

ANNUAL REPORT OF THE POST AND TELEGRAPH DEPARTMENT FOR THE YEAR 1939-40.

CONTENTS.

	PAGE		PAGE
Air Mails—		Parcel-post: Cardboard Containers for	
Empire service	4, 12	“Fragile” Parcels	13
Inland	11	Parcel-post, Overseas: Volume	22
Trans-Pacific	12	Poles: Use of New Zealand Timber	19
Trans-Tasman service	4, 12	Postage-rates: Increase	11
Appeal Board	8	Postage-stamps, &c.	12
British Postal Orders	14	Postal Articles posted and delivered	26
Broadcasting Service—		Postal Notes	14
Amateur Radio-transmitting Stations	20	Post Office Investment Certificates	14
Quarterly Licenses: Abolition	20	Post Office Patriotic Fund	10
Radio Broadcasts: Publication	20	Post Office Savings-bank—	
Radio-dealers’ Licenses	20	Business during Year	3, 14, 23
Radio Interference	20	Business since 1867	24
Radio-receiving Licenses	20, 25	Letters of Credit	14
Buildings	9	School Savings Branch	14
Cable Messages: Number and Value	26	Postmaster - General: Relinquishment of	
Censorship	10	Office by Hon. F. Jones and Appointment	
Centennial Exhibition—		of Hon. P. C. Webb	4
Departmental Office and Exhibits	10	Promotion Board Election	8
Telephone Arrangements	19	Radio Division: Establishment in General	
Centennial Postage-stamp Issue	12	Post Office	7
Commercial Branch	8	Radio - telegraph and Radio - telephone	
Committee of Inquiry	6	Services—	
Concessions to Men on War Service	3, 6, 11, 16	Gisborne, Napier, and Tauranga Aeradio	
Cook Strait Cables	17	Stations: Closing	18
Correspondence School	8	Inspection of Radio Equipment on Ships	18
Dead-letter Office	13	Musick Memorial Aeradio Station: Opening	18
Death of Prime Minister, Right Hon. M. J. Savage	10	Overseas Radio-telephone Service	18
Examination, Telegraph Entrance: Modification	7	Radio Stations: Equipment	18
Financial Operations	3, 5, 21	Radio-telegrams: Number and Value	26
Health Stamps	12	Radio-telephone calls: Number and Value	26
Increase in Rates and Charges—		Receipts and Payments	3, 5, 21
Postal	11	Retirement of Officers	7
Telegraph	16	Sick Benefit Fund	8
Toll	17	Social Security Work	14
Mail-services—		Staff—	
Inland	11	Committee of Inquiry	6
Overseas	4, 11, 12	Effect of War	6
Military Allotment Warrants: Payment by		Health	6
Department	15	Number	5
Money-orders—		Personal	5
Business during Year	14	Reporting System	6
Business since 1863	21, 22	Retirements, &c.	7
Motor-spirits, &c.: Rationing	15	Sick Benefit Fund	8
Motor-vehicles—		Training	7
Departmental	9	Stamp-printing: Assumption of Control by	
Purchases	9	Department	13
Registration, &c.	15	Stores: Purchase	9
Officers—		Suggestions—	
Health	6	Board	8
Number employed	5	Invitation to Officers to submit	8
On War Service	6	Telegraph Engineers’ Offices at New Plymouth	
Retirement, &c.	7	and Timaru: Closing	8
Sick Benefit Fund	8		

CONTENTS—*continued.*

	PAGE		PAGE
Telegraph Service—		Telephone Toll Service—	
Concessions to Naval Personnel in River		Carrier-current Systems	17
Plate Action	16	Extension of Toll Systems	17
Decorative Telegram Stationery	16	Increase in Rates	17
Increase in Rates	16	Traffic	17, 25
Installation of Machine-printing Apparatus	16	Timber, New Zealand: Use as Poles ..	19
Multi-channel Carrier-frequency Systems ..	17	Training of Staff	7
Multi-channel Voice-frequency Systems ..	16	Trans-Tasman Air Mail-service—	
Overseas Letter-telegram Service	16	Aeradio Facilities	18
Reduction in Empire Press Rates	16	Inauguration	4, 12
Telegrams to Soldiers on Active Service	16	War—	
Traffic	15, 25	Amateur Radio-transmitting Licenses:	
Telegraph Training-school Scheme: Extension	7	Revocation	20
Telephone-exchange Services—		Censorship	10
Centennial Exhibition: Telephone Arrange-		Concessions for Men on War Service	3, 6, 11, 16
ments	19	Effect on Air Mails	11, 12
Christchurch Rating System	18	Effect on Ocean Mail-services	11
Lower Hutt Auxiliary Manual Exchange	19	Effect on Staff	6
New Automatic-telephone-exchange Equip-		Enlistment of Officers	6
ment	19	Increase in Rates and Charges	11, 16, 17
Number of Telephone Exchanges	19	Military Allotment Warrants	15
Public Call Offices	19, 25	Post Office Patriotic Fund	10
Telephone Connections: Classification	18, 25	Rationing of Motor-spirits, &c.	15
Telephone Development	18, 25	Work for Other Departments	14
Telephone Directories: Economy Measures	19	Workshops	9

1940.
NEW ZEALAND.

POST AND TELEGRAPH DEPARTMENT

(REPORT OF THE) FOR THE YEAR 1939-40.

Presented to both Houses of the General Assembly by Command of His Excellency.

To His Excellency the Right Honourable Viscount Galway, P.C., G.C.M.G.,
D.S.O., O.B.E.

MAY IT PLEASE YOUR EXCELLENCY,—

I have the honour to submit to Your Excellency, with the following comment, the report of the Post and Telegraph Department for the year ended on the 31st March, 1940 :—

RECEIPTS AND PAYMENTS.

The revenue collected during the year exceeded that for the previous year by £106,128. The amount received was £4,793,692, compared with £4,687,564 for 1938-39. Increases in revenue were again recorded in respect of all phases of the Department's activities. Payments for the year in respect of working-expenses (including interest on capital liability amounting to £639,000) totalled £4,445,907. The excess of receipts over payments was £347,785.

POST OFFICE SAVINGS-BANK.

Post Office Savings-bank deposits were £25,151,287, compared with £30,434,292 during the previous year. Interest credited to depositors amounted to £1,603,467. The withdrawals totalled £29,462,838, compared with £34,597,708 in the preceding year. The amount at credit of depositors at the 31st March was £58,002,002. The number of accounts open at the 31st March was 960,565, which is 13,743 in excess of the total recorded at the end of 1938-39.

STAFF.

As was to be expected, the Department has had to adapt its staffing arrangements to meet the abnormal conditions created by the war. Up to the end of the year over eight hundred officers either had joined the Forces or were awaiting orders to go into camp, and it is expected that enlistments will continue at a steady rate. A comprehensive review of the staff throughout the Dominion has been carried out, and every effort is being made to continue with the least possible inconvenience to the public the many services which the Department provides. Young officers are being trained specially so that they will be available in the shortest possible time to strengthen staffs where the need is most urgent. It will not be practicable, of course, to maintain staffs at their pre-war strength, but I feel confident that the existing staffs will accept cheerfully the increased work and the additional responsibilities that will devolve on them and that they will uphold worthily the reputation of the Service for putting forth the maximum effort in times of emergency.

CONCESSIONS FOR MEN ON WAR SERVICE.

My Department has arranged for reduced rates of postage on correspondence for the men of the New Zealand and other Empire Forces serving overseas. Letters for members of these overseas Forces may be sent at the inland rate of 2d. for the first ounce and 1d. for each succeeding half-ounce. The rates on parcels, which in the first place were reduced to 1s. 6d. for a 3 lb. parcel and to 3s. for a 7 lb. parcel, have

been further reduced since the end of the year to 1s. and 2s. respectively. In addition, arrangements have been made for parcels, except those containing tobacco and liquors, to be delivered free of Customs duty to members of the Expeditionary Force in Egypt.

In regard to telegrams: a special rate of 5d. a word, with a minimum charge of 2s. 6d., is available for messages to members of His Majesty's Forces serving abroad, the address being transmitted free. Unfortunately, Canada and Egypt have not yet been included in the arrangement, but negotiations are proceeding and finality is expected at an early date. Arrangements have, however, been made for the addresses of messages to our Forces in Egypt to be charged for as four words irrespective of length. A similar concession applies in respect of inland telegrams for soldiers in camps in New Zealand, the charge for the address in this case being as for five words.

EMPIRE AIR MAIL-SERVICE.

The outbreak of war in September caused the suspension of the Empire air-mail ("all-up") scheme, in which New Zealand had participated advantageously for a period of thirteen months. Air mails in transit on the England-Australia service when war was declared were immediately diverted to surface transport. The operation of the service was, however, quickly resumed, but with reduced frequency and with a reversion to the former surcharge postage rate on letters from New Zealand of 1s. 6d. a $\frac{1}{2}$ oz. in place of the "all-up" rate of 1 $\frac{1}{2}$ d. a $\frac{1}{2}$ oz.

TRANS-TASMAN SERVICE.

It is gratifying to record the direct connection of New Zealand by air with the England-Australia air mail-service. On the 30th April, 1940, the flying-boat "Aotearoa," under the command of Captain J. W. Burgess, crossed from Auckland to Sydney on the inaugural flight of a regular trans-Tasman service. The service is being operated once weekly in each direction, and, with good connections at Sydney with the service to and from London, it is expected that the transit time for mails exchanged between New Zealand and England will be reduced to approximately a fortnight.

To facilitate the transmission and delivery of correspondence conveyed by the trans-Tasman service, inland air services both in Australia and in New Zealand are being utilized whenever expedited delivery will result. No additional charge for inland transmission by air is made in either country.

The trans-Tasman service is being operated by Tasman Empire Airways, Ltd., under agreement with the United Kingdom, Australian, and New Zealand Governments. The performance of the service is being supervised by the Tasman Air Commission, comprising the following representatives of the three Governments:—

United Kingdom: Sir Harry Batterbee, High Commissioner for the United Kingdom in New Zealand.

Australia: Captain E. C. Johnston, D.F.C., Assistant Director-General of Civil Aviation in Australia.

New Zealand: Mr. J. G. Young, Director-General, Post and Telegraph Department.

OFFICE OF POSTMASTER-GENERAL.

My colleague, the Hon. F. Jones, who assumed charge of the Department on the 6th December, 1935, relinquished control on the 30th April last, on which date the administration of the Department came under my control.

The report herein is a record of the activities of the Department during Mr. Jones's term of office.

DETAILED REPORT.

A detailed report of the Department's activities during the year ended on the 31st March, 1940, follows.

I have the honour to be,
Your Excellency's most obedient servant,

P. C. WEBB.

General Post Office, Wellington, C. 1,
15th June, 1940.

STATEMENT OF FINANCIAL OPERATIONS AND BUSINESS OF THE DEPARTMENT
FOR THE YEAR ENDED 31st MARCH, 1940.

RECEIPTS AND PAYMENTS.

The receipts and payments of the Department for the financial year 1939-40 are shown in the following account:—

Receipts.				Payments.			
£	s.	d.		£	s.	d.	
Balance forward ..	..	..	40,610 9 2½	Salaries	2,355,898	9 6	
Postages	1,317,627	12 9		Conveyance of ocean and air mails	99,431	2 8	
Money-order and postal-note commission ..	88,745	0 11		Conveyance of inland mails	153,249	9 3	
Private box and bag rents and rural-delivery fees ..	55,734	5 5		Conveyance of mails by rail	102,936	14 5	
Miscellaneous receipts ..	558,864	19 5		Maintenance of telegraph and telephone lines ..	253,084	7 11	
Paid telegrams	353,385	9 3		Renewals and replacements	139,000	0 0	
Paid tolls	786,143	1 5½		Motor services and work-shops	100,753	2 4	
Telephone-exchange receipts	1,633,191	8 2	4,793,691 17 4½	Maintenance of Post and Telegraph buildings ..	36,956	12 9	
				Miscellaneous	558,435	3 10	
				Interest on capital liability	639,000	0 0	
				Sick Benefit Fund	7,162	0 0	
							4,445,907 2 8
				Paid to Consolidated Fund			2,928 11 11
				Renewal and replacement of Assets Fund (investment)			347,000 0 0
				Balance carried down			38,466 12 0
			£4,834,302 6 7				£4,834,302 6 7
Balance brought down .. ..	..	..	£ 38,466 12 0				

The total cash value of the transactions of the Department, inclusive of the above, amounted to approximately £285,000,000.

STAFF.

PERSONAL.

Mr. J. G. Young, Deputy Director-General, was appointed Director-General on the 1st July in succession to Mr. G. McNamara, C.B.E., who retired on superannuation on the 30th June after completing forty-three years' service. Mr. Young was succeeded by Mr. W. R. Newall, Second Deputy Director-General. Mr. Newall was not replaced as Second Deputy Director-General.

Messrs. S. A. Ogilvie, Divisional Principal, L. L. Hills, Chief Inspector and Principal, Staff Division, General Post Office, and J. Madden, Chief Postmaster, Wellington, were appointed Divisional Directors, General Post Office, on the 1st April. Mr. Madden was replaced as Chief Postmaster, Wellington, by Mr. F. G. Nind, Senior Inspector, General Post Office.

Mr. W. G. Cooper, Chief Postmaster, Auckland, retired on superannuation on the 24th July on completion of forty years' service. Mr. Cooper was replaced by Mr. R. G. May, Chief Postmaster, Hamilton.

Messrs. E. H. Lawn and H. R. Hounsell, Superintending Engineers, General Post Office, retired on superannuation on the 9th November and 9th August respectively, after completing over forty years' service. These officers were replaced by Messrs. A. H. Coles, District Engineer, Wellington, and E. H. R. Green, Radio Engineer, General Post Office. Under a reorganization on the engineering side of the administration, Mr. Green was later given charge of the District Engineer's Office, Wellington, replacing Mr. M. A. Pike, who succeeded Mr. Green as Superintending Engineer in the General Post Office.

The death on the 15th January of Mr. P. H. Mason, Deputy Chief Engineer, General Post Office, is recorded with regret. Mr. Mason was a most efficient engineering officer, and his death was a distinct loss to the Department.

COMPARATIVE RETURN OF PERSONS EMPLOYED IN DEPARTMENT.

						1st April, 1939.	1st April, 1940.
Permanent staff—							
Administration	..	..	..	..	..	16	12
First Division	..	..	..	..	..	4,325	4,585
Second Division	..	..	..	..	..	6,223	6,528
Message-boys	..	..	..	..	..	827	721
						<hr/>	<hr/>
						11,391	11,846
Temporary staff						..	165
Casual staff						..	773
						<hr/>	<hr/>
						12,211	12,784
Non-permanent staff—							
Country Postmasters and Telephonists	..	..	..	..	..	1,603	1,576
Postmasters who are Railway officers	..	..	..	..	..	88	90
						<hr/>	<hr/>
						13,902	14,450

HEALTH OF PERMANENT STAFF.

The following table shows, in comparison with the figures for the previous year, the average number of days on which officers were absent on sick-leave:—

	Number on Staff.	Average Absence per Sick Officer.	Average Absence for each Officer employed.
Year ended 31st March, 1940—			
Men	10,834	10.73	5.72
Women	1,012	13.38	8.13
Year ended 31st March, 1939—			
Men	10,427	11.02	6.16
Women	964	14.59	9.70

Twenty-eight officers died during the year.

OUTBREAK OF WAR: EFFECT ON STAFF.

Following Government's announcement on the outbreak of war that New Zealand would stand side by side with the Mother-land, officers of the Department responded quickly to the call for service. With the release of the maximum number of officers desirous of joining the armed Forces, the staff situation throughout the Dominion soon became a problem. In meeting the position, full use was made of supernumerary officers and annual leave was suspended temporarily, but these measures alone would have been inadequate had it not been for the praiseworthy manner in which the depleted staffs of their own volition put forth that extra effort which enabled them to overtake successfully the additional duties devolving on them as a result of the emergency conditions.

In the national interests, the Department is doing its utmost to conserve man-power. Special inspections have been carried out at all offices, and measures have been considered for effecting staff economies as may be necessary. When officers are released for war purposes, internal arrangements are designed, where practicable, to obviate the need for their being replaced. This action, of course, throws additional responsibilities on the remaining staff, but, as already indicated, officers generally are accepting the extra load as a contribution to the war effort. The fine spirit existing throughout the Service to-day augurs well for the future should it unhappily be necessary to call upon officers for greater sacrifices as the war proceeds.

The good results already achieved in conserving man-power can be appreciated from the fact that the effective working strength of the permanent staff on the 31st March was lower by over two hundred officers than it was at the outbreak of war. Should the war continue for any length of time there will be an inevitable shortage of male officers, and plans are in hand to meet such a contingency. There are a number of departmental spheres in which female labour could be utilized. Already the initial steps have been taken in regard to the employment of women on a temporary basis.

OFFICERS ON WAR SERVICE.

At the end of March, 557 officers had been released for war service and a further 251 were awaiting orders to join the Forces. With few exceptions, no restrictions have been placed on the release of officers who have volunteered for service overseas; and every effort is being made so to arrange staffing that the maximum number will continue to be released throughout the period of the war.

Shortly after the outbreak of war, steps were taken to safeguard the interests of officers of the Department who answered the call for service with the Defence Forces. Such officers, in addition to having their superannuation and social-security contributions paid by Government, will make normal salary progress and will be considered for promotion with others on the occurrence of vacancies for which they would in the ordinary course be applicants. The fact that they may not have passed the necessary qualifying examination will not debar them from receiving promotion. In the case of the unqualified officer, it is proposed that on his return he be given two years in which to qualify. Moreover, it is intended to make special arrangements for the examination of returned soldiers.

Two weeks' annual leave for every year of service with the Defence Forces will be granted to officers on their return to duty in the Department. Payment during such leave will be at the civilian rate of pay of the soldier on his return to duty.

The foregoing conditions apply to all employees of the Department who are members of the military Forces, whether on active service overseas or on home service, and, as from the outbreak of the war, to those who are serving abroad as members or trainees of the Royal Air Force or who are on service as members of the Royal Naval Volunteer Reserve. As far as is practicable, these conditions will, where applicable, be extended to temporary employees.

COMMITTEE OF INQUIRY.

From the staff point of view a prominent feature of the year's operations was the setting-up, for the first time in the history of the Department, of a departmental committee of inquiry to investigate service matters and grievances. The most important of these were questions of grading, pay, and overtime as they affected certain groups of officers. Under the chairmanship of Mr. R. E. Price, Conciliation Commissioner, of Auckland, the committee, which included specially selected service and departmental representatives, was admirably constituted to investigate the matters set down in the order of reference.

As the result of the adoption by Government, with a few minor exceptions, of the recommendations made by the committee, a number of anomalies were adjusted and the general service conditions of the Department brought more closely into line with those existing in other Departments of State.

Government's generous decision to give effect to the committee's recommendations notwithstanding the intervention of the war was, it is gratifying to report, appreciated fully by officers.

DEPARTMENTAL REPORTING SYSTEM.

A matter that had been engaging the attention of the administration for some time past was the departmental system of reporting on the services of officers. After a good deal of investigation and

consideration, a new system was devised and put into operation towards the end of the year. Briefly, the scheme provides for the reports to be prepared by specially appointed reporting committees instead of by the local controlling officers. Each reporting committee consists of three members—two special reporting officers and the senior or local branch controlling officer. One of the two special reporting officers acts in the capacity of an Inspector conversant with the work of the branch, whilst the other is an officer well versed in reporting procedure.

The aim of the new system, under which reports will be prepared by not more than eleven reporting committees, is to achieve as high a standard of uniformity as possible in the marking of reports. An added advantage will be that officers in competition for promotion within any one branch of the Service will be reported upon by the one reporting committee.

RETIREMENT OF OFFICERS.

In the face of the present national emergency, with the consequent depletion of staffs by the enlistment of officers for war service, it was only to be expected that difficulties would arise in continuing the policy of retirement on completion of forty years' superannuation service, and the Department's notification towards the end of the year of a modification of the existing policy came as no surprise to officers.

The position that arose could have been met by any one of a number of remedies which presented themselves and which would, it is considered, have been fully efficacious. It was recognized, however, that the adoption of any of them would have been unduly detrimental to the careers of officers generally, and after much deliberation a solution was found which, while providing satisfactorily for the maintenance of the Department's services, inflicted no avoidable hardship on officers.

The course decided upon by Government was to permit officers, if they so desired, to exceed their forty years' service by a period equal to half their message-boy service, but with a maximum extension of eighteen months and subject to the operation of a newly approved method of effecting retirements only in March and September of each year. It should perhaps be mentioned here that officers who joined the Service prior to November, 1908, had their message-boy service, ranging from one to four years or more, credited to them for superannuation purposes, while, in the case of those who entered the Service after that time, message-boy service was not so credited. Thus from 1948 onwards there would, in normal circumstances, be a period of stagnation in retirements and, as a natural corollary, in promotions also. The new system of arranging retirements will have the effect of reducing this inert period by approximately half, and will enable the eliminated portion to be utilized now when the efficient and economic utilization of every unit of the nation's man-power is so urgently needed.

The change was made with the full knowledge of the two Service organizations, and it is gratifying to record that both organizations agreed to co-operate with Government and the administration in bringing it to a successful issue.

EXTENSION OF TELEGRAPH TRAINING-SCHOOL SCHEME.

With a view to meeting the expected further shortage of telegraph officers due to war enlistments, arrangements have been made for the establishment in Wellington of a school for training women in machine-printing telegraph practice. When the new school is opened shortly it is hoped to have in training twenty-four specially selected female employees. As these are absorbed into vacancies on the working staff, further trainees will be employed.

It is proposed also to establish in Wellington a Morse training school for male officers. Similar schools are already in existence at Auckland and Christchurch.

SHORTAGE OF TELEGRAPH OPERATORS: MODIFICATION OF TELEGRAPH ENTRANCE EXAMINATION.

One immediate effect of the enlistment of officers for war service was the causation of a shortage of telegraph operators, and, to encourage juniors to qualify for telegraph cadetships, it was decided as a temporary measure to modify the Telegraph Entrance Examination.

The five subjects of the educational test have been replaced by (a) an essay to test the candidate's knowledge of English, his general standard of composition, and his spelling and handwriting; and (b) a paper containing elementary questions regarding telegraph procedure and the rates and conditions for inland telegrams as published in the "Post Office Guide." Any Second Division officer who passes in the two papers and the Morse-operating test becomes fully qualified by examination for promotion to the First Division. The expectation that the concession would induce a larger number of junior officers to qualify on the telegraph side of the Service has been fully realized, no fewer than 560 candidates sitting for the first examination held under the new syllabus.

The announcement regarding the modification of the examination coincided with an appeal to all experienced telegraph officers to interest themselves in the training of young officers in telegraphy and thus to assist the Department in its efforts to ensure a sufficient number of operators for present and future requirements. To the response of senior telegraph officers must be ascribed much of the success that has been achieved.

ESTABLISHMENT OF RADIO DIVISION IN GENERAL POST OFFICE.

To enable the administration and control of all telecommunication services to be centralized in the General Post Office, a Radio Division of the Director-General's Office was established on the 12th February, 1940. The new Division undertakes the management and control of coast and aeradio stations operated by officers of the Department. The Chief Engineer, General Post Office, continues to be responsible for engineering phases of development on the radio side, the establishment of such radio stations as may be authorized, and the maintenance, repair, and extension of the radio plant and equipment.

ENGINEERING BRANCH : REORGANIZATION.

The Telegraph Engineers' offices at New Plymouth and Timaru were closed as from the 1st April, 1939, and the relative engineering districts were incorporated in the Wanganui and Christchurch districts respectively. At the same time the Marton, Taihape, and Ohakune construction and fault areas were transferred from the Wanganui to the Palmerston North engineering district, and the Oamaru construction and fault area, previously included in the Timaru district, was transferred to the Dunedin engineering district.

PROMOTION BOARD ELECTION.

Mr. M. W. W. Cummins, the sitting member on the Post and Telegraph Promotion Board, was re-elected unopposed in January last as the elective member of the Promotion Board.

APPEAL BOARD.

The Post and Telegraph Appeal Board, under the Chairmanship of Mr. H. A. Young, Stipendiary Magistrate, Christchurch, sat at a number of the more important centres during the year. The session commenced at Dunedin on the 31st July and terminated in Wellington on the 13th September. Appeals totalling 309, received from 229 officers, were adjudicated upon, with the following results: Allowed, 20; conceded by Department, 33; withdrawn, 13; did not lie, 20; disallowed, 223.

SICK BENEFIT FUND.

During the year 552 officers were granted assistance from the Sick Benefit Fund.

In December last the fund was accepted as a "like" society within the meaning of the Social Security Act, and officers receiving benefits from the fund are now treated in the same manner as are members of societies registered under the Friendly Societies Act.

CORRESPONDENCE SCHOOL.

During the year, 775 officers purchased technical courses from the Correspondence School, which now issues fourteen courses—namely, magnetism and electricity; introductory course for outside plant; introductory course for telephony and telegraphy; Morse telegraphy; multiplex systems; teleprinter systems; radio (a); outside plant, Stages I and II; private automatic branch exchange systems; telephony, Sections I, II, III, and IV.

Of the officers who availed themselves of the facilities provided by the school, 80 per cent. passed the examinations held at the conclusion of the courses.

SUGGESTIONS.

With a view to promoting beneficial changes in the Department, a general invitation was extended to officers in June, 1939, to submit suggestions for the better working of the Department in respect not only of systems and methods of work, but also of the welfare of officers generally. The response was most gratifying, over two thousand five hundred suggestions being received. That officers accepted the invitation in a spirit of co-operation was evident from the time and thought that had obviously been given to the formulating of most of the suggestions.

Many of the proposals put forward involved extensive investigation. Partly as a result of this and partly as the outcome of conditions created by the war, it has not yet been possible to reach finality in some instances. Notwithstanding this, it is evident that the advantages that will accrue from the adoption of certain suggestions will be of appreciable benefit to the Department and to officers themselves.

SUGGESTIONS BOARD.

Some 226 suggestions for the better working of the Department were received from officers during the year, and ten awards, involving a total sum of £24, were made for meritorious proposals.

COMMERCIAL BRANCH.

Business transactions representing an annual revenue value of £61,116 were dealt with by the Commercial Branch during the year. The decrease of £16,075 compared with the total for the preceding year is attributable to a reduction in staff and a curtailment of activities consequent upon the outbreak of war.

Of the revenue earned during the year, £41,613 represents telephone business, and the balance (£19,503) advertising, postal, and miscellaneous business.

STORES.

PURCHASE OF STORES IN 1939-40 (INCLUDING STORES PURCHASED FROM OTHER DEPARTMENTS AND STORES MANUFACTURED IN POST AND TELEGRAPH WORKSHOPS).

	On Indent.	Procured within New Zealand.	Total.
Purchases for Post and Telegraph Department	£ 380,492	£ 260,174	£ 640,666
Purchases arranged for other Departments, comprising (1) motor-vehicles for all Departments except the Post and Telegraph, and (2) other stores for non-purchasing Departments	75,009	296,742	371,751
	455,501	556,916	1,012,417

The following table shows the manner in which the stores were procured :—

	£
By purchase under tender or quotation	878,251
By purchase under Stores Control Board contracts	64,172
By purchase from the Government Printing Office and other Departments	54,491
Manufactured at Post and Telegraph Workshops	15,503
	<u>£1,012,417</u>

DISTRICT STOCKS AS AT 31ST MARCH, 1940.

	£
Wellington	468,141
Auckland	188,829
Christchurch	77,747
Dunedin	67,970
	<u>£802,687</u>

MOTOR-VEHICLES.

At the outbreak of war the Army and the Air Departments requisitioned heavily for motor-vehicles, comprising cars, trucks, tractors, and motor-cycles. In this connection 467 vehicles were purchased, the cost of which, together with the cost of bodies for the trucks, amounted to £143,757. About two hundred bodies, to conform to various military specifications, had to be built within a very short time, and this work was arranged for partly by contracts with private body-builders and partly by using Government workshops.

Other motor-vehicles bought for Government Departments during the year, together with those bought for the armed Services before the war, numbered 115, and cost £45,286.

The total number of motor-vehicles purchased was therefore 582, the cost being £189,043.

DEPARTMENTAL MOTOR-VEHICLES.

During the year 44 new vehicles (2 cars and 42 trucks and vans) were placed in service. All of the vehicles were of British manufacture, and the bodies for the commercial vehicles were constructed in the Department's own workshops. Vehicles in commission at the end of the year numbered 882, comprising 224 motor-cars and 658 trucks and vans.

The fleet, including old vehicles held for sale, shows an increase of 14. The total mileage covered for the year was 6,890,199, an increase of 10,461 compared with the previous year.

WORKSHOPS.

The total value of the work performed in the various workshops during the year amounted to £237,036, of which £28,401 represents the value of services rendered to other Government Departments.

BUILDINGS.

During the year the erection of the following departmental buildings was completed : Post-office buildings at Burnham Military Camp, Mahoenui, Ngauawahia Military Camp, Otorohanga, Papakura Military Camp, Stockton Mine, and Trentham Military Camp ; Postmasters' residences at Marton, Okaihau, Otorohanga, Papakura, Taumarunui, and Waimate ; line store and garage buildings at Ashburton and Whakatane ; an additional garage at Kaikoura ; an office and line depot building at Wellington (Herd Street) ; and automatic-telephone-exchange buildings at Mount Pleasant and New Brighton.

Major additions and alterations were made to the chief-post-office buildings at Oamaru and Palmerston North and to the post-office buildings at Ellerslie, Kaipara Flats, Kaiwaka, Ohingaiti, Okaihau, Opotiki, and Waiau.

The following works were in progress at the end of the year: Avondale (automatic-telephone exchange), Awarua Radio (receiving-station and alterations to existing buildings), Christchurch (chief post-office, Hereford Street block), Devonport (addition to automatic-telephone exchange), Dunedin (workshops and store), Gisborne (automatic-telephone exchange), Hamilton (chief post-office), Huntly (addition to post-office), Invercargill (chief post-office), Kaukapakapa (post-office and quarters), Mosgiel (post-office and residence), Nelson (line store, garage, and workshops), Ngongotaha (addition to post-office), Taupo (post-office and quarters), Waikaka (addition to post-office), and Wanganui (chief post-office).

Major additions and alterations to the Auckland chief-post-office building and alterations to the Auckland (Newmarket) store and workshops buildings were in progress at the end of the year.

DEATH OF PRIME MINISTER, RIGHT HON. M. J. SAVAGE.

On the announcement of the death at Wellington of the Prime Minister, the Right Hon. M. J. Savage, on Wednesday, the 27th March last, arrangements were made for as many officers as possible throughout the Dominion to be released from duty on that day and for the staff of the General Post Office to be reduced to a minimum until after the day of the funeral, Sunday, the 31st March. As a mark of respect to the late Prime Minister, a period of complete silence was observed in all branches of the Department, including telegraph operating-rooms and telephone exchanges, between 9 a.m. and 9.10 a.m. on Saturday, the 30th March.

POST OFFICE PATRIOTIC FUND.

The national and provincial patriotic funds will benefit substantially by reason of a generous decision of Post and Telegraph officers. An invitation to officers to contribute on a voluntary basis to the patriotic funds, which was issued after consultation with the Post and Telegraph Employees' Association and the Post and Telegraph Officers' Guild, has met with a splendid response. Contributors to the Post Office fund have agreed to a regular deduction from each salary payment of small amounts nominated by them. It is expected that subscriptions will amount annually to a total of between £5,000 and £6,000.

After further consultation with the Service organizations, it was decided that subscriptions to the Post Office fund in each provincial district would be allocated in the proportion of one-third to the local provincial patriotic fund and two-thirds to the national patriotic fund.

CENSORSHIP.

The Censorship and Publicity Emergency Regulations 1939, issued on the 1st September, 1939, gave authority for censorship to be imposed on postal packets and telegrams. These regulations, so far as they relate to censorship, are administered by the Controller of Censorship, who is under the control and subject to the direction of the Censorship and Publicity Board.

NEW ZEALAND CENTENNIAL EXHIBITION.

In the Government court of the New Zealand Centennial Exhibition, held at Wellington from the 8th November, 1939, to the 4th May, 1940, the Department conducted a Post and Telegraph Office, with money-order and savings-bank facilities, and displayed in a separate stall a number of exhibits from which the public were enabled to gain some idea of the variety of the Department's services and of the nature and intricacy of the equipment used. In addition, about fifty coin-in-the-slot telephones were installed throughout the Exhibition buildings and grounds.

The facilities provided by the Centennial Exhibition post-office were used extensively by visitors, large numbers of whom found much of interest also in the philatelic bureau, which adjoined the office. The various exhibits at the Department's stand proved to be of consuming interest to the many thousands of visitors. These exhibits included the "Pageant of Progress," a succession of milestones in the history of the Department presented in dioramic form by means of cut-out scenes and models on a moving belt. On a screen in the background, modern methods of working with up-to-date equipment were shown synchronistically by sound film, thus providing in striking form a vivid contrast between the past and the present.

Of particular interest were the working units of modern telegraph and telephone equipment and associated apparatus, the electrically operated map showing the Empire air mail-services, and the relief model illustrating the Cook Strait communication services.

In the cinema hall in the Government court two films "From Backblocks to High Seas" and "Royal Mail," illustrating various phases of the Department's activities, were screened at intervals.

From public and press comment the Department's display was regarded generally as being of a high order.

POSTAL SERVICES.

INCREASE IN POSTAGE-RATES.

Primarily as a means of assisting Government finance consequent upon the outbreak of war, postage-rates were increased from the 1st October on inland and overseas letters, post-cards, printed papers, and newspapers, and on inland commercial papers, packets, and parcels. The "late fee" on letters, the registration fee, and the express-delivery fees also were increased.

POSTAL CONCESSIONS TO MEMBERS OF NEW ZEALAND EXPEDITIONARY FORCE.

Shortly after the outbreak of war the overseas postal administrations concerned were approached with a view to arranging concessions in postage-rates and Customs charges on mail-matter for members of the armed Forces serving overseas and, as a result, the following reduced rates on correspondence and parcels addressed to New Zealand and other Empire soldiers, sailors, and airmen were introduced :—

Letters : The inland letter rate of 2d. for first ounce and 1d. for each succeeding $\frac{1}{2}$ oz.

Newspapers : The British Empire rate of $\frac{1}{2}$ d. for each 3 oz.

Parcels : Up to 3 lb., 1s. 6d. Up to 7 lb. (maximum), 3s.

Negotiations are being continued with a view to reducing still further the postage-rates on parcels for the men on service overseas and to having the Customs charges on such parcels waived.

Due to space limitations on the curtailed overseas air service, it has not been possible to grant any reduction in the charge on air-mail letters addressed to soldiers in Egypt.

INLAND MAIL-SERVICES.

Contracts for the performance of the inland mail-services in the Gisborne, Napier, New Plymouth, Palmerston North, Wanganui, and Wellington postal districts expired on the 31st December last, and were relet during the year for a further period of three years as from the 1st January, 1940.

At the end of the year there were 32,486 rural box-holders. This number, which is the highest on record, represents an increase of 1,586 compared with the number at the 31st March, 1939.

OCEAN MAIL-SERVICES.

With the exception of the services to Great Britain and South America, little alteration as the result of hostilities took place in the normal steamship schedules utilized by the Post Office for the conveyance of mails overseas.

During the period September–December several mails despatched to Great Britain suffered exceptional delays in transit, but it is pleasing to record that no mails were lost as the result of enemy action. The position concerning mails to Great Britain may now be regarded as normal, the average transit time being approximately forty days.

Mails from overseas have been received regularly and no excessive delays have occurred. The average transit time for mails from Great Britain was approximately forty days.

AIR MAILS.

INLAND.

Up to the outbreak of war, when services were considerably curtailed owing to civil aeroplanes being taken over by Government for defence purposes, the volume of correspondence conveyed by inland air services continued to show a steady increase.

Figures showing the number of letters carried during the last three years are hereunder :—

—	1937–38.	1938–39.	1939–40.
June quarter	325,584	508,625	685,984
September quarter	381,019	558,642	694,145
December quarter	466,813	649,437	304,023
March quarter	515,225	665,723	200,039
	1,688,641	2,382,427	1,884,191

The effect of the curtailment of the services, combined with the increase in postage-rates, is reflected in the appreciable drop in the volume of correspondence carried during the latter half of 1939–40.

At the 31st March, 1940, the following services were in operation :—

Service.	Frequency (both ways).
Auckland–New Plymouth–Palmerston North–Wellington–Christchurch–Dunedin	Thrice weekly.
Wellington–Blenheim	Twice daily.
Wellington–Nelson	Twice daily.
Nelson–Westport–Greymouth–Hokitika	Daily.

OVERSEAS.

Negotiations for the establishment of a regular trans-Tasman air service continued throughout the year. Notwithstanding the setback caused by the war, it is expected that the service will be inaugurated at an early date, with regular weekly flights between Auckland and Sydney. The postage-rate fixed for correspondence posted in New Zealand for conveyance by the trans-Tasman service is 5d. per $\frac{1}{2}$ oz. On the establishment of the service, correspondence will be conveyed by air over the whole distance between New Zealand and England. It is not proposed, however, to make any increase in the postage-rate (1s. 6d. each $\frac{1}{2}$ oz.) on correspondence for the United Kingdom.

No advice has yet been received as to the date of resumption of the trans-Pacific air mail-service, which was inaugurated by Pan-American Airways, Inc., in a flight from Auckland to Honolulu in the "Samoan Clipper" in January, 1938, but temporarily abandoned upon the loss of the flying-boat in the return trip to the Dominion in the same month.

EMPIRE AIR SERVICE.

Until September regular thrice-weekly services were maintained in the Empire air service between Australia and England, the approximate transit time for correspondence exchanged between New Zealand and England being fifteen days. Upon the outbreak of war, however, the "all-up" scheme under which all letters for British countries within the sphere of the Empire services were conveyed by air at the rate of 1½d. for each $\frac{1}{2}$ oz. was suspended, reversion being made to the former system under which the postage-rate on air-mail letters from New Zealand to Great Britain was 1s. 6d. a $\frac{1}{2}$ oz. In addition, the frequency of the service between Australia and the United Kingdom was curtailed to twice weekly, and the abnormal conditions increased the average transit time of mail-matter exchanged between Great Britain and New Zealand to approximately twenty-two days.

From August, 1938, when New Zealand commenced to take advantage of the "all-up" scheme, until the service was suspended thirteen months later, the weight of letters despatched from New Zealand for forwarding by the Empire service was 112,415 lb. (an average of 8,600 lb. a month). From September, 1939, to March, 1940, under the surcharge rate now operating, the weight of such mail-matter fell to 7,289 lb.—an average of just over 1,000 lb. a month.

When the flying-boat "Centurion," *en route* from Australia to Great Britain, met with an accident and sank when landing at Calcutta on the 12th June, five bags of mail from New Zealand were not recovered. Included in the lost bags (one each for London, Alexandria, Johannesburg, Colombo, and Calcutta) were forty-six registered articles.

POSTAGE-STAMPS, ETC.

CENTENNIAL POSTAGE-STAMP ISSUE.

The Centennial stamps of the denominations $\frac{1}{2}$ d., 1d., 1½d., 2d., 2½d., 3d., 4d., 5d., 6d., 7d., 9d., and 1s., particulars of which were contained in the report for 1938-39, were placed on sale on the 2nd January. A pamphlet descriptive of the historical background and treatment of each design was issued with the stamps, and six official pictorial covers also were made available to the public.

Consequent on the amendment of the postage rates the 7d. Centennial stamp was withdrawn on the 7th March, and replaced on the 8th March by an 8d. stamp in the same design and colours as the 7d. denomination.

Advices received from all parts of the Dominion and from countries overseas indicate that the Centennial issue has stimulated interest in New Zealand stamps and has fulfilled its purpose of commemorating appropriately in postage-stamps the Dominion's Centennial.

KING GEORGE VI STAMPS.

On account of the introduction of the Centennial issue, the $\frac{1}{2}$ d., 1d., and 1½d. King George VI stamps, except those in stamp booklets, were temporarily withdrawn from sale on the 1st January. The $\frac{1}{2}$ d. and 1d. denominations in rolls were retained for use in stamp-vending machines.

PICTORIAL STAMPS.

The 2d., 2½d., 3d., 4d., 5d., 6d., 8d., 9d., and 1s. denominations of the pictorial issue were temporarily withdrawn from sale on the 1st January on being replaced by corresponding denominations of the Centennial issue.

AIR-MAIL STAMPS.

The 3d. and 6d. air-mail stamps were withdrawn from sale on the 30th December, 1939, and will not be replaced.

HEALTH STAMPS.

Health stamps for 1939-40 were printed in two values, 1d. and 2d. ($\frac{1}{2}$ d. for health and $\frac{1}{2}$ d. for postage, and 1d. for health and 1d. for postage). After the stamps had been received, however, the rates of postage were increased, necessitating the overprinting of the stamps to bring the postage value to 1d. and 2d. respectively.

No doubt as a result of the increase in the cost of the stamps and of the unsettling influence of the war, the campaign was not as successful as in some previous years. Stamps to the value of £7,685 were sold, and one-third of this amount, representing the "health" value, together with donations amounting to £3,670, was paid to the several Health Camp Committees.

EXPRESS-DELIVERY STAMPS.

Express-delivery stamps, which have been current since 1903, were withdrawn from issue on the 15th August. A new stamp of the same denomination (6d.) depicting a modern Post Office delivery van was placed on sale on the 16th August.

DUTY STAMPS.

The replacement of the duty stamps depicting Queen Victoria by stamps bearing the "Arms" design was completed in June. Certain stamps of the higher denominations were overprinted with the value in black to avoid possible confusion with stamps of other denominations.

POSTAGE-DUE STAMPS.

Postage-due stamps in the denominations of $\frac{1}{2}$ d., 1d., 2d., and 3d. were withdrawn from sale on the 15th August, and replaced on the 16th August by a new set in the same denominations.

OFFICIAL STAMPS.

On the 2nd January, Centennial stamps overprinted "Official" replaced the $\frac{1}{2}$ d., 1d., and 1 $\frac{1}{2}$ d. King George VI official stamps and the 2d., 2 $\frac{1}{2}$ d., 3d., 4d., 6d., 9d., and 1s. pictorial official stamps. The Centennial official denominations issued were $\frac{1}{2}$ d., 1d., 1 $\frac{1}{2}$ d., 2d., 2 $\frac{1}{2}$ d., 3d., 4d., 6d., 9d., and 1s. The 8d. Centennial stamp overprinted "Official" was issued on the 8th March.

POSTAL STATIONERY.

Following the introduction of postal stationery imprinted with the King George VI die, 1d. letter-cards so imprinted were issued during May, 1939, $\frac{1}{2}$ d. post-cards during July, 1939, and 1d. post-cards during March, 1940.

To conform with the increased rates of postage occasioned by the war, commercial envelopes and letter-cards were overprinted 2d. on 1d. and issued in October, 1939. Registered-letter envelopes were overprinted 6d. on 4d. and issued in November, 1939, and $\frac{1}{2}$ d. post-cards overprinted 1d. were issued in February, 1940.

STAMPS FOR THE MANDATED TERRITORY OF WESTERN SAMOA.

A set of four stamps of the denominations 1d., 1 $\frac{1}{2}$ d., 2 $\frac{1}{2}$ d., and 7d. was issued for Western Samoa on the 29th August to mark the completion of twenty-five years of New Zealand's control of the Mandated Territory.

The stamps were withdrawn from sale on the 30th November.

CONTROL OF STAMP-PRINTING: ASSUMPTION BY POST OFFICE.

Under the authority of the Adhesive Stamps Act, 1939, the Post Office is responsible for the creation, custody, and disposition of adhesive stamps and for the administration of the regulations authorized to be made under the Act.

The passing of the Act validates the transfer from the Stamp Duties Department to the Post Office of the control of the printing, &c., of adhesive stamps used by the Post Office for postage purposes and by the Stamp Duties Department for revenue purposes, a change which took effect on the 1st August, 1935.

PARCEL-POST CARDBOARD CONTAINERS.

In 1937 the Department commenced to experiment with cardboard containers for the conveyance of fragile parcels. An extensive trial of the cartons proved their entire suitability for the purpose. Owing to their light weight compared with the heavy wicker hampers previously in general use, the cardboard containers are very convenient to handle, and their use is now extended to the parcel-post service throughout the Dominion. Wicker hampers are now used only to a limited extent.

DEAD-LETTER OFFICE.

	1939.	1938.
Letters returned to senders in New Zealand	518,852*	518,570†
Other articles returned to senders in New Zealand	378,294	397,134
Letters returned to other Administrations	52,052‡	49,829§
Other articles returned to other Administrations	50,211	56,313
Letters destroyed (senders unknown and contents of no value)	31,635	32,526
Letters intercepted addressed to persons and firms on prohibited list	103	178

The proportion of undelivered letters to the total number of letters delivered was 0·38 per cent.

* Including 19,084 registered.

† Including 16,696 registered.

‡ Including 646 registered.

§ Including 580 registered.

MONEY-ORDERS.

Money-order business again showed an appreciable increase, 911,484 orders, of a value of £5,094,364, being issued during the year. This represents an increase compared with the previous year of 63,434 in number and £292,071 in value.

POSTAL NOTES.

Postal-note business decreased, the sales being 3,586,655 notes, of a value of £1,397,780, compared with 3,806,503 notes, of a value of £1,469,125, during the previous year.

The commission totalled £36,996 14s. 7d., an increase of £1,380 8s. 11d. on the commission earned in 1938-39. The higher amount received in commission was due to the increase made in the rates of commission from the 1st October.

BRITISH POSTAL ORDERS.

Sales of British postal orders decreased in number and amount, 93,415 orders, of a value of £37,931 3s. 9d., being sold, as against 97,620, of a value of £46,109 8s. 9d., during the previous year. There was a decrease also in the number and amount of British postal orders paid, 18,754 orders, of a value of £8,227 1s. 6d., being cashed. In the previous year, 28,719 orders, of a value of £13,986 7s. 0d., were paid.

SAVINGS-BANK.

Deposits lodged in the Post Office Savings-bank during the year amounted to £25,151,287 and the withdrawals to £29,462,838, an excess of withdrawals of £4,311,551. The interest credited to depositors was £1,603,466 13s. 5d., and the amount at the credit of depositors at the end of the year was £58,002,002.

SCHOOL SAVINGS BRANCH.

At the end of the year the school savings-bank scheme, the object of which is to encourage thrift among children, was in operation in 905 schools, an increase for the year of 141. The deposits amounted to £36,809 2s. 2d. and the withdrawals to £26,687 0s. 2d., an excess of deposits of £10,122 2s. 0d. The total number of operative accounts at the 31st March was 76,352, the amount at credit being £79,307 9s. 4d. Interest to the amount of £1,519 13s. 2d. was credited to depositors.

On leaving school, 3,456 depositors transferred their accounts to the Post Office Savings-bank.

SAVINGS-BANK LETTERS OF CREDIT.

Letters of credit numbering 8,292 were issued during the year for an aggregate amount of £160,981.

POST OFFICE INVESTMENT CERTIFICATES.

The total sales of Post Office investment certificates for the year amounted to £17,930.

WORK PERFORMED FOR OTHER DEPARTMENTS.

Year by year the work performed by the Department on behalf of other Government Departments increases in volume. The total sum handled in this respect during the year amounted to approximately £75,000,000, an increase of about £13,000,000 on the the previous year's total.

SOCIAL SECURITY ACT, 1938: WORK PERFORMED BY POST OFFICE.

The registration of women and youths under provisions of the Social Security Act, 1938, which came into operation on the 1st April, 1939, was performed by the Post Office, most of the work having to be undertaken during the month of May. The number of registrations was approximately 644,000.

The Post Office receives on behalf of Treasury a large proportion of the moneys due under the Act, and social-security receipts for the year amounted to £7,326,316, made up as follows:—

	£
(a) Registration fee	629,661
(b) Social-security charge on income other than salary or wages ..	2,077,414
(c) Social-security charge on salary or wages collected in cash ..	2,132,542
(d) Sales of social-security stamps	2,486,699
	<hr/>
	£7,326,316

In addition to receiving moneys due, the Post Office disburses the amounts payable to approximately two-thirds of the persons receiving benefits under the Act, the remaining one-third being paid by officers of the Social Security Department.

REGISTRATION OF MOTOR-VEHICLES, AND ASSOCIATED WORK.

Motor-vehicles licensed at the 31st March last numbered 315,520, an increase of 9,692 or 3·17 per cent., over the number licensed at the corresponding date in 1939.

The registrations of motor-vehicles during the year totalled 29,770, or a decrease of 12,262 (29·17 per cent.) compared with those effected during the preceding twelve months.

Notifications of change of ownership totalled 125,795, compared with 164,265 during the previous year, a decrease of 38,470, or 22·20 per cent. Approximately 13,000 applications for duplicate certificates of the registration of motor-vehicles were dealt with.

The total amount of motor-registration fees collected was £602,960, an increase of £10,197 compared with the previous year.

More detailed statistics concerning the work undertaken by the Post and Telegraph Department in connection with the registration and licensing of motor-vehicles appear in the report of the Transport Department.

The premiums collected on behalf of the forty insurance companies authorized to underwrite business in terms of the Motor-vehicles Insurance (Third-party Risks) Act, 1928, totalled £458,720, an increase of £101,714 over the amount collected during the preceding twelve months.

A total of 51,489 claims for refunds of duty on motor-spirits were approved for payment during the year. The total amount refunded was £206,343 6s. 5d. Compared with the figures for the previous year the claims decreased in number by 1,058 but increased in amount by £11,251 8s. 2d. The increase in the amount refunded was due mainly to the amount of rebate being increased by 4d. per gallon on all motor-spirits purchased on and after the 2nd August, 1939.

Mileage tax was collected in respect of 471 vehicles, as compared with 327 vehicles during the preceding year. The gross amount of tax collected was £22,507, compared with £14,184 for the preceding twelve months.

RATIONING OF MOTOR-SPIRITS AND POWER KEROSENE.

The Oil Fuel Regulations, which came into force on the outbreak of war, provided for the rationing of motor-spirits and power kerosene to be undertaken by the Post and Telegraph Department.

Approximately 340 Deputy Registrars of Motor-vehicles (Postmasters) were appointed Sub-district Oil Fuel Controllers, and they have handled all applications for oil fuels lodged in their respective areas. The work of Sub-district Controllers is co-ordinated through the District Oil Fuel Controllers (Chief Postmasters).

All policy matters are determined by the Oil Fuel Controller, who issues his instructions to the District and Sub-district Controllers through the Director-General of the Department.

Licenses in respect of cars used for private purposes were not issued until consideration had been given to applications from essential users. Coupons entitling owners of private cars and motor-cycles to purchase motor-spirits were, however, made available within ten days from the inception of the rationing scheme.

The rationing was introduced on the 5th September, 1939, and was suspended during the months of December, 1939, and January, 1940. When the scheme was reintroduced on the 1st February, 1940, all licenses were reviewed and, where necessary, amended to comply with the basic rations laid down by the Oil Fuel Controller.

Advisory Committees, consisting of representative persons, have been set up in forty-five towns to consider applications for licenses in excess of the basic rations. The recommendations of these Committees have been particularly helpful to Sub-district Controllers in allocating the reserve supplies made available for each district.

More detailed particulars of the rationing scheme will be found in the report of the Transport Department.

MILITARY ALLOTMENT WARRANTS.

The Department undertakes the payment of military allotment and dependants' allowance warrants. Warrants numbering 75,782 were paid up to the 31st March. In addition, Post Office Savings-bank accounts have been opened to receive the allotments of pay of those soldiers who have not made next-of-kin allotments.

TELEGRAPH AND TOLL SERVICES.

TELEGRAPH TRAFFIC.

Although there was a falling off in the volume of telegraph business during the year, the revenue has been well maintained as a result of the increase in rates from the 1st October. Compared with the previous twelve months the volume decreased by 462,515 messages (8·1 per cent.), while the revenue increased by £6,665 (1·9 per cent.).

INCREASE IN TELEGRAPH RATES.

The amounts by which telegraph rates were increased from the 1st October following Government's decision that departmental services were to contribute financially to the Dominion's war effort were as follows :—

On week-days—				
Ordinary telegrams and letter-telegrams	..	..	..	2d. per message.
Urgent telegrams	..	..	..	4d. per message.
On Sundays and holidays—				
Ordinary telegrams	..	..	..	6d. per message, plus $\frac{1}{2}$ d. each word exceeding six.
Urgent telegrams	..	..	..	8d. per message, plus $\frac{1}{2}$ d. each word exceeding six.

In addition, a special message-tax of 2d. was imposed on radio-telegrams and on cablegrams, except those addressed to members of His Majesty's Army and Air Force. The rates on press telegrams also were increased.

OVERSEAS LETTER-TELEGRAM SERVICE.

In continuation of the policy of reducing rates for telegraphic services within the Empire and with a view to fostering the exchange of social communications, an Empire greetings-telegram service—available throughout the year—was introduced on the 1st May, 1939. The service may be used not only for messages of greetings or good wishes, but also for those containing family or other news of a non-commercial, personal nature. The charges to the principal Empire countries are as follows :—

Australia	2d. a word (minimum charge, 2s.).
United Kingdom	} 5d. a word (minimum charge, 5s.).
Canada	..	..	..	..
India	..	..	..	..
South Africa	..	..	..	..

REDUCTION IN EMPIRE PRESS RATES.

A further development in the Empire flat-rate scheme for cablegrams was the introduction in April of a flat rate of 2 $\frac{1}{4}$ d. a word for press telegrams exchanged with certain Empire countries. As a result, a considerable reduction in rates has been effected.

CABLEGRAMS TO MEN ON ACTIVE SERVICE ABROAD.

Since the 10th February cablegrams addressed to members of His Majesty's Army and Air Force abroad have been accepted at the special rate of 5d. a word, with a minimum of 2s. 6d., no charge being made for the addresses of the messages. Unfortunately, it has not yet been possible to include Egypt and Canada in the arrangement, but negotiations with this object in view are proceeding and finality is expected shortly.

TELEGRAPHIC CONCESSIONS TO OFFICERS AND MEN OF HIS MAJESTY'S SHIPS ENGAGED IN RIVER PLATE ACTION.

After the memorable River Plate naval engagement, arrangements were made for telegrams exchanged between the officers and men of His Majesty's ships "Exeter," "Ajax," and "Achilles" and their relatives and friends to be accepted free of charge. The privilege was renewed on the occasion of the return of the "Achilles" to Auckland some time after the action. Considerable use was made of the service.

DECORATIVE TELEGRAM STATIONERY.

Several changes have been effected in telegraph stationery, a new design having been introduced for "greetings" telegrams and special forwarded and received forms provided for cablegrams. In addition, telegrams and cablegrams are now delivered in "window" envelopes.

MACHINE-PRINTING TELEGRAPHS.

The need for up-to-date telegraph facilities at the post-offices established at the military camps at Trentham and Burnham was met by the installation of teleprinter machines. In addition, installations were effected at the Centennial Exhibition post-office and the Meteorological Office, Wellington, the latter machine being required for the reception of weather reports. Machine-printing telegraph apparatus is now installed in thirty-two of the Department's offices.

MULTI-CHANNEL VOICE-FREQUENCY TELEGRAPH SYSTEMS.

During the year equipment has been installed to provide a six-channel voice-frequency telegraph system between Wellington and Auckland, one eighteen-channel system between Wellington and Palmerston North, and one similar system between Auckland and Hamilton.

MULTI-CHANNEL CARRIER-FREQUENCY TELEGRAPH SYSTEMS.

A four-channel carrier-frequency telegraph system is now being installed for operation between Christchurch and Greymouth in order to provide for the restoration of direct telegraphic facilities between Christchurch and the principal West Coast stations. The system is so designed that it can be operated over the same pair of wires as the existing three-channel carrier telephone system. The one existing physical circuit will therefore be capable of carrying simultaneously four telephone conversations and eight telegraph messages.

TELEPHONE TOLL SERVICE.

TOLL TRAFFIC.

The number of toll calls handled during the year exceeded last year's record figure by 144,673, the total calls being 15,711,671, or an increase of almost 1 per cent. Toll revenue for the year amounted to £786,143, an increase of £90,412, or 13 per cent. over the figures for the previous year.

INCREASE IN TOLL RATES.

In conjunction with the increases made in postal and telegraphic charges following the outbreak of war, the charges for toll calls were increased from the 1st October by the addition of 1d. for each 6d. or fraction of 6d. in cases in which the ordinary charge exceeded 3d.

FACILITIES FOR TOLL CALLS BY PUBLIC WHEN OFFICES CLOSED.

The multi-coin slot telephones installed at Dunedin and Christchurch in 1938 to enable toll calls to be made after office hours having proved very successful, similar facilities were provided during the year at Wellington and Trentham Military Camp. It is the intention to install similar machines at Auckland, Hamilton, Lower Hutt, Palmerston North, Timaru, Wanganui, and Wellington South.

CARRIER-CURRENT TELEPHONE SYSTEMS.

Carrier-current telephone systems brought into service during the year are as follows :—

Auckland-Wellington	..	..	..	..	One three-channel system.
Auckland-Napier	..	..	..	..	One three-channel system.
Auckland-Tauranga	..	..	..	..	One three-channel system.
Auckland-Thames	..	..	..	..	One single-channel system.
Auckland-Kaitaia	..	..	..	..	One single-channel system.
Whangarei-Kaitaia	..	..	..	..	One single-channel system.
Hamilton-Tauranga	..	..	..	..	One single-channel system.
Tauranga-Gisborne	..	..	..	..	One single-channel system.
Palmerston North-Napier	..	..	..	..	One three-channel system.
Wellington-Wanganui	..	..	..	..	One three-channel system.*
Christchurch-Greymouth	..	..	..	..	One three-channel system.
Dunedin-Cromwell	..	..	..	..	One single-channel system.
Dunedin-Roxburgh	..	..	..	..	One single-channel system.

* One channel extended to Hawera.

EXTENSION OF TOLL SYSTEMS.

Complementary to the steadily increasing number of telephone subscribers is the demand for toll service, and to ensure that inter-communication between offices is available with a minimum of delay, the traffic-carrying capacity of existing toll circuits is extended where necessary. A large number of improved and additional outlets were provided during the year.

NEW ZEALAND SUBMARINE CABLES.

COOK STRAIT CABLES.

In August last a clean break in the Cook Strait four-core telephone cable at a point approximately fifteen miles from Lyall Bay resulted in the loss of four inter-Island telephone channels and left the Department with only two cables across Cook Strait, the new coaxial cable and one single-core telegraph cable. By a special adaptation of the carrier system, an additional circuit was established over each of these two cables, but in view of the increase in traffic expected on the opening of the Centennial Exhibition arrangements were made, in conjunction with the Marine Department, to equip the Government steamer "Matai" to undertake the repair of the four-core cable. Communication over this cable was re-established on the 17th December.

The repair work necessitated the laying of approximately three and a half miles of new cable. In addition, four and a half miles of existing cable was picked up and relaid. A certain amount of preliminary survey work was necessary, and this was carried out with the aid of a small vessel, the s.s. "Tuatea."

In July last No. 1 Oterangi Bay-White's Bay single-core telegraph cable developed a fault which was found to be due to a break at a point about one nautical mile from Oterangi Bay. With the exception of No. 5 Lyall Bay-White's Bay cable, all of the single-core telegraph cables across Cook Strait are now out of commission, but no action is being taken to repair these old-type cables as it will be practicable to increase progressively the number of channels over the coaxial cable to meet traffic developments.

RADIO-TELEGRAPH AND RADIO-TELEPHONE SERVICES.

DEPARTMENTAL RADIO STATIONS: EQUIPMENT.

Six steel lattice towers to support a new aerial system have been erected along the ridge of Tinakori Hill, on which Wellington-Radio stands. The towers are from 120 ft. to 155 ft. in height and are so arranged that their tops are level. The medium-wave section of the new aerial system has been completed, and the short-wave section is at present in course of erection.

Improvements in aerials and equipment have also been made at other stations.

MUSICK MEMORIAL AERADIO STATION.

The Musick Memorial Aeradio Station at East Tamaki (Auckland), on the site known as Musick Point, was opened on behalf of the Air Department in August last. The station, which has been established primarily for use in connection with the trans-Tasman air service, is accommodated in temporary buildings, but arrangements are in hand for the early commencement of the permanent buildings, the receiving section of which will constitute the national memorial to the late Captain Musick and crew of the Pan-American flying-boat "Samoan Clipper," which was lost in January, 1938.

The station maintains regular point-to-point services with the air terminal at Rose Bay, Sydney, and with flying-boats crossing the Tasman.

Following the recent closing of the Pan-American Co.'s radio stations at Auckland and Russell, arrangements were made for the Musick Memorial Station to maintain point-to-point services with Noumea and Canton Island on the South Pacific section of the company's route between Honolulu and Auckland.

GISBORNE, NAPIER, AND TAURANGA STATIONS.

Consequent upon the curtailment of commercial air services following the outbreak of war, the Gisborne, Napier, and Tauranga aeradio stations were closed. The services at a number of other aeradio stations have been modified.

INSPECTION OF RADIO EQUIPMENT INSTALLED ON SHIPS.

To ensure that radio equipment installed on ships registered in New Zealand and on other British ships regularly engaged in New Zealand waters is kept in satisfactory condition, departmental Radio Inspectors make half-yearly inspections on all ships in service. During the year ended 31st December last radio installations on eighty vessels were inspected.

OVERSEAS RADIO-TELEPHONE SERVICE.

Upon the outbreak of hostilities early in September the overseas radio-telephone service was suspended.

TELEPHONE-EXCHANGE SERVICES.

TELEPHONE DEVELOPMENT.

The number of telephone-exchange subscribers continues to grow steadily, the total connected at the 31st March, 1940, being 165,151. This number, which is the highest on record, is 7,546, or 4·8 per cent., more than were connected at the 31st March, 1939. Toll calls also reached a record total, the number handled during the year being 15,711,671, an increase of 144,673 calls, or almost 1 per cent., over last year's figures.

TELEPHONE CONNECTIONS: CLASSIFICATION.

Of the total paid telephone exchange connections (main stations and extensions combined), 26 per cent. are of business status and 74 per cent. of residential status. Individual-line stations represent 63 per cent. of the total connections and party- and rural-line stations 37 per cent.

CHRISTCHURCH TELEPHONE-EXCHANGE: RATING SYSTEM.

The City of Christchurch has undergone extensive suburban development during the last decade, and the outward movement of population has necessitated the provision of modern telephone facilities involving comprehensive changes in the Christchurch telephone rating system in conjunction with extensive additions to the automatic-exchange equipment.

The first step in the scheme was the establishment of two new automatic exchanges, one at Mount Pleasant to serve the Heathcote Valley, Sumner, and Lyttelton areas, and another at New Brighton to serve the subscribers of that district. Both exchanges form integral parts of the Christchurch Telephone-exchange system and, consequently, provide unrestricted intercommunication with other exchanges of the network. The Mount Pleasant exchange was brought into operation on the 10th January, and the New Brighton exchange on the 8th May, 1940.

The alterations to the rating system which followed the establishment of these two exchanges necessitated the establishment of special rating areas as follows: (a) New Brighton; (b) Heathcote Valley - Redcliffs; (c) Clifton-Sumner; (d) Lyttelton.

In the special rating areas mentioned, the charges for telephone service comprise the usual rates as for telephone service within the base-rate area, together with an additional charge per subscriber as under in lieu of the usual regulation "extra-mileage" charges:—

	Business Subscriber.	Residential Subscriber.
(1) New Brighton, Heathcote Valley, Redcliffs—	£ s. d.	£ s. d.
(a) Subscribers not more than two furlongs from the Christchurch base-rate area boundary	1 0 0	0 10 0
(b) Other subscribers	2 0 0	1 0 0
(2) Clifton, Sumner, and Lyttelton	3 0 0	1 10 0

Already a large number of new subscribers in the suburbs concerned has been obtained, while many existing subscribers have converted from party-line to individual-line service.

LOWER HUTT AUXILIARY MANUAL EXCHANGE.

Unprecedented growth in the number of subscribers served by the automatic-telephone-exchange system at Lower Hutt caused the existing automatic equipment to reach the limit of its capacity early in 1939, and in order to cater for further new subscribers it was necessary to install an auxiliary manual switchboard. The auxiliary exchange, which is staffed continuously, is functioning satisfactorily, and will be continued until such time as additional automatic equipment can be installed.

CENTENNIAL EXHIBITION: TELEPHONE ARRANGEMENTS.

Full telephone facilities were provided at the Centennial Exhibition for both exhibitors and visitors. Exhibitors were given unrestricted intercommunication with the Wellington exchange system, and 220 connections of this type (including extension stations) were provided.

The telephone needs of visitors to the Exhibition were met by the provision of forty-nine penny-in-the-slot machines connected with the Wellington system. In addition, four cabinets were provided at the Exhibition Post Office for the convenience of visitors wishing to use the toll system for calls beyond Wellington.

NUMBER OF TELEPHONE-EXCHANGES.

The Kakahi exchange was closed during the year, the subscribers having transferred their connections to the Taumarunui exchange. The number of telephone-exchanges now operating is 347.

PUBLIC CALL OFFICES.

The number of public call offices (coin-in-the-slot telephones) installed in the Dominion increased from 1,103 to 1,231 during the year, an increase of 128. Of the slot telephones in use, 1,179 are of the 1d. type, 7 of the 2d. type, and 45 of the 3d. type. The total collections from the machines for the year was £66,237, an increase of 8.9 per cent. over the previous year.

TELEPHONE DIRECTORIES.

As an economy measure and as a means of conserving paper-supplies during the war period, the classified trades section of telephone directories has been discontinued, and the frequency of issue of directories is being reduced from half-yearly to yearly wherever practicable.

NEW AUTOMATIC-TELEPHONE-EXCHANGE EQUIPMENT.

The installation of the automatic-telephone-exchange switching-apparatus at Napier was completed and the exchange was cut over to automatic working on the 2nd December. Napier now has an up-to-date automatic-telephone-exchange system comprising 2,700 subscribers' lines.

The equipment for the new automatic-telephone exchange at Gisborne, which was ordered in October, 1938, is arriving in the Dominion, and the installation work is proceeding as rapidly as possible. It is expected that the cut-over of this exchange to automatic working will take place in December next.

The installation of the initial equipment for the Mount Pleasant and New Brighton (Christchurch) sub-exchanges was completed during the year.

A considerable amount of the automatic switching-equipment ordered last year for exchanges in the Auckland metropolitan area has been received, and a comprehensive programme for the extension of the automatic switching-system in that area has been commenced. The work involves the establishment of new exchanges at Avondale and Highbury; the replacement of the existing exchanges at Onchunga, Devonport, St. Heliers (temporary), and Mount Albert (temporary); and the installation of large extensions at various other exchanges in the area.

UTILIZATION OF LOCALLY GROWN TIMBERS FOR USE AS POLES.

Wherever possible, it is the policy of the Department to utilize New Zealand products and manufactures. Recently the State Forest Service commenced the cutting of some of its plantations of larch and eucalypt trees for use as poles, which, for preservation purposes, are being impregnated with creosote.

The Department is purchasing some two thousand of the larch poles to determine whether the creosoting treatment will give them a satisfactory life under service conditions.

BROADCASTING SERVICE.

RADIO-RECEIVING LICENSES.

Radio-receiving licenses continue to increase. At the 31st March the total for the Dominion was 345,710, an increase of 28,187, or 8.8 per cent. over the number in force a year ago.

ABOLITION OF QUARTERLY RADIO LICENSES.

As from the 1st March, 1940, a new system of licensing radio receiving-stations was introduced. The main feature of the new system is that every license issued requires to be for a period of either six months or twelve months from the first day of the month of issue, the fee being as previously, 12s. 6d. for six months or 25s. for twelve months. Quarterly licenses, which were introduced during the depression period solely to meet the convenience of persons in poor financial circumstances, have therefore disappeared.

ELIMINATION OF RADIO INTERFERENCE.

The action taken by the Department has removed many of the sources of electrical interference with radio reception, but owing to the ever-increasing number of listeners and the growing popularity of electrical appliances the number of complaints of radio interference received from listeners has shown very little fluctuation, the figures for 1938-39 and 1939-40 being 2,634 and 2,726 respectively.

RADIO-DEALERS' LICENSES.

Radio-dealers' licenses in force at the 31st March numbered 1,128, a decrease of 131 as compared with the number current at the end of the previous year.

PUBLICATION OF CERTAIN RADIO BROADCASTS.

Following the outbreak of war, newspaper members of the United Press Association were given permission to publish news from overseas rebroadcast by New Zealand broadcasting-stations. In addition, morning newspapers were authorized to copy direct from Daventry news broadcast between midnight and the time the newspapers went to press.

AMATEUR TRANSMITTING-STATIONS.

Upon the outbreak of war it was decided to revoke, under the authority of Regulation 25 of the Radio Regulations 1932, all licenses in respect of amateur radio transmitting-stations, and to make it unlawful for any signals whatever to be transmitted from such stations.

APPENDIX.

Table No. 1.

RECEIPTS AND PAYMENTS FOR THE YEARS 1881-82, 1891-92, 1901-2, 1911-12, 1921-22, AND FOLLOWING YEARS.

Year.	Balance forward.	Receipts.	Payments for Working-expenses.	Balance of Receipts over Working-expenses Payments.	Other Disbursements.			Payment to Consolidated Fund.	Balance.
					Depreciation Fund Investment, including Expenditure on Renewals, and Replacements of Assets.	Contributions to Post and Telegraph Officers' Sick-benefit Fund.	Interest on Capital Liability.		
1881-1882	..	234,529	233,291	1,238	..	..	..	..	*
1891-1892	..	320,058	268,343	51,715	..	..	..	..	*
1901-1902	..	488,573	465,756	22,817	..	..	..	..	*
1911-1912	..	1,087,710	988,911	98,799	..	..	..	..	*
1921-1922	..	2,811,535	2,451,571	359,964	..	..	..	..	†
1922-1923	..	2,687,768	2,114,994	572,774	..	..	..	..	†
1923-1924	..	2,688,954	2,120,584	568,370	..	..	..	..	†
1924-1925	..	2,889,450	2,416,257	473,193	..	..	..	..	†
1925-1926	..	3,100,396	2,409,556	690,840	..	..	..	..	†
1926-1927	..	3,220,666	2,346,274	874,392	..	..	..	..	†
1927-1928	..	3,329,511	2,299,571	1,029,940	..	..	..	..	†
1928-1929	..	3,445,545	2,445,068	1,000,477	550,000	..	428,000	..	22,477‡
1929-1930	22,477	3,641,620	2,560,199	1,081,421	570,000	..	481,000	..	52,898
1930-1931	52,898	3,707,420	2,642,400	1,065,020	558,248	..	504,000	..	55,670
1931-1932	55,670	3,715,230	2,164,538	1,550,692	80,029	..	550,000	941,616§	34,717
1932-1933	34,717	3,293,932	2,019,302	1,274,630	272,818	..	546,000	456,000	34,529
1933-1934	34,529	3,200,414	2,058,861	1,141,553	431,739	..	553,000	154,388	36,955
1934-1935	36,955	3,342,978	2,216,691	1,126,287	566,864	..	546,000	13,000	37,378
1935-1936	37,378	3,550,336	2,478,667	1,071,669	520,617	1,600||	541,000	5,000	40,830
1936-1937	40,830	3,886,098	2,868,486	1,017,612	442,274	5,665	566,000	3,298	41,205
1937-1938	41,205	4,302,244	3,305,680	996,564	143,978	6,104	590,000	255,283	42,404
1938-1939	42,405	4,687,564	3,679,859	1,007,705	415,189	6,310	588,000	Nil	40,611
1939-1940	40,611	4,793,692	3,660,745	1,132,947	486,000	7,162	639,000	2,929	38,467

* Revenue paid to Consolidated Fund. † Revenue paid to Consolidated Fund and utilized in payment of working-expenses, interest on loan capital, and reduction of capital liability. ‡ Post Office Account separated from Consolidated Fund, 1st April, 1928. § Section 4, Finance Act, 1931 (No. 2). Depreciation rates revised and adjustment made in amount paid to Consolidated Fund. || Section 26, Finance Act, 1935 (No. 2).

Table No. 2.

TABLE SHOWING THE NUMBER AND AMOUNT OF MONEY-ORDERS ISSUED AND OF MONEY-ORDERS PAYABLE IN NEW ZEALAND SINCE THE YEAR 1863.

Issued in the Dominion.

Year.	Com-mission received.	Where payable.								Total.	
		In the Dominion.		United Kingdom.*		Australia and other British Possessions.		Foreign Countries.†			
		No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1863	£ 1,057	2,201	£ 9,614	4,740	£ 21,944	4,645	£ 24,145	..	£ ..	11,586	£ 55,703
1873	3,562	34,288	142,642	11,913	48,548	6,150	28,068	..	..	52,351	219,258
1883	9,023	132,232	402,559	26,211	91,634	14,113	46,940	..	..	172,556	541,133
1893	10,249	146,133	576,359	29,616	86,545	35,208	88,025	..	..	210,957	750,929
1903	15,882	273,535	1,108,067	63,309	157,790	59,468	150,368	..	..	396,312	1,416,225
1913	16,872	516,536	2,821,624	100,634	336,992	73,575	199,158	..	..	690,745	3,357,774
1923	28,357	545,605	3,849,423	54,461	223,143	68,044	284,778	16,869	32,815	684,979	4,390,159
1935	44,029	578,869	3,157,826	27,383	71,185	56,809	133,074	9,996	11,944	673,057	3,374,029
1936	48,433	633,846	3,552,632	30,608	79,747	59,269	151,708	10,243	10,561	733,966	3,794,648
1937	54,333	676,420	4,042,824	33,455	92,336	62,244	165,217	12,376	12,252	784,495	4,312,629
1938	60,441	731,346	4,501,244	35,642	102,005	68,072	184,508	12,990	14,536	848,050	4,802,293
1939	71,879	751,064	4,581,206	39,879	117,063	110,180	381,059	10,361	15,036	911,484	5,094,364

* Includes foreign offices to year 1913.

† Included under United Kingdom to year 1913.

Table No. 2—continued.

TABLE SHOWING THE NUMBER AND AMOUNT OF MONEY-ORDERS ISSUED, ETC.—continued.

Drawn on the Dominion.

Year.	Where issued.								Total.	
	In the Dominion.		United Kingdom.*		Australia and other British Possessions.		Foreign Countries.†			
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1863	2,067	£ 9,169	415	£ 1,824	558	£ 3,078	..	£ ..	3,040	£ 14,071
1873	34,288	142,642	1,482	6,626	1,668	7,689	..	..	37,438	156,957
1883	132,232	402,559	3,725	15,553	5,697	23,300	..	..	141,654	441,412
1893	146,133	576,359	8,746	32,617	10,679	40,929	..	..	165,558	649,905
1903	273,535	1,108,067	13,035	49,181	17,777	68,340	..	..	304,347	1,225,589
1913	516,536	2,821,624	12,693	70,084	31,450	110,487	..	..	560,679	3,002,194
1923	545,605	3,849,423	11,042	63,313	26,042	123,703	1,813	8,669	584,502	4,045,108
1935	568,379	3,167,590	9,485	49,628	34,566	70,964	3,460	13,195	615,890	3,301,377
1936	633,937	3,561,548	9,025	45,043	25,523	72,338	3,806	9,750	672,291	3,688,679
1937	678,018	4,053,369	8,824	44,434	25,509	73,755	3,204	8,647	715,555	4,180,205
1938	732,967	4,495,648	9,347	55,577	25,734	76,166	2,151	6,156	770,199	4,633,547
1939	751,096	4,593,723	7,317	32,233	22,852	57,196	2,822	6,637	784,087	4,689,789

* Includes foreign offices to year 1913.

† Included under United Kingdom to year 1913.

Table No. 3.

TABLE SHOWING THE NUMBER AND WEIGHT OF PARCELS EXCHANGED WITH OTHER COUNTRIES DURING THE YEARS 1938 AND 1939.

Places.	Received.				Despatched.			
	1938.		1939.		1938.		1939.	
	Number.	Weight.	Number.	Weight.	Number.	Weight.	Number.	Weight.
Great Britain and Northern Ireland (and countries via London)	84,697	lb. 667,865	48,827	lb. 380,716	14,945	lb. 68,668	11,597	lb. 53,704
New South Wales (including Japan, Italy, &c.)	40,872	190,834	28,186	127,704	12,923	44,611	11,934	39,795
Victoria	12,734	53,230	9,971	40,566	6,082	20,810	5,780	19,484
Queensland (including Papua and Netherland East Indies)	1,353	3,402	1,191	2,782	1,713	5,062	1,606	4,412
South Australia	852	2,538	814	2,448	878	2,749	791	2,523
Western Australia	499	1,271	562	1,448	733	2,105	686	1,820
Tasmania	171	418	140	340	584	1,588	551	1,475
Norfolk Island	7	16	18	49	304	835	286	780
Canada	21,357	224,877	9,712	100,478	2,163	7,826	1,901	6,084
Union of South Africa ..	1,589	2,774	1,236	2,153	1,318	5,708	1,265	5,928
Aden	87	300	70	275	..	..	..	..
India	2,823	18,899	1,342	7,572	993	5,183	915	4,662
Ceylon	290	1,112	197	733	87	351	58	260
Malaya	678	2,326	604	1,893	359	1,122	307	1,071
Hong Kong (including Japan, China, &c.)	1,606	19,202	1,099	12,404	745	3,852	586	2,981
Fiji	490	1,718	433	1,563	1,727	8,751	1,660	8,576
Tonga	179	658	172	511	671	3,562	737	4,488
United States of America and possessions	38,995	213,655	28,446	158,762	3,664	13,705	3,684	13,193
Egypt	318	2,172	266	2,441	61	214	51	170
Tahiti	63	493	51	308	117	643	87	372
Uruguay .. .. .	..	..	..	..	26	128	21	131
Gilbert and Ellice Islands ..	5	24	8	17	61	163	122	491
Pitcairn Island .. ..	..	..	..	..	..	..	115	568
Other countries with which direct exchanges exist	2	10	4	3	8	51	31	109
Totals	209,667	1,407,794	133,349	845,166	50,162	197,687	44,771	173,077

NOTE.—With the countries named above, excepting those in parentheses, New Zealand has direct parcel exchanges. Parcels to and from other countries are forwarded through the intermediary of direct-exchange countries.

Table No. 4.

POST OFFICE SAVINGS-BANK.—GENERAL STATEMENT.

TABLE SHOWING THE BUSINESS OF THE POST OFFICE SAVINGS-BANK IN THE VARIOUS POSTAL DISTRICTS OF NEW ZEALAND DURING THE YEAR ENDED 31ST MARCH, 1940.

Postal Districts.	Number of Branches at the Post Office at the Close of the Period.	Total Amount of Deposits received during the Period.	Average Amount of each Deposit received during the Period.	Number of Withdrawals during the Period.	Total Amount of Withdrawals during the Period.	Average Amount of each Withdrawal during the Period.	Excess of Deposits over Withdrawals during the Period.	Excess of Withdrawals over Deposits during the Period.	Interest for the Period.	Number of Accounts opened during the Period.	Number of Accounts remaining open at the Close of the Period.	Total Amount standing to the Credit of all Open Accounts, inclusive of Interest to the Close of the Period.	Average Amount standing to the Credit of the Open Accounts at the Close of the Period.
Auckland ..	203	£ 4,787,445 12 8	£ s. d. 16 17 5	290,952	£ 5,518,006 19 3	£ s. d. 18 19 3	£ ..	£ s. d. 730,561 6 7	£ s. d. 277,277 1 3	19,091	17,966	£ 10,088,260 1 9	£ s. d. 62 3 1
Blenheim ..	17	249,302 18 4	15 16 8	16,338	288,366 8 4	17 13 0	..	39,063 10 0	19,028 4 6	956	940	679,546 11 11	60 19 6
Christchurch..	78	3,705,786 18 4	15 19 8	239,321	4,414,028 7 5	18 8 11	..	708,241 9 1	255,463 3 7	10,564	9,825	9,211,934 5 6	67 12 7
Dunedin ..	84	1,778,482 17 3	17 6 5	110,251	2,296,712 3 9	20 16 8	..	518,229 6 6	135,639 16 7	5,896	6,464	4,784,206 17 7	68 3 1
Gisborne ..	28	469,770 11 7	13 4 9	33,931	571,068 4 8	16 16 7	..	101,297 13 1	34,365 18 4	2,098	2,319	1,236,698 2 1	51 18 5
Greymouth ..	30	327,113 17 8	14 13 5	19,584	402,737 18 10	20 11 3	..	75,624 1 2	26,988 19 11	1,683	1,771	945,546 4 5	61 5 1
Hamilton ..	99	1,678,163 9 6	14 2 8	112,506	2,016,429 18 10	17 18 5	..	338,266 9 4	94,645 5 0	9,009	8,346	3,441,441 8 1	48 5 11
Invercargill ..	45	436,483 6 2	14 3 10	32,628	640,309 10 8	19 12 6	..	203,826 4 6	44,863 0 10	2,278	2,730	1,556,689 3 3	49 8 1
Napier ..	47	1,116,672 18 4	14 12 8	77,413	1,321,196 0 8	17 1 4	..	204,523 2 4	71,747 15 6	4,632	4,320	2,607,926 6 6	56 16 3
Nelson ..	33	477,178 16 2	15 15 5	30,755	559,774 17 4	18 4 0	..	82,596 1 2	33,206 12 7	1,812	1,773	1,173,049 6 6	58 0 8
New Plymouth	37	922,317 1 9	17 18 4	47,812	1,115,851 0 9	23 6 9	..	193,533 19 0	55,241 0 10	3,954	4,164	2,005,731 3 2	56 8 10
Oamaru ..	12	301,928 18 10	20 18 2	16,017	370,781 14 8	23 3 0	..	68,852 15 10	21,722 15 5	894	927	775,221 19 4	69 18 7
Palmerston North	36	1,269,187 1 3	15 4 6	82,277	1,566,701 1 8	19 0 10	..	297,514 0 5	84,480 11 1	4,863	4,701	3,032,260 9 10	64 0 8
Thames ..	38	635,138 6 1	16 1 9	37,210	767,245 11 0	20 12 5	..	132,107 4 11	38,485 9 8	3,357	3,220	1,393,628 19 3	46 8 4
Timaru ..	18	684,181 11 8	18 12 3	38,875	853,489 8 4	21 19 1	..	169,307 16 8	51,150 14 9	2,132	2,190	1,819,761 9 0	69 10 7
Wanganui ..	41	871,612 10 11	15 17 9	53,321	1,033,723 5 9	19 7 9	..	162,110 14 10	58,870 19 11	3,350	3,740	2,120,929 4 2	57 14 6
Wellington ..	65	5,268,285 14 9	12 3 5	352,964	5,511,667 14 1	15 12 4	..	243,381 19 4	287,997 7 0	28,572	16,267	10,695,594 16 10	61 6 0
Westport ..	20	126,109 7 6	14 7 6	7,025	159,301 19 5	22 13 6	..	33,192 11 11	9,751 6 7	607	637	342,729 3 1	53 17 11
Western Samoa	2	29,848 8 0	8 5 9	3,854	38,885 11 8	10 1 10	..	9,037 3 8	1,692 4 1	424	240	61,503 3 11	22 0 1
Rarotonga ..	6	16,276 13 8	9 10 10	2,546	16,560 5 6	6 10 1	..	283 11 10	848 6 0	224	113	20,343 12 1	14 12 9
Totals for year ended 31st March, 1940	939	£ 1,675,164 25 151,287 0 5	15 0 31	1,605,580	29,462,838 2 7	18 7 0	..	4,311,551 2 21	1,603,466 13 5	106,396	92,653	58,002,002 8 3	60 7 8
Totals for year ended 31st March, 1939	933	£ 2,104,936 30 434,291 15 5	14 9 21	1,694,692	34,597,708 6 4	20 8 4	..	4,163,416 10 11	1,726,573 11 2	118,865	92,848	710,086 17 0	64 2 4

Table No. 5.

POST OFFICE SAVINGS-BANK.—GENERAL STATEMENT.

TABLE SHOWING THE BUSINESS OF THE POST OFFICE SAVINGS-BANK IN NEW ZEALAND, BY TEN-YEAR PERIODS, FROM 1868 TO THE 31ST DECEMBER, 1928, AND YEARLY PERIODS FROM 1935 TO THE YEAR ENDED 31ST MARCH, 1940.

Year.	Number of Branches of the Post Office Savings-bank open at the Close of the Year.	Number of Deposits received during the Year.	Total Amount of Deposits received during the Year.	Average Amount of each Deposit received during the Year.	Number of Withdrawals during the Year.	Total Amount of Withdrawals during the Year.	Average Amount of each Withdrawal during the Year.	Excess of Deposits over Withdrawals during the Year.	Excess of Withdrawals over Deposits during the Year.	Interest for the Year.	Number of Accounts opened during the Year.	Number of Accounts closed during the Year.	Number of Accounts remaining open at Close of the Year.	Total Amount standing to the Credit of all Open Accounts, inclusive of Interest to the Close of the Year.	Average Amount standing to the Credit of each Open Account at the Close of the Year.
Year ended 31st Mar., 1940	939	1,675,164	25,151,287	0 5 15	3 1,605,580	29,462,838	2 7 18	0 7 0	4,311,551	2 21,603,466	13 5 106,396	92,653	960,565	58,002,092	5 8 60
Year ended 31st Mar., 1939	933	2,104,936	30,434,291	5 14 9	21,694,692	34,597,708	6 4 20	8 4	4,163,416	10 111,726,573	11 2 118,865	92,848	946,822	60,710,086	17 0 64
Year ended 31st Mar., 1938	928	2,190,971	33,041,081	14 3 15	1 71,622,340	29,629,073	19 3 18	5 33,412,007	0	1,669,383	16 5 128,927	88,979	920,805	63,146,929	15 9 68
Year ended 31st Mar., 1937	912	1,940,436	30,676,969	3 6 15	16 21,493,580	27,042,003	0 0 18	2 13,634,966	3 6	1,514,219	16 11 119,339	79,153	880,857	58,065,538	5 4 65
Year ended 31st Mar., 1936	892	1,585,976	25,619,775	13 7 16	3 11,417,040	23,533,596	7 2 16	12 22,086,179	6 5	1,406,459	5 8 94,628	71,574	840,671	52,916,352	4 11 62
Year ended 31st Mar., 1935	871	1,424,534	24,179,537	2 4 16	19 11,350,502	20,946,562	0 3 15	2 93,232,975	2 1	1,320,347	7 9 90,958	71,603	817,617	49,423,713	12 10 60
Year ended 31st Mar., 1928	870	1,570,493	27,611,066	5 1 17	11 71,274,906	30,584,997	14 4 23	19 10	2,973,931	9 3 1,747,155	13 9 93,331	72,433	804,725	47,758,726	2 11 59
Totals for 1918	786	1,213,353	18,101,104	18 1 14	4 727,729	14,938,841	10 0 20	10 73,162,263	8 1	1,059,471	17 8 76,869	53,015	590,205	33,418,125	4 9 56
" 1908	593	706,101	9,674,075	4 0 13	4 484,672	9,417,820	10 3 19	8 8 256,254	13 9	379,808	6 7 80,133	57,829	342,077	12,159,293	18 1 35
" 1898	409	281,749	3,279,611	7 5 11	12 10 196,764	3,194,893	16 7 16	4 9 84,717	10 10	128,128	16 6 37,265	26,628	169,968	4,957,771	5 5 29
" 1888	290	145,355	1,544,747	7 11 10	12 6 96,204	1,387,471	1 10 14	8 5 157,276	6 1	78,080	6 0 21,307	16,543	84,488	2,048,441	10 9 24
" 1878	147	69,908	762,084	12 0 10	18 0 42,746	742,053	14 3 17	7 2 20,030	17 9	31,664	12 9 13,005	9,634	32,132	819,071	8 2 25
" 1868	55	13,014	194,535	11 6 14	18 11 6,365	107,094	17 3 16	16 6 87,440	14 3	4,880	7 3 3,282	1,186	4,252	163,518	15 7 38
*Totals from 1st Feb. to 31st Dec., 1867	46	6,977	96,372	7 10 13	16 3 1,919	26,415	18 9 13	15 3 69,956	9 1	1,241	5 0 2,520	364	2,156	71,197	14 1 33

* The Post Office Savings-bank was established in the Dominion in February, 1867.

Table No. 6.

TABLE SHOWING THE NUMBER OF PAID TELEGRAMS FORWARDED AND THE REVENUE DERIVED THEREFROM, THE NUMBER AND CLASSIFICATION OF TELEPHONE-STATIONS AND THE REVENUE DERIVED THEREFROM, THE NUMBER OF FORWARDED TOLL CALLS AND THE REVENUE DERIVED THEREFROM, AND THE NUMBER OF RADIO-RECEIVING LICENSES.

Year ended 31st March,	Paid Telegraph Traffic.				Telephone Service.				Toll Service.			Radio-receiving Licenses.				
	Ordinary.		Press.		Subscribers Main Stations (a).	Extension Stations, all Classes (b).	Revenue from (a) and (b).	Service Phones and Privately Owned Phones connected with Public Telephone-offices.	Number of Public Call Offices.	Number of Toll Stations.	Total Telephone-stations.	Telephones per 1,000 of Population.	Number of Calls.	Value.	Number.	Percentage of Households equipped.
	Number.	Value.*	Number.	Value.												
1900	2,706,439	£ 98,129	255,362	£ 10,771	6,641	†	£ 43,303	165†	†	344	7,150	9.0	197,292	£ 5,483	..	..
1910	5,387,575	171,710	418,942	21,979	22,244	4,469	144,298	312†	†	2,656	29,681	28.67	1,757,869	42,753	..	..
1920	7,880,737	360,051	358,352	32,258	64,396	12,520	419,318	1,194†	†	2,613	80,723	65.27	6,718,526	211,911	..	..
1925	6,336,103	341,107	461,875	63,601	94,371	16,916	867,218	6,119	380	2,311	120,097	87.26	8,612,412	344,393	..	..
1930	6,318,644	328,795	530,867	76,809	126,763	25,635	1,206,714	6,140	679	2,106	161,323	108.37	11,404,175	482,571	53,407	†
1935	3,635,859	226,162	490,070	53,962	121,841	28,663	1,190,773	5,869	796	2,001	159,170	102.06	9,862,627	448,563	152,808	†
1936	4,102,168	237,370	463,842	51,405	127,056	30,598	1,252,964	6,041	870	2,000	166,565	105.85	11,436,054	499,825	192,265	55.7
1937	4,637,942	259,237	459,556	53,833	135,853	33,838	1,338,953	5,965	917	2,026	178,599	112.52	13,143,171	562,544	241,308	68.4
1938	5,003,761	267,382	449,876	52,993	145,370	37,689	1,458,042	5,912	1,021	2,027	192,019	119.67	14,480,207	637,807	285,007	77.6
1939	5,249,282	284,912	462,805	56,575	155,038	42,001	1,557,327	6,071	1,103	2,003	206,216	126.92	15,566,998	695,731	317,523	84.2
1940	4,859,882	298,304	389,690	55,081	162,508	45,883	1,633,191	6,243	1,231	2,004	217,869	132.69	15,711,671	786,143	345,710	89.3

* Excludes amount paid to other Administrations in respect of cable and radio messages.

† Figures not available.

‡ Private-line figures not available.

Table No. 7.

TABLE SHOWING THE ESTIMATED NUMBER OF POSTAL ARTICLES POSTED AND DELIVERED IN NEW ZEALAND DURING THE YEAR ENDED 31ST DECEMBER, 1939.

—		Letters and Letter-cards.	Post-cards.	Accounts, Circulars, Packets, &c.	Newspapers.	Parcels.
Posted	..	154,819,534	3,767,507	105,237,805	19,068,818	4,663,379
Delivered	..	157,784,041	4,743,450	113,913,107	22,669,294	4,809,995
Total	..	312,603,575	8,510,957	219,150,912	41,738,112	9,473,374

Table No. 8.

TABLE SHOWING CABLE, RADIO-TELEGRAPH, AND RADIO-TELEPHONE BUSINESS TRANSACTED DURING THE YEAR ENDED 31ST MARCH, 1940, AS COMPARED WITH THE YEAR ENDED 31ST MARCH, 1939.

Cable Messages.

Year ended		INTERNATIONAL.				AUSTRALIAN.				Total.	
		Forwarded.		Received.		Forwarded.		Received.			
		Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.		
31st March, 1940	..	179,685	£ 9,433	155,242	£ 8,168	137,449	£ 5,005	128,860	£ 4,891	601,236	£ 27,497
31st March, 1939	..	181,087	7,781	155,058	6,333	163,650	4,929	160,555	5,011	660,350	24,054

PRESS MESSAGES (included in above totals).

31st March, 1940	..	1,475	167	5,687	648	5,357	717	7,641	896	20,160	2,428
31st March, 1939	..	1,792	142	3,543	289	5,286	681	7,260	845	17,881	1,957

Radio-telegrams.

Year ended		Forwarded.		Received.		Total.	
		Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.
31st March, 1940*	..	8,843	£ 3,113	15,694	£ 2,717	24,537	£ 5,830
31st March, 1939	..	14,749	3,384	27,263	4,266	42,012	7,650

Radio-telephone Calls.

Period		Outward.		Inward.		Total.	
		Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.
31st March, 1940*	..	729	£ 558	689	£ 550	1,418	£ 1,108
31st March, 1939	..	1,676	1,466	1,781	1,432	3,457	2,898

* Radio services restricted under war conditions.

Approximate Cost of Paper.—Preparation, not given : printing (737 copies), £47 10s.