

meritorious services of officers generally under capable supervision and direction. The high standard of efficiency is reflected on the one hand in the remarkably few serious complaints that come under notice, considering the variety and magnitude of the work performed, and on the other hand by the numerous appreciative references that are made. The public generally are quick to criticize servants of the State but slow to express appreciation of any good work rendered, and for this reason the laudatory references which come to hand are all the more gratifying.

The earthquake which created such havoc and devastation in the north-western portion of the South Island in June last proved a very severe test for officers, and I take great pride in saying that in the dangerous and demoralizing conditions obtaining in the districts affected the staffs responded in splendid fashion and in manner worthy of the finest traditions of the Service. In the deplorable conditions that existed on the day of the earthquake, and the days of bleak wet weather that followed, no effort was spared to restore the Department's services to normal in the least possible time. The response of officers was all that could be desired.

Representations were made to Government during the year in support of the desire of officers, as expressed by their organization, for improved salary conditions, and no one regrets more than I do that the financial state of the country was such that Government could not go as far as they would like to have done to increase salaries. It must be remembered in dealing with such requests that one body of public servants cannot, in the absence of very different conditions of work, be accorded preferential treatment, and that any increase given in the case of Post and Telegraph workers must also be given in the case of public servants generally. To have met the requests which were made and to have applied the increases to the whole of the Public Service would, it is estimated, have involved an additional cost for salaries of approximately £1,000,000 a year, a prospective increase in expenditure which could not possibly be faced. It was clear, however, that some relief had to be accorded to the large group of officers at the head of the Seventh Class in the Clerical Division, and arrangements were made by which 217 qualified and efficient officers from this group were advanced from £295 per annum to the next class at a salary of £320 per annum. Government also directed that an inquiry be instituted into the rates of pay of officers of the General Division and as a result of this inquiry Government have decided on a new salary schedule for this Division, to operate from the 1st April, 1930. The new schedule will provide for officers receiving when they reach manhood a salary more in keeping with that estate.

The regrading of the Service, which is required by law to be undertaken every five years, was carried out during the year. In addition to the bettering of the salary and status of the 217 officers referred to previously, 241 positions were regraded and 182 new positions were created above the rank and file of the Clerical and the General Divisions.

It is the Department's policy to appoint to the permanent staff, rather than to retain in a temporary capacity, any employees whose services are likely to be required permanently and who are eligible for permanent appointment. Owing to the great growth in telephone development it has been difficult during the last few years to arrive at a proper basis for making such appointments, but, following an extensive review of the position, arrangements have been made for 139 workers on the casual construction-and-maintenance staff of the Department to be given permanent status from the 1st April, 1930. In addition, ninety female employees on the temporary staff were appointed to the permanent staff during the year.

POSTAL CONGRESS.

At the International Postal Union Congress held in London in May-June last, the Dominion was represented by Mr. G. McNamara, the Secretary of the Department. So far as New Zealand is concerned, perhaps the most important