one for certain sections of the business community. It is a reasonable assumption that the sound financial position is due in no small measure to the efforts of the administration to attract business. The steps it has already taken to increase business on the postal and telephone sides are but forerunners of bigger efforts that will be made in the future. It is the wish of my Department not to attract new business merely to increase its revenue, but to make known to the public services which may be utilized with advantage to the business and social life of the Dominion. A telephone call which saves a long journey must add to the well-being of the community, and on this assumption every means of informing the public of the facilities for communication is being explored.

The variety of services rendered by the Post and Telegraph Department is greater than in the case of any other Department of State, and it is the belief of my officers that these services are not being availed of to anything like the extent that they will be when the general public more fully realizes their value.

STAFF.

In a table published at page 14 it will be seen that the staff of the Department (excluding non-permanent Postmasters and Telephonists and Railway Postmasters) has been reduced during the year by 499 officers. Notwithstanding this reduction, the Department has undertaken a larger volume of work than in any preceding year, and has done so in such a way that expressions of appreciation are general throughout New Zealand. It is a peculiar trait in human nature that criticism of the actions of servants of the State and public bodies is expressed more readily than praise, and that actions which time proves to be wise and carefully calculated are quickly assailed by some one with perhaps little knowledge of the facts. It is, therefore, pleasing that, while criticism is not absent, approval of the Department's activities is common from end to end of the Dominion. That the approval is merited is shown in the additional work done, and done well, with a reduced staff and by the improved financial position. Every means has been explored to increase the efficiency of the staff, and wherever possible improved methods of working have been introduced. The health of the staff has been fully safeguarded, and every practical means has been taken to improve the conditions of employment. it is necessary to provide service to the public over the whole twenty-four hours of the day on every day of the year it must be obvious that the good health of the staff is an important factor. Last year the average absence was for men 5.04 days, and for women 9.62. This year the figures are 4.33 and 10.02 respectively, so that the average has been well maintained.

The Department's huge army of nearly ten thousand officers could not render good service without due consideration of its feelings and proper understanding of its difficulties. Appreciation of its efforts is essential to continuous and effective endeavour, and this appreciation, which has been forthcoming throughout the year has added further to the pride of service so noticeable in the Department. The interest taken by the staff in their chosen vocation is being shown by improved methods of working, by suggestions for new apparatus of a labour- and time-saving nature, and by close attention to the needs of the public.

"TIME OFF" IN LIEU OF OVERTIME PAYMENT.

The system of granting "time off" in lieu of making payment for overtime worked by officers was reintroduced from the 18th September, 1927. Briefly, the arrangement is that for each hour of overtime performed one hour's "time off" is given, except in the case of overtime worked on a Sunday or holiday, in which case "time off" at the rate of time and a half is given. The change, of course, necessitated certain internal reorganization. In view of the excess of staff, the abandoning of monetary payment for overtime in favour of granting "time off" was the only alternative to retrenchment. It is expected that with the gradual increase in business the return to payment in cash for overtime worked will not be long deferred.