

### INCREASED POST AND TELEGRAPH RATES AND CHARGES.

The urgent need for obtaining additional revenue to assist in balancing the Budget for 1931-32 made it necessary for postage rates and charges to be increased. The increases were imposed from the 1st March, 1931.

The increases in the parcel-post rates were necessitated partly by the increased charges levied by the Railway Department, on the recommendation of the Railways Commission, for the carriage of mails by rail. At the same time it was decided to revert to the old maximum weight of 11 lb. for parcels. Apart from the fact that the Railway Department provides adequate facilities for the carriage of parcels over 11 lb. in weight, the Post Office could not afford to continue to accept such parcels at rates that would enable the business to be retained.

Coincidentally with the postage increases, it was decided also to effect an increase in telegraph rates. For some years past there has been a large and increasing loss on the working of the Telegraph Branch, due to the fact that the rates were not nearly commensurate with the cost of operation. Rigid economy has been practised and labour-saving apparatus introduced; and, despite this, it has been found impossible to reduce the losses to any appreciable extent. For the year ended on the 31st March, 1930, the loss was approximately £134,000. With such a deficit the continuance of the old rates could not be justified in the conditions obtaining.

### COMMERCIAL BRANCH.

The establishment of the Commercial Branch in March, 1930—a further step in the application of business methods to State enterprise—has been more than justified by the results achieved. The Commercial Branch officers are virtually the Department's commercial travellers, and, in their journeyings during the year, have been successful in bringing in to the Department's coffers no less than £32,000 in business (annual value), most of which would not otherwise have been obtained. But not only do Business Managers bring in more revenue; they also act in telephone matters as guides, counsellors, and friends to the general public, in that they render services at times for which no additional revenue is forthcoming.

The activities of the branch, which at the outset were confined to increasing the number of telephone subscribers and to advancing the sale of miscellaneous telephone equipment, have latterly been extended to the field of advertising, in that the work of obtaining advertisements for the various telephone directories has been undertaken.

Having regard to the general depression experienced during the year, and to the infancy of the branch, the success achieved is the more remarkable; and it is reasonable to expect that with the return of normal times the additional revenue brought in will be even greater.

In the light of the year's working there can be no doubt that an increase in the number of telephone subscribers can be fostered by means of the best in salesmanship methods. Undoubtedly the working of liaison officers between the Department and the public has served to lessen considerably the drop in telephone revenue which would otherwise have been experienced.

### BUILDINGS.

Satisfactory progress continues to be made in the execution of the Department's building programme. The number of new buildings erected during the year was seven—four post-office buildings, one combined garage and store, and two residences for Postmasters. In addition, five small garages were erected, and increased or improved accommodation at a number of places was provided, the latter including the erection of additions of a major character to the Greymouth, Nelson, Newton (Auckland), and Whangarei Post-office buildings. A number of new buildings, also a substantial addition to the Masterton Post-office building, are under construction.