

The aggregate number of money-orders and postal notes issued was 2,958,326, and the amount paid out, £5,468,260.

The sale of war-loan certificates by the Post Office has reached the sum of £4,613,203. These certificates have been withdrawn from sale, and Post Office investment certificates substituted; the sales of the latter up to the 31st March amounted to £160,636.

Full details of the Department's finances and particulars of its business will be found in the Annual Report.

Owing to the non-arrival of a large quantity of material essential for the carrying-on of telegraph and telephone construction and maintenance works, a sum of about £200,000 will have to be carried forward to the vote for 1921-22. This material is now coming to hand, and will somewhat inflate the vote "Telegraph extension" for the year 1921-22. The total amount expended for the year out of vote "Telegraph extension" for the construction of telegraph and telephone lines was £336,468; and the sum of £143,526 was expended in maintaining in efficient and working order the existing telegraph and telephone lines and cables.

The difficulty in obtaining adequate supplies during the last few years has resulted in the Department being considerably in arrear with its telegraph and telephone extension programme, as well as with important maintenance works. The year closed with a waiting-list of 7,374 applications for telephone-exchange connections, and twenty-five exchanges awaiting erection. In spite of the conditions now prevailing, it is hoped that with the arrival of the material referred to the arrears of work may be overtaken.

The number of subscribers to the telephone-exchange system has, even under the difficulties referred to, increased by 8,785. Of these 1,753 were connected on the party-line system, involving the erection of 447 party-line circuits, many of which provided much-needed telephone service in scattered rural districts. The telephone-exchange system has increased by 335 miles of poles, 4,067 miles of open aerial wire, and 58 miles of telephone cable of various sizes, each cable containing from 52 to 1,200 wires, and comprising in the aggregate 15,499 miles of wire. Five new telephone exchanges were opened during the year, and fifty-five exchanges were provided with additional switchboard accommodation. An automatic telephone exchange, having a capacity of 2,000 lines, was opened at Hamilton, replacing, with the very latest product of modern telephone engineering, an obsolete manual switchboard. Extensions to existing automatic or manual apparatus were made at all the principal centres, in order to relieve the situation as far as possible until those centres can be converted wholly to automatic working, which has been delayed to a large extent by the non-completion of buildings and the non-arrival of suitable automatic-switchboard apparatus. The installation of automatic exchanges is now proceeding at Auckland, Palmerston North, Wanganui, Kelburn (Wellington), and Oamaru. New central automatic exchanges are being considered for Dunedin and Wellington; and a central exchange building is in course of erection at Christchurch. Owing to the shortage of materials, the development of the telephone system has necessarily been handicapped in this, as in other countries. Every effort is being made to provide for all requirements as speedily as conditions will permit.

The telegraph and interurban toll circuits were supplemented by the erection of 266 miles of poles and 1,121 miles of wire, in addition to which 3,361 miles of line were overhauled or reconstructed.

The installation of automatic printing telegraphs has been delayed owing to the non-arrival of the greater part of the apparatus, which is long overdue. A portion of the necessary material has now been received, and staffs are being trained in anticipation of the early introduction of this up-to-date system.

The Chief Telegraph Engineer has returned from a visit abroad, during which he made a careful investigation into the telegraph and telephone systems, methods, and rates in operation in other parts of the world. A report embodying his principal recommendations will be submitted to Parliament, from which it will be seen that considerable improvements in both telegraph and telephone methods,