PRISONS DEPARTMENT.

The building operations of this Department were somewhat restricted for the greater part of the year owing to the general shortage of cement and timber. To meet the difficulty experienced in housing married officers the erection of a number of residences has been commenced on the prison reserves in the different centres, and with increasing supplies of material it is hoped that some will soon be ready for occupation. Farming operations on the Department's properties have been carried on vigorously, with the result that it has been found possible to build up the dairy herds, and thus increase very materially the total yield of butterfat. The gross receipts obtained from this source for the financial year were £4,293. Sales of stock and farm - produce realized £8,746. Prison industries, including the manufacture of concrete blocks, tiles, flagstones, &c., sale of crushed metal and similar material, brought in a total of £11,652, while for prison labour employed upon various prison buildings and other works a further credit of £6,856 was obtained.

The total cash earnings of the Department for the financial year amounted to £46,863, but as moneys due from other Departments to the amount of £7,727 were not credited to the Prisons vote until after the 31st March the revenue for the year will be shown as £39,136, an increase of £7,959 over the total earnings of the previous year. The total expenditure for the year was £88,309.

The estimated value of prison labour employed upon various works for which no payment of any kind was received was £20,243, while the net value of the labour required to carry on the ordinary prison industries, such as the making of boots and clothing for officers and prisoners, domestic work, and gardening, at the various institutions was £26,029. The total value of prison labour for the twelve months may therefore be assessed at £85,048.

The increased earning-power of the Department has enabled it to meet without difficulty the additional expenditure caused by the payment of wages to prisoners. The new system which constitutes a complete departure from the methods followed by the majority of Prisons administrations, came into operation on the 1st January last. The monetary payments have been of great assistance to a number of those who had been deprived of their breadwinners. The total amount expended under this head for the three months ended 31st March was £451. This expenditure is somewhat below the estimate, but it is essential that the system should be carefully administered and that the greatest care should be exercised to prevent abuses.

POST AND TELEGRAPH DEPARTMENT.

The amount of revenue collected by the Department during the year was £2,640,158. The benefit of the increased rates affected the revenue for only eight months of the year. The principal items were—Postage, £1,253,513; telegrams, £691,484; telephone-exchange receipts, £533,535.

The Post Office Savings-bank business for the year ended 31st March shows marked expansion, the deposits totalling £35,031,244. The withdrawals were £32,803,888, leaving an excess of deposits over withdrawals of £2,227,356. The balance standing to the credit of depositors on the 31st March, 1921, was £43,352,031, compared with £19,048,029 at the end of 1914. The interest credited to depositors for the year 1920 and the first quarter of 1921 was £1,818,534.

From the 1st January, 1921, an important alteration was made in providing depositors in the Savings-bank with greater benefits in regard to the interest credited to their accounts. Prior to the 1st January interest was not paid on the amount of an account exceeding £1,000. Now interest is paid up to £5,000. Four per cent. is now paid on an account up to £500, instead of only up to £300 previously, and $3\frac{1}{4}$ per cent. is now paid on so much of an account as exceeds £500 but does not exceed £5,000, instead of on so much as exceeded £300 but did not exceed £1,000 previously. The change has been fully appreciated by the public.