

The Department having now placed the employment of prison labour on a thoroughly efficient basis, and being assured that every able-bodied prisoner is doing the work allotted to him as thoroughly as if he were working for wages, it is considered equitable that a system of payment according to results should be instituted in regard to those who have wives, families, or other closely related dependants. It has been decided, therefore, that a reasonable wage shall be fixed for all such prisoners, and after the cost of maintenance and supervision has been deducted, the balance remaining shall be paid to those who were dependent upon the prisoner prior to his sentence.

It has long been known that punishment for crime often falls more severely upon the innocent dependants than upon the offender, and now that productive employment is always available for the prisoner it is clearly the duty of the State to see that the surplus earnings of the offender are devoted to the maintenance of those who are the chief sufferers.

#### POST AND TELEGRAPH DEPARTMENT.

The amount of revenue collected by the Department during the year was £2,096,757. The principal items were — Postage, £1,013,026; telegrams, £604,221; telephone-exchange receipts, £419,318.

The Post Office Savings-bank business was exceptionally large, the deposits totalling £29,758,448. The withdrawals totalled £25,962,378, leaving an excess of deposits over withdrawals for the year of £3,796,070. This is over a half-million more than the excess for the previous year. The balance remaining to the credit of depositors at the close of the year 1919 was £38,393,130, as compared with £19,048,029 at the end of 1914. The interest credited to depositors for the year 1919 exceeded a million sterling, the figures being £1,178,935.

From the 1st April, 1920, the rate of interest credited to deposits in the Post Office Savings-bank has been raised from  $3\frac{3}{4}$  per cent. to 4 per cent. for the amount of each account under £300, and from 3 per cent. to  $3\frac{1}{4}$  per cent. for as much of each account as exceeds £300 but does not exceed £1,000.

The postal-note business for the year 1919–20 shows a slight decrease, but this is more than made up by increased money-order business. The aggregate number of money-orders and postal notes issued was 2,908,919, and the amount paid out £5,149,714.

The sale of war-loan certificates by the Post Office has reached the sum of £4,594,675.

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

During the year automatic telephone exchanges were opened at Masterton, Blenheim, Courtenay Place (Wellington), and Wellington South. Auxiliary automatic exchanges were opened at Christchurch and Auckland. Automatic-installation work was carried out at Auckland, Palmerston North, Wanganui, and Oamaru. In addition five new exchanges were opened and seventy-two existing exchanges were given increased switchboard accommodation. Over eight thousand subscribers were connected during the year. The average number of subscribers connected during the war period was over five thousand, which was effected in spite of the shortage of materials by rearranging and utilizing to the best advantage second-hand and obsolete materials of all kinds. Party lines which are principally for the benefit of smaller country exchanges, increased by 577 lines, carrying a total of 1906 subscribers, during the year.

A number of telephone exchanges and public telephone-lines for backblock districts have been hung up on account of shortage of material. Many of these works have recently been authorized, and in assessing the urgency of these works the isolation of backblock areas has been given the fullest prominence so that as material comes to hand these lines will receive early attention.

Special attention has been paid during the past year to the telephonic needs of backblock settlers, and a scheme has been worked out, and is already in action, for providing telephone-communication to such districts. Supply of material controls to a great extent the vigorous development of this most necessary essential. Where new soldier settlements are being opened up the cost of telephoning these settlements will be included in the rentals, as is done for