F.—1.

happening at the Congress was the signing by the New Zealand delegate of the Air Mail Convention, which lays down rules for the international exchange of air-mail correspondence. In addition, important changes were made by Congress in the method of taking statistics for payment of the charges incurred in the transit of mail-matter between the various countries, and a system was formulated to enable a simplified service for the exchange of "small packets" to be set up at the discretion of the countries concerned.

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A report of the proceedings of the Congress appears at page 23.

COMMERCIAL BRANCH.

A further step in the application of business methods to State enterprise has been taken by the establishment of a Commercial Branch of the Department, the functions of which will be to foster and extend cordial relations between the Department and the public, and to promote a more extensive use of the telephone in all capacities in which it will prove of value to the user. The new system was not inaugurated until March, but the results already achieved are very encouraging. The activities of the officers of the branch are being limited at first to Auckland, Christchurch, and Wellington, but, as the branch becomes established, it is the intention to extend its activities to other centres and to other phases of the Department's business.

CASH-ON-DELIVERY SYSTEM OF EXCHANGE OF PARCELS.

Convinced that the cash-on-delivery system for the exchange of post parcels between Great Britain and New Zealand provided overseas exporters with an unfair advantage over New Zealand traders, in that the Post Office was responsible under the system for collecting the charges on the goods before effecting delivery, Government soon after assuming office issued instructions for the system to be terminated at the earliest possible date. As a result, the scheme was abolished as from the 31st October, 1929. The agreement in the matter between the two countries required twelve months' notice of termination to be given; but shorter notice was accepted. The system, which was introduced on the 1st January, 1920, expanded remarkably. For the year 1921 the number of parcels received was 425, of a value of £1,974; for the year 1929 the number received was 47,412, of a value of £159,509.

"CHARITY" STAMP.

Government decided during the year to adopt in New Zealand the "charity" stamp system of appealing to the public generally at the Christmas season for contributions towards deserving objects, a form of appeal which gives an opportunity to all persons to make a small contribution to charity. The stamp of the first issue bore the effigy of a New Zealand nurse; it had a postage value of 1d. and a charity value of 1d. Notwithstanding that it was not possible to arrange for the appeal to be launched until rather late in the year, a sum of approximately £5,000 was realized from the effort. The "charity" portion of this amount has been paid to a special account to be administered by the Health Department in accordance with the provisions of section 34 of the Finance Act, 1929.

The "charity" stamp scheme was inaugurated in Denmark in 1904. Other countries have since adopted the scheme. In every case this method of raising funds for charitable purposes has proved a success. It is expected that in New Zealand, where the scheme is proposed to be continued each successive year, sales will, as elsewhere, show an increased return.

OVERSEAS MAILS.

It was recognized by Government when they assumed office that there was good ground for the complaint emanating from the South Island of the lack of direct shipping-facilities between the South Island and Australia, and action was