

APPEAL BOARD.

The new Board, which met in May last year, dealt with fifteen appeals, ten of which were reported against by the Board. One would have been righted in ordinary course; one referred to a question of numerical order which had resulted from a former decision of the Board; one referred to the definition of numerical position in the grouped classes under the regulations of 1900; one recommendation could not be carried out owing to the adverse opinion of the Law Office, but, as the circumstances were exceptional, the officer concerned was promoted from the non-clerical to the clerical division; in the remaining case an officer's promotion was antedated. Although the number of legitimate appeals was small, a more than usual number of important points was involved. Not the least satisfactory of the findings of the Board were two in which the principle of fitness as against mere length of service was upheld.

Heretofore officers have been allowed unusual facility for appealing—that is to say, so-called appeals have been made on account of grievances, real or imaginary, which the Postmaster-General had not first been given an opportunity to adjudicate upon. A stricter procedure should in future be followed, by requiring officers to first state their case to the Department and obtain the Postmaster-General's decision. The Board has in the past been troubled with far too many trivial appeals, in which the appellants had no real grievance, or else had some minor complaint which could or would have been settled out of hand by reference to the Department.

HEALTH OF STAFF.

The health of the staff was affected by the epidemic of influenza and measles which prevailed throughout the colony during last winter.

The following table gives the average absence of officers on sick-leave:—

—				Numbers comprised.	Average Absence per Sick Officer.	Average Sick- absence per each Officer employed.
Men	...	...	...	1,184	Days. 12·53	Days. 5·99
Women	...	...	...	148	14·13	14·61

There were four deaths.

The death of Mr. George Eliot Elliott, who was the first Secretary of the Post Office when the Department was separated from the Colonial Secretary's office in 1862, took place on the 17th September last year, at the ripe age of eighty-four. Mr. Elliott retired on pension as far back as 1872, but notwithstanding his advanced age at the time of his death he continued to take a keen interest in the developments of the Post Office. Mr. Elliott had charge of the Department during the busy period after the discovery of gold in Otago, and successfully pioneered it through the comparatively short but stirring times which saw the Maori war in the North, and the transfer of the seat of Government from Auckland to Wellington. It may be mentioned that at the time of Mr. Elliott's retirement the Department dealt with less than six and a half million articles, and at the time of his death over ninety-one and a half million were handled.

PENNY POSTAGE.

The loss on the penny post for the first year has been below anticipations. Instead of a loss of £80,000 as originally estimated, the actual loss may be put down at about £34,000. The enormous increase of mail matter for the year, including nearly thirteen million additional letters dealt with, mainly the result of the penny post, was unprecedented, but it was handled without hitch of any kind.

Since the last report the following countries have been added to the list of those with which New Zealand has reciprocal penny postage: The British Postal Agencies at Amoy, Canton, Foochow, Hankow, Hoihow, Liu Kung Tau, Ningpo, Shanghai, and Swatow.

The one defect in the original scheme, owing to the inability of Australia to respond to the invitation of this colony to enter either into a reciprocal agreement or one under which our letters prepaid at 1d. might be accepted and delivered without surcharge, was removed by the adoption, at the suggestion of the Postmaster-General, of the latter arrangement as from the 28th April last. It is hoped that the time is near when the Commonwealth will be in a position to enter into a fully reciprocal agreement. In the meantime the privilege of sending letters to Australia for 1d. is warmly appreciated by the people of New Zealand. As mentioned elsewhere, the extension of penny postage to Australia involved the reduction by this colony of its terminal rate on cable messages exchanged with Australia from 1d. to $\frac{1}{2}$ d. per word; but, on the other hand, the Commonwealth made a liberal concession by reducing its terminal rate from 1d. per word per State to a uniform 1d. for the whole of Australia.

It is not anticipated that there will be any considerable addition to the countries participating in the penny post until after the International Postal Congress to be held at Rome in 1904.

The extension of the penny post to Australia means an initial loss of postage of about £4,000 a year, and the reduction of our terminal rate on New Zealand-Australian cable messages a further loss of revenue at the rate of about £2,400 per annum, based on the intercolonial traffic at the time the reduction was decided upon.

GRATUITIES ON SHIP MAILS.

On the 1st January, 1901, owing to the introduction of the universal penny postage, the gratuities payable for the carriage of ship mails by unsubsidised vessels were reduced from 1d. each