From the beginning of 1922 the special payment formerly made to contractors for the carriage of private-mail bags and for attention to rural-delivery boxes ceased. In the past a considerable amount of clerical work was involved in keeping records and making small payments for these services. This is not now necessary, the payment being included in the contract price.

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The new rural-delivery regulations came into operation from the 1st January, 1922. The principal amendment is that requiring rural-box holders to pay an annual fee of £1 for a delivery in excess of thrice-weekly, and 10s. for a delivery having a frequency of thrice-weekly or less. The proposal to make such charges at first met with considerable opposition. Ultimately, however, on the position being better understood, the opposition disappeared, and on the 31st March, 1922, 9157 rural-delivery boxes were being attended to. By levying the above charges the Department was enabled to cancel the majority of contributions formerly paid by settlers towards the cost of certain services, which in some cases fell heavily on a few. A leaflet giving full particulars regarding rural-mail deliveries was circulated towards the end of 1921.

The Department with its own motor vehicles and chauffeurs undertook from the beginning of 1922 the conveyance of mails between the Dunedin Chief Post-office, wharves, and railway-station, the clearance of town receivers, the delivery of parcels, and the delivery of postmen's overflow bags. From the same date the Christchurch City services, which were formerly performed by contractor, were also undertaken by departmental officers provided with motor vehicles. Owing to the inability of the Department to make a contract at a reasonable price at Pahiatua, a similar arrangement had to be made there.

On the 12th May, 1921, at 4.10 a.m., the s.s. "Tasman," bound from Auckland to Whakatane, struck a reef at the Rurima Islands, near Whakatane, and sank in twenty-four minutes. The passengers and crew were saved. The mails, consisting of thirty-eight parcel receptacles, were lost, with the exception of one bag, which was washed ashore.

Owing to a heavy slip on the 19th July, 1921, all traffic by road between Arthur's Pass and Otira was suspended for some days. Arrangements were made with the Public Works Department for the conveyance of mails, to and from the West Coast, through the Otira tunnel. This was the first occasion on which mails were despatched through the tunnel. Again, on the 6th and 8th August, when the road was blocked by slips, mails were conveyed by this route.

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Early in the morning of the 12th January, 1922, the railway-bridge at Whenuakura was washed away by the flooding of the Whenuakura River. Until a new bridge was erected the railway terminal on the north side was Patea, and on the south side Waverley; and it was therefore necessary to establish a temporary mail-service, by road, between those points. From the 12th to the 17th January a twice-daily service by motor was performed by local motor-proprietors; but by using a departmental motor-lorry and chauffeur an economical and more efficient service was arranged. The departmental service was performed from the 18th to the 30th January, when the bridge was reopened.

The Waitara-Awakino mail-service was interrupted for a day in February, 1922, on account of floods causing slips on the road and the washing-away of the bridge. From the following day until the bridge was erected mails were transported over the river by means of a wire rope and cage.

Buildings.

Owing to the financial stringency only urgent and essential work was undertaken. When conditions improve, a very active building programme will be necessary to bring the Department's buildings up to the pre-war standard.

During the year departmental buildings were erected or their erection completed at Alexandra, Amberley (Line Foreman's residence), Aria, Chatham Islands (Radio Superintendent's residence), Devonport (automatic telephone exchange), Fitzroy, Garston, Henderson, Hororata, Lumsden, Mahoenui, Manurewa, Matawai, Nightcaps, Onehunga (automatic telephone exchange), Papanui, Paraparaumu, Ranfurly, Rangiotu, Rockville, Tapawera, Taupiri, Te Kopuru, Waiotemarama, and Whakahoro.

The old post-office building at Port Nelson was removed to Stoke and fitted up for use at that place.

Extensive alterations, rendered necessary by the growth of business, were carried out to the post-office buildings at Dunedin, Hawera, Morrinsville, and Timaru; additions were made also to the wireless-station buildings at Chatham Islands.

Buildings were purchased at Cave, Glen Oroua (to take the place of the building already provided), Mayfield, and Mokauiti.

On the 29th July, 1921, the post-office building at Waipiro Bay was destroyed by fire; and on the 23rd October the building at Birkenhead was badly damaged by a fire that originated in adjoining premises.

Money-orders.

The money-order business for the year shows a decrease in both the number of transactions and the total of the amount remitted.

Thirty-one money-order offices were opened and 10 closed, leaving 844 offices open at the close of the year.

The money-orders issued numbered 669,383, for a total of £4,850,820; those paid 569,988, for £4,485,683.

The business with countries outside New Zealand shows a decrease in the amount sent abroad and an increase in the amount received, the total amount sent abroad being £574,662, and the amount received £194,860. The decreased business with countries outside New Zealand is due to the restrictions which had to be imposed through the unstability of the rate of exchange with those countries.