Up to the end of the year, nearly 1,400 of the Department's officers had been released for service with the forces overseas. That these men, many of whom possess specialized knowledge of tele-communication services that will be invaluable in the field, will play a worthy part in the defence of their country and the Empire there is not the slightest doubt. A number of them, I have to record with deep regret, have already made the supreme sacrifice.

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Extremely gratifying indeed has been the response of officers to the invitation to contribute to the Post Office Patriotic Fund established in March, 1940. Up to the end of March last the amount paid from that fund to the National and Provincial Patriotic Funds was no less than £6,000—a handsome contribution to the comfort and welfare of our fighting men. Contributions to the Post Office Fund do not, of course, represent the only call upon the generosity of officers for patriotic purposes. They, with members of the community generally, have given liberally through other channels to the Provincial Funds.

CONCESSIONS FOR MEN ON WAR SERVICE.

Last year I mentioned that my Department had granted a number of concessions to men serving overseas with the New Zealand and other Empire forces. I am gratified to be able to record that it was found possible during the year to arrange further concessions to the men on war service.

The concession-rate service introduced last year for cablegrams to and from members of the forces abroad was replaced on the 16th June last by a "standard text" service under which more information can be included in a telegram without any increase in the basic rate of 2s. 6d. My Department desires to acknowledge the personal interest taken in this matter by Sir Edward Wilshaw, managing director of Cable and Wireless, Ltd., London, without whose co-operation the cheaper rate would not have been possible. The concession has since been extended to include messages to and from members of His Majesty's forces, including naval personnel in all Empire countries and Egypt. In addition, members of the merchant navy also may now lodge such messages

Other concessions granted during the year included a cheap rate for toll calls effected by members of the fighting Services from military or Air Force camp post-offices in the Dominion; a reduced rate for inland telegrams to and from members of the armed forces; a cheap rate of postage on air-mail letters addressed to members of the fighting Services overseas, including members of the British merchant service; and the extension to parcels addressed to members of the British merchant service at overseas ports of the reduced rate applicable to parcels for members of the forces abroad.

OVERSEAS AIR MAIL-SERVICES.

The trans-Pacific air service, which commenced operating between Auckland and San Francisco on the 20th July, 1940, on a fortnightly schedule, is the latest of the air services to connect the Dominion with overseas countries. This link provides easily the fastest service to America and, by connection with the North Atlantic air services, to the United Kingdom.

The Empire air service has continued to operate successfully throughout the year, although the Egypt - United Kingdom section was suspended upon Italy's entry into the war. As a result, an alternative service to the United Kingdom was established via Capetown - by air to Capetown and thence by sea to the United Kingdom.

The trans-Tasman service has operated very efficiently and regularly throughout the year. Only one or two short delays occurred.

DETAILED REPORT.

A detailed report of the Department's activities during the year ended on the 31st March, 1941, follows.

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

P. C. Webb.

General Post Office, Wellington C. 1, 14th July, 1941.