

The remarkable improvement in the Savings-bank position continues. For the four months of this financial year the excess of deposits over withdrawals was £1,298,282 which brought the amount at credit of depositors on the 31st July to £54,214,634.

The School Savings-bank scheme inaugurated in 1934 has been further extended and is now in operation in 260 of the principal schools of the Dominion. The accounts open number approximately 50,000, and the amount at credit is about £19,000. To a great extent the success of the scheme was dependent on the good will and co-operation of the teachers, whose whole-hearted and enthusiastic support my Department desires to acknowledge.

STAFF: REMUNERATION.

With the return to more prosperous times and the consequential increase in business it was possible during the year to improve the position of officers from the point of view of remuneration, both by the restoration of salary cuts and by promotion. In the latter respect there was more movement than there had been for a number of years. In fulfilment of the promise made by Government, salaries from the 1st July last were restored to the 1931 level.

OFFICERS' SICK - BENEFIT FUND.

In a Department with a permanent staff of over nine thousand it is not surprising to find a number of officers who are unfortunate enough to have more than an average share of ill health and who consequently have used up all the sick leave on full pay or on half pay to which they are entitled under the regulations. On assuming office I was glad to learn that the staff of the Department as a whole had decided to contribute to a sick-benefit fund out of which relief would be afforded to those officers who, as a result of lengthy periods of sickness on reduced pay or without pay, were in straitened circumstances. I am sure that the existence of the fund is a source of much satisfaction to officers individually and collectively. Even to officers fortunate enough to enjoy good health to-day the fund affords a sense of security for the future; to sick officers it is of considerable value.

VISIT OF ENGINEERING OFFICERS TO UNITED KINGDOM.

Two senior engineering officers of the Department—Messrs. P. V. C. R. Miles, A.M.I.E.E., Superintending Engineer, and E. H. R. Green, M.Sc., A.M.I.E.E., Radio Engineer—who proceeded to the United Kingdom in July last for the purpose of investigating and studying modern developments in telecommunications, returned to the Dominion in March after spending some five months in England. The main purpose of their visit was to inquire into the latest developments in the manufacture of submarine cables and the application of carrier-frequency telegraph and telephone systems thereto and also the latest developments in the application of ultra short-wave radio systems for the establishment of telephone channels over short distances. These matters were investigated concurrently with a view to obtaining the data necessary to enable the Department to determine the best methods to adopt for the provision of additional telegraph and telephone facilities between the North and South Islands. In addition, the officers devoted a considerable amount of time to the gathering of information relating to modern radio developments, with particular reference to the use of radio as an aid to aircraft and shipping and general telephone transmission problems such as carrier-current telegraphy and telephony, loading of cables and transmission standards, &c. Valuable information was also obtained in respect of the modern communication field generally. The experience gained will be of considerable advantage to the Department in dealing with its technical problems and in continuing to provide an up-to-date communication service for the public.

COMMERCIAL BRANCH.

Reflecting the improvement in business conditions generally, the results of the activities of the Commercial Branch during the year constitute a record. In addition to seeking business for the Department, officers of the Branch form a desirable link