construction, on which the subsidy is based, has been considerably reduced, and minor charges have been abolished. The demand for trunk telephone-lines between the larger towns continues. This class of service involves a heavy capital investment, but, as these facilities invariably result in a profitable business, the Department is endeavouring to cope with the demand as fast as means will allow. The construction-works carried out during the year amounted to 426 miles of poles and 2,456 miles of wire. There were 103 new telegraph-offices opened during the year. The experimental wireless station at Wellington has been of practical value in notifying the near approach of vessels installed with like apparatus. It is proposed to have the permanent station on a site on the South Tinakori Hills near Wellington, thus enabling communication to be held with vessels within a 300-mile radius. Sites have been selected at Awanui, north of Auckland, and at Awarua Plains, between Invercargill and Bluff, for the establishment of high-power stations having a radius of 1,250 miles. Contracts for the two latter works have been let, and it is anticipated that the Awanui Station will be in working-order early next year, and the Awarua Plains Station a few months later. Low-power stations at Gisborne and in the neighbourhood of Christchurch are expected to be in operation in the near future.

LAND AND INCOME TAX.

Both taxes were paid up very well, the percentage outstanding at 31st March being small. This branch of the revenue continues to be collected at a very low cost. The percentages of cost to revenue are as follows: Income-tax, 1.75 per cent.; land-tax, 2.71 per cent.; both taxes, 2.23 per cent.

INCOME-TAX.

The amount collected for the year was £407,235, as compared with £316,835 for 1909-10, an increase of £90,400. The increase is due to the new graduated rates of taxation, which were in force during the period under review. The estimated result of £80,000 additional revenue due to the new scale was more than realized.