



UNION OF SOUTH AFRICA

ABRIDGED ANNUAL REPORT

OF THE

Department of Posts and Telegraphs

For the Year ended 31st March 1921

PRETORIA

THE GOVERNMENT PRINTING AND STATIONERY OFFICE

1922

811—7/2/22—180

UNION OF SOUTH AFRICA.

Department of Posts and Telegraphs.

REPORT for the Year ended 31st March, 1921.

POSTMASTER-GENERAL: H. W. S. TWYXCROSS
(now E. A. STURMAN, C.B.E.).

I. FINANCIAL SUMMARY.*

1. *Revenue*.—The cash revenue collected during the year 1920–21 in respect of postal, telegraph, and telephone services totalled £2,785,139, as compared with £2,369,627 the previous year, an increase of £415,512. The increase was chiefly due to the raising, in May, 1920, of the letter postage, the rentals of private boxes and bags, the charges for telegrams, and of the telephone tariffs; at the same time there was a general increase of business as compared with the previous year. Revenue was also collected by the Post Office from the sale of licences (£117,457), revenue stamps (£360,561), cigarette labels (£307,211), customs dues (£501,707), and from miscellaneous sources (£1,222), totalling £1,288,158. The previous year's total of such collections was £1,108,439. The Post Office was thus the medium for the collection of gross revenue amounting to £4,073,297, while, in addition to the work involved in this, the Department paid pension warrants amounting to £1,250,000 (Treasury) and £55,000 (Railways and Harbours).

“Free services” were rendered to other Government departments to the value of £307,073. This figure includes postal, telegraph, and telephone services rendered to Provincial Administrations without payment, the values of which in regard to the respective Provinces were as follows:—Transvaal, £16,323; Cape, £7,922; Natal, £5,820; Orange Free State, £4,468.

2. *Expenditure*.—Expenditure rose from £2,387,362 in 1919–20 to £3,345,225 in 1920–21, the increase of £957,863 being due to additional payments for cost of living allowances and overtime, to salary adjustments dating back to October, 1919, in connection with the recommendations of the Public Service Commission of Inquiry, to the additional cost of the conveyance of mails, and to the higher charges for other departmental requirements, such as uniforms, telegraph and telephone material, transport, technical furniture and fittings, and general postal stores.

3. *Net Result of Operations*.—The excess of expenditure over revenue for the year, or the loss on a cash basis, was £560,086. Taking into account the “free services” rendered to and by other departments, the year's working resulted in a loss amounting to £634,034.

* Financial statements are included in the full report of the Department and are also printed in the Annual Report of the Controller and Auditor General.

II. POSTAL.

1. *Inland Mail Services* :—(i) *Postal Facilities*.—The number of post offices transacting public business on the 31st March, 1921, was 2,771, including 37 offices in Basutoland and Swaziland administered by the Union—an increase of 87 as compared with the previous year. The number of posting receptacles other than those at post offices was 1,074, an increase of 18 during the year. This number included 34 on trains and 9 on mail steamers. The numbers of main and branch posts other than those on the railway systems were as follows :—Main posts, 280, and branch posts, 1,272. As the result of a rearrangement of the railway connections between Johannesburg and Cape Town, a reduction in the Cape Town-Johannesburg travelling post office services to 6 times each way weekly was effected. The total number of private post bags in use on the 31st March was 2,747 as against 3,548 at the same date in the previous year.

(ii) *Increased Postage Rates*.—The Union Post Office was practically the only postal administration in the world to refrain from levying increased charges throughout the war period, but with the beginning of the year 1920-21 it became manifest that owing to greatly increased working costs, the postal tariffs that had been in operation since 1910 could no longer be maintained. The postage on inland and Empire letters was increased from 1d. to 1½d. from 10th May, but at the same time the unit of weight was also raised from ½ oz. to 1 oz. The ounce unit was adopted by the Universal Postal Congress at Rome in 1906, but individual countries were given the option of postponing its application. It has since been accepted by all countries members of the Postal Union. The increase in letter postage necessitated raising the postage on inland post cards from ½d. to 1d.

(iii) *Cost of Conveyance of Mails*.—The contracts in force at the 31st March, exclusive of the ocean mail service, represented a liability of £295,822 for the year.

(iv) *Stamp-vending Machines*.—The introduction of the 1½d. rate for letters made it necessary to alter the existing stamp-vending machines in use at different points. Some difficulty was found in effecting the most suitable arrangement owing to the delicacy of the balance required in the mechanism. Finally, all machines distributing 1d. stamps were altered to pass two ½d. stamps, and this apparently met the requirements of the public.

(v) *Window Envelopes*.—Envelopes having a transparent panel or an aperture to permit of the address written on the contents being visible have always been a source of trouble to the sorting staff. At the last International Postal Union Congress at Madrid the matter came up for discussion; it was resolved to restrict the use of panel envelopes, and a new regulation was formulated, to come into operation on the 1st of January, 1922, which requires that the transparency must be parallel to the length of the envelope, that it must form an integral part of the envelope, and that it must be such as to permit of the address being easily legible.

(vi) *Literature for the Blind*.—It was decided in June, 1920, to reduce the rate of postage on literature in Braille or other special type for the use of the blind, and the inland rates which are in force in the United Kingdom for such literature were accordingly applied to packets posted from one point to another in the Union. The postage on a volume weighing 6 lb., which was formerly 5d., was fixed at 2d.

2. *Ocean Mail Service* :—(i) *United Kingdom Service*.—The Contract Ocean Mail Service improved considerably during the year, both as regards the

provision of steamers and the observance of the contract time. The only failure of the Contractors to provide a weekly mail steamer was due to an accident to the R.M.S. "Saxon" in Table Bay. A comparative statement showing the mails conveyed between the United Kingdom and South Africa during the last three years is appended:—

Description.	To South Africa.			From South Africa.		
	1918.	1919.	1920-21.	1918.	1919.	1920-21.
Mail bags.....	54,563	55,717	87,027	18,152	17,504	25,406
Parcel receptacles.....	58,255	38,116	49,818	5,845	3,796	5,880

(ii) *Extra-Union Parcel Post*.—The total number of postal parcels dispatched beyond the Union and received in the Union during the last three years is shown below:—

Description.	1918.	1919.	1920-21.
Dispatched beyond the Union.....	174,762	118,565	160,200
Received from beyond the Union.....	361,631	261,138	418,793
TOTAL EXTRA-UNION TRAFFIC... ..	536,393	379,703	578,993

Nineteen bags of mail from Durban for Mauritius, containing 306 registered articles, and 13 bags of parcels were destroyed in June by a fire which occurred on board the steamer "Engineer" whilst at Lourenco Marques.

(iii) *Inward Mails*.—The mails conveyed from the United Kingdom to the Union of South Africa during the year 1920-21 were divided as follows:—

Destination.	Mail	Parcel Receptacles.
Union of South Africa	69,920	47,580
South-West Africa.....	1,172	
Bechuanaland Protectorate.....	144	
Rhodesia and Belgian Congo.....	8,780	
Nyasaland and East Coast.....	4,905	
Ascension and St. Helena.....	1,141	
Madeira, Mauritius.....	874	
Transit and various.....	91	2,238
GRAND TOTAL.....	87,027	49,818

(iv) *Outward Mails*.—The mails conveyed from South Africa to the United Kingdom and Madeira were divided as follows :—

Destination.	Mail Bags.	Parcel Receptacles.
British Isles *.....	8,739	5,880
London and London Districts.....	10,729	
Foreign countries in general.....	4,954	
Madeira.....	977	
St. Helena and Ascension.....	7	
TOTAL.....	25,406	5 880

* Excluding London and London Districts

(v) *Direct Parcel Exchanges*.—The exchange of parcels with Japan, which had attained considerable dimensions during the war, dwindled rapidly, but the exchange of parcels with the United States of America showed continued expansion. Negotiations with the Netherlands Post Office for the introduction of a direct exchange of parcels were initiated. A parcel post convention with the Tanganyika Territory (late German East Africa) is in course of negotiation, a working arrangement being already in operation. Negotiations are in progress for the direct exchange of parcels with Madagascar. A direct exchange of parcels with Canada was arranged in 1920, but, owing to lack of shipping opportunities from South Africa, the direct service is operative only in the direction Canada-South Africa,

(vi) ARTICLES OF MAIL MATTER HANDLED AT POST OFFICES
IN THE UNION, 1920-21.

Mail Matter.	Letters.	Post Cards.	News-papers.	Book and Sample Packets Printed Matter.	Parcels.		Registered Articles.	Official Correspondence.	Total of Articles Handled.
					Ordinary.	Agricultural.			
Posted.....	,000 130,778	,000 6,576	,000 23,486	,000 47,677	,000 3,030	,000 487	,000 2,224	,000 14,551	,000 228,809
Received.....	129,137	6,380	21,843	38,659	3,254	439	2,395	11,844	213,951
In transit.....	45,148	1,681	8,722	11,156	1,885	309	1,284	1,997	72,182
TOTAL.....	305,063	14,637	54,051	97,492	8,169	1,235	5,903	28,392	514,942

3. *Complaints and Inquiries*.—The majority of the complaints received was in respect of the loss of unregistered letters containing valuables. Investigation disclosed that the losses were in many instances due to extreme carelessness on the part of the senders. In regard to suspended sentences generally imposed by the courts on employees for letter-stealing, it is the experience of the Department that this is not sufficient punishment for the crime and that it does not act as a deterrent to others.

The number of inquiries conducted regarding the disposal of articles of mail matter was 17,077, of which over 50 per cent. proved to be successful, the articles in these cases being duly delivered. In 25 per cent. of the cases no trace of the article could be found.

The Department received 114 requests for information as to the whereabouts of missing persons, and 79 of the persons sought for were discovered.

4. *Undeliverable Correspondence.*—The number of undeliverable letters and other articles dealt with in the Returned Letter Office and by postmasters during the year was 2,265,011, of which 652,793 were returned by postmasters, 636,661 through Returned Letter Office, 120,345 to countries outside the Union, and the remainder were unreturnable.

5. *Money Orders, Postal Orders, and Postal Drafts :—*

(i) MONEY AND POSTAL ORDERS ISSUED AND PAID, 1920-21.

Heading.	Issued.		Paid.		Void.		Commission or Poundage.
	No.	Value.	No.	Value.	No.	Value.	
		£		£		£	£
Money Orders—							
Ordinary.....	433,078	3,271,225	412,813	3,417,430	768	1,881	26,778
Army *.....	—	—	2,860	19,230	—	—	—
Cable †.....	1,594	26,707	432	10,287	—	—	—
Free †.....	62,100	564,650	—	—	—	—	—
Postal Orders.....	2,968,770	1,734,692	2,629,544	1,556,597	—	5,380	20,363

* Discontinued at the end of the year. † To and from United Kingdom only.

‡ For Government purposes. Estimated.

The number of demands made in respect of postal drafts drawn was 13,381; 2,566 were honoured, £3,968 was collected, and £401 earned in revenue.

(ii) NUMBER AND VALUE OF MONEY ORDERS ISSUED IN AND FOR PAYMENT IN THE UNION (SHOWING COUNTRIES), 1920-21.

Money Order Exchange with	Issued in Union.		Issued in other Countries for Payment in Union.	
	Number.	£	Number.	£
Australia.....	5,770	38,287	2,427	19,463
Canada.....	972	13,589	717	2,398
Ceylon.....	32	314	40	164
France.....	1	2	16	209
Hong-Kong.....	87	812	17	60
Kenya Colony.....	76	966	299	1,467
India.....	11,622	196,534	573	12,849
Mauritius.....	68	564	334	6,992
Mozambique.....	864	9,630	1,809	42,260
New Zealand.....	437	1,236	599	7,224
Norway.....	378	2,396	117	1,820
Nyasaland.....	218	2,563	51	1,005
Rhodesia.....	1,311	12,215	7,106	47,188
St. Helena.....	38	331	38	828
South-West Africa.....	889	11,582	7,070	55,401
United Kingdom.....	66,154	617,554	11,650	96,289
United States of America.....	745	2,371	1,211	5,094
Zanzibar.....	13	106	24	119
Army Money Orders.....	—	—	2,860	19,230
Total for Payment in other Countries..	89,675	914,052	—	—
Total for Payment in the Union.....	343,403	2,357,173	36,958	320,060
TOTAL.....	433,078	£3,271,225	36,958	£320,060

4. *Undeliverable Correspondence.*—The number of undeliverable letters and other articles dealt with in the Returned Letter Office and by postmasters during the year was 2,265,011, of which 652,793 were returned by postmasters, 636,661 through Returned Letter Office, 120,345 to countries outside the Union, and the remainder were unreturnable.

5. *Money Orders, Postal Orders, and Postal Drafts :—*

(i) MONEY AND POSTAL ORDERS ISSUED AND PAID, 1920-21.

Heading.	Issued.		Paid.		Value.		Commission or Poundage.
	No.	Value.	No.	Value.	No.	Value.	
		£		£		£	£
Money Orders—							
Ordinary.....	433,078	3,271,225	412,813	3,417,430	768	1,881	26,778
Army *.....	—	—	2,860	19,230	—	—	—
Cable †.....	1,594	26,707	432	10,287	—	—	—
Free †.....	62,100	564,650	—	—	—	—	—
Postal Orders.....	2,968,770	1,734,692	2,699,544	1,556,597	—	5,380	—

* Discontinued at the end of the year. † To and from United Kingdom only.

‡ For Government purposes. Estimated.

The number of demands made in respect of postal drafts drawn was 13,381; 2,566 were honoured, £3,968 was collected, and £401 earned in revenue.

(ii) NUMBER AND VALUE OF MONEY ORDERS ISSUED IN AND FOR PAYMENT IN THE UNION (SHOWING COUNTRIES), 1920-21.

Money Order Exchange with	Issued in Union.		Issued in other Countries for Payment in Union.	
	Number.	£	Number.	£
Australia.....	5,770	38,287	2,427	19,463
Canada.....	972	13,589	717	2,398
Ceylon.....	32	314	40	164
France.....	1	2	16	209
Hong-Kong.....	87	812	17	60
Kenya Colony.....	76	966	299	1,467
India.....	11,622	196,534	573	12,849
Mauritius.....	68	564	334	6,992
Mozambique.....	864	9,630	1,809	42,260
New Zealand.....	437	4,236	599	7,224
Norway.....	378	2,396	117	1,820
Nyasaland.....	218	2,563	51	1,005
Rhodesia.....	1,311	12,215	7,106	47,188
St. Helena.....	38	331	38	828
South-West Africa.....	889	11,582	7,070	55,481
United Kingdom.....	66,154	617,554	11,650	—
United States of America.....	745	2,234	1,211	—
Zanzibar.....	13	—	24	119
Army Money Orders.....	—	—	2,860	19,230
Total for Payment in other Countries..	89,675	914,052	—	—
Total for Payment in the Union.....	343,403	2,357,173	36,958	320,060
TOTAL.....	433,078	£3,271,225	36,958	£320,060

(iii) *International Money Order Service*.—The money order service between the Union and France was suspended in April, 1920, owing to exchange difficulties; that with Mauritius was temporarily suspended because the system was abused by the remittance of large amounts for commercial purposes. Remittances to the United Kingdom were limited to £40 per week in respect of one remitter and the service for Mozambique was curtailed for similar reasons. A money order exchange with Germany was arranged through the Imperial Post Office in London as from the 1st September, 1920. It was found desirable for the system to operate through the London Office owing to the fluctuations in the market rate of exchange, the distance of the Union from Germany, and the consequent length of time which must elapse between the issue of orders and their encashment.

(iv) *Action Against the Banks in re Postal Orders*.—An agreement was entered into with the several banks some years ago, whereby, in consideration of the fact that the Department would not enforce the regulations requiring all money orders and postal orders presented by them for payment to be signed by the proper payees, they undertook to relieve the Department of all responsibility in the event of wrong payment. In April, 1914, a large number of postal orders was stolen from the Roodepoort Post Office, and when recovered from the General Post Office, London, the orders were found to have been cashed at various post offices in the Union during the year 1917, the majority through the medium of banking accounts. The Department, being unable to recover the value of the stolen orders in any other way, lodged a claim against the banks for the value of those which were cashed by them. All but two of the banks fulfilled the terms of the existing agreement and made restitution. The National Bank of South Africa, Limited, and the Standard Bank of South Africa, Limited, held that the agreement did not cover a case of this nature and refused payment. An action was accordingly instituted against the National Bank in the Transvaal Provincial Division of the Supreme Court in July, 1920, when judgment was given against the Post Office on the ground that the Department was negligent, in that it became possible for the person who uttered the orders to obtain use of the date-stamp of a postal agency to facilitate the forgery of the orders and so mislead the subsequent holders into false security. On appeal, however, the Appellate Division of the Supreme Court entered judgment for the Department in the sum claimed, namely, £357. 18s. 6d., with interest at 6 per centum per annum *a tempore morae* to the date of payment, with costs of suit. The Standard Bank thereafter made payment in accordance with the judgment.

6. *Savings Bank* * :—(i) *General*.—The general economic stringency was reflected in the returns of the Post Office Savings Bank, and while slight progress was shown in some directions, a falling off was observable in others. There were 9,389 fewer accounts opened than during the previous year. As against this, the number of accounts closed fell by 7,175, leaving the number remaining open 833 short of the total at the end of 1919–20. The number of deposits decreased by 29,982, and the corresponding drop in the total of the deposits and the interest amounted to £21,080. On the other hand, the number of withdrawals fell by 27,055 and the amount by £635,647. In this connection it may be noted that the withdrawals during the preceding year were exceptionally heavy owing to the large sums transferred to Union Loan Certificates. The balance due to depositors in the Current Account increased by £27,980, while that due to Savings Bank Certificate holders dropped by £82,600 to £610,900—the lowest point reached since the constitution of the Union.

* Full statistics of the Savings Bank for a period of years are given in the *Official Year Book of the Union*.

(ii) *Rates of Interest.*—The general adverse economic conditions prevailing during the year were not alone, or even mainly, responsible for the serious falling-off in the Savings Bank Certificate balance. The decline was due primarily to the low rate of interest allowed as compared with the rates obtainable in connection with other investments of a similar kind. For the same reason the balance has been steadily declining for years. In spite of repeated efforts to have it raised, the rate of interest granted on Savings Bank Certificates for the period 1911 to 1918 was kept at 3 per cent., while the rates granted on other investments were continually rising. During this time large sums were withdrawn by certificate holders for investment to better advantage elsewhere, resulting in a fall in the balance from £981,700 in October, 1911, to £649,200 in December, 1917, a drop of £332,500. The recovery that began with the restoration of the rate to $3\frac{1}{2}$ per cent. in 1918 was arrested in October, 1919, by the introduction of Union Loan Certificates, on which the rate of interest allowed is over 5 per cent. The further advance in the rate from $3\frac{1}{2}$ per cent. to 4 per cent. in October, 1920, was not sufficient to check the decline in the balance, as even that rate compares unfavourably with the rates obtainable on other Government forms of investment. As the adverse drift continued steps were taken during the 1920 Session of Parliament to amend the portion of Act No. 10 of 1911 relating to the Savings Bank in the following respects :—

- (1) The maximum rates of interest permissible on ordinary and certificate deposits were raised from $3\frac{1}{2}$ per cent. to 5 per cent., thus reverting to the position before 1910.
- (2) The amount which a depositor may deposit in his ordinary account in one year was increased from £100 to £200.
- (3) The maximum sum a depositor may have in his ordinary account was raised from £500 inclusive of interest to £1,000 exclusive of interest.
- (4) The total number of £100 certificates that may be issued to a depositor was increased from five to ten.

As the result of amendment (1) the rate of interest on current deposits was advanced from 3 per cent. to $3\frac{1}{2}$ per cent. and the rate on certificates from $3\frac{1}{2}$ per cent. to 4 per cent., from the 1st October, 1920. Consequent on amendments (2), (3) and (4) a good deal of money came in, and considerable sums remained in the bank which otherwise would have had to be repaid to depositors. Prior to the amendment of the Act the addition of accrued interest brought the balance in numerous accounts at the end of the year to above the limit of £500, when the excess had to be withdrawn by the depositors in order to avoid forfeiture of interest.

(iii) *Deposit Slips.*—After a trial at four of the largest post offices during a period of over two years the deposit slip system was adopted generally on the 1st January and proved an unqualified success. The system has numerous advantages.

(iv) *Penny Banks.*—In the early months of 1920 a strong agitation sprang up under the influence of the teachers' associations in the Transvaal against the Penny Bank system in the schools on the grounds that the work was not properly teachers' work, that provision was not made for extra remuneration for carrying on Penny Bank duties, and that with the prevailing understaffing of the schools the work entailed extra time on duty for the teachers. Although the Education Department refused to concede the demand of the associations for the withdrawal of the system from the schools the agitation led to slackness in a number of schools, much to the detriment of the work and the excellent

spirit which animated both teachers and scholars when the Penny Banks were first instituted. In Natal the high level reached by the schools in previous years was maintained, the results for the year being better in some respects than those for 1919. The returns for the last calendar year in respect of the Transvaal, Natal, and the Orange Free State are:—

STATISTICS OF PENNY BANKS, 1920.

Province.	Accounts Open.	Deposits.	Withdrawals.	Transferred to Accounts in Pupils' Own Names.	Credit Balance.	Number of Pupils on the Roll.	Number of Depositors.
		£	£	£	£		
Transvaal.....	419	8,745	2,817	7,382	5,366	47,129	17,704
Natal.....	139	3,577	768	2,740	2,181	20,096	8,304
Orange Free State.	17	244	75	204	289	3,804	1,442
TOTAL.....	575	12,566	3,660	10,326	7,836	71,029	27,450

(v) *Natives*.—Continued efforts were made to popularize the Savings Bank amongst natives. In the large towns the requirements of the natives are also met by various private institutions which provide specially for the acceptance and repayment of deposits. Notwithstanding these facilities, the Savings Bank is being utilized by the natives to a greater extent as time goes on.

POST OFFICE SAVINGS BANK—NATIVE DEPARTMENT ACCOUNTS, 1919-20 AND 1920-21.

Province.	1919-20.		1920-21.	
	Number of Accounts.	Amount.	Number of Accounts.	Amount.
		£		£
Cape and Orange Free State....	7,449	80,521	8,187	77,939
Transvaal.....	5,143	48,964	5,900	54,115
Natal.....	1,515	17,816	1,642	19,274
TOTAL.....	14,107	£147,301	15,729	£151,328

(vi) *Competition of the Banks*.—In 1914 the National Bank started a savings bank branch, and in the course of time the other joint stock banks followed its example. The result is that for some years past the Government Savings Bank has had to meet a very keen competition, some of the agents of the banks making special efforts to induce Post Office depositors to transfer their deposits. Private banking institutions and building societies are also very active in their endeavours to obtain the savings of the people. In hundreds

of small towns and villages where the Post Office at one time was the only institution with which small sums could be banked there are now branches of the commercial banks catering for the savings of the small man. The totals of the Savings Banks deposits held at the 31st March, 1921, by the principal banks were :—

National Bank and the Bank of Africa.....	£2,043,981
Standard Bank and the African Banking Corporation	628,388
Netherlands Bank.....	11,783
Stellenbosch District Bank.....	10,216
TOTAL.....	£2,694,368

(vii) *Unsound Banking Institutions.*—Efforts have been made by the Department since 1918 to promote legislation having for its object the better protection of people of small means who deposit their savings with banking institutions which do not furnish adequate guarantees for the return of the money deposited. There is hope that proposals in this connection will come before Parliament.

7. *Union Loan Certificates.*—The conditions of issue of Union Loan Certificates were specially designed to meet the requirements of the small investor, and the Government hoped in this way to increase very materially the number of persons who had some part of their savings invested with the State. It is estimated that prior to the issue of Loan Certificates one in every 120 of the European population held any form of Government stock, whereas at 31st March, 1921, the estimated number of such persons was 1 in every 25. The total number of certificates (in £1 units) issued between the 22nd September, 1919, and the 31st March, 1921, was 3,074,940, distributed among the Provinces as under :—Cape, 1,675,866 ; Transvaal, 782,533 ; Natal, 464,239 ; Orange Free State, 139,366 ; South-West Africa, 12,936. Up to the 31st March, 371,118 certificates were repaid, i.e. at the rate of 8 per cent. per annum.

In March, 1920, a practical thrift campaign was started by the Post Office by means of the creation of Savings Clubs for the purchase of Union Loan Certificates. The scheme is designed to encourage thrift and at the same time to popularize the certificate issue in every way. Facilities are provided for saving on a small scale in amounts from 6d. and 1s. upward. It was realized from the outset that the success of the movement should not be judged so much by the amount it brought in, but rather by the number of persons whom it succeeded in interesting and inducing to become investors in a very small way. As a result 1,234 clubs were formed: 593 in the Cape, 365 in the Transvaal, 263 in Natal, and 13 in the Orange Free State. The clubs are purchasing approximately 4,500 certificates per month. The scheme has the further effect of being an intensive form of advertising the Union Loan Certificate issue and also the direct means of attracting many investments in certificates in large amounts. No less than 2,000 club officials are active propagandists for the sale of certificates and 1,096,395 certificates have been issued in all. Over 200 schools have joined the movement. It is a most important and encouraging feature, with very great possibilities of development, since, of approximately 10,000 schools in the Union, less than 1,000 provide any facilities for thrift.

The intensive propaganda work in connection with the Savings Club scheme was brought to a close on the 31st March, 1921, though every effort will continue to be made through the Department's ordinary channels of publicity to encourage the sale of Loan Certificates and to foster interest in

3. *Revenue*.—The tariff per telegram was altered on 10th May, 1920, from 1s. for twelve words or less, and a 1d. for each word over twelve, to 1s. 3d. for the first twelve words, and 1d. per word over that number. The revenue for the year reached the sum of £529,518, which exceeds that of the previous year by £54,288, and is greater by £153,780 than in the year 1913. The value of free telegraph services rendered to other Government Departments of the Union and to the Imperial Government was £49,882. This is a decrease in value of £4,935 on the figure for 1920.

4. *Night Telegrams*.—An exhaustive examination of the telegrams sent at the night telegram rate disclosed that the service was being largely used for business telegrams, thus going beyond the purpose for which it was introduced. The idea of the cheaper rate was to allow social and domestic telegrams of no great urgency to be disposed of during the quieter periods of the evening without any increase in the operating staff. It was ascertained that 80 per cent. of this traffic, which had been increasing rapidly within the last two years, was on purely commercial matters. Not only was this reducing the full rate telegraph revenue, but a large proportion of work was forced into the night hours, necessitating the strengthening of the night staff at additional cost. The service was therefore suspended.

5. *Inter-State Communication*.—Telegraph communication between Rhodesia and Cape Town, and Rhodesia and Johannesburg, was maintained throughout the year with only trifling interruptions. There were several lengthy interruptions to communication on the overland telegraph service to Tanganyika Territory and beyond, but, all things considered, this service was fairly constant. There were ten interruptions of over two days' duration between the Union and Belgian Congo. The telegraph channels between the Union and the African transcontinental system were well maintained. Heavy delay was experienced on occasion between the Union and South-West Africa, owing to line faults, and to some extent to pressure of business. Wheatstone automatic working between Cape Town and Windhoek was introduced in October, 1920, with entire success.

6. *Cable Delays*.—The delay on submarine traffic passing over the western route continued to be unusually heavy, and varied from 70 hours to 4½ in the case of full-rate cablegrams, and up to 9 days on deferred cablegrams. The general delay on the latter class of traffic was approximately 4 days. This delay took place, notwithstanding that the deep-sea cable over which nearly all the South African traffic passes was free from fault throughout the year. Complaints of delay were constantly made to the Department by public bodies, and the commercial community generally. In reply to strong representations by the Department, the Eastern and South African Telegraph Company intimated that the delay was largely due to the repeated interruption of submarine communication in the Mediterranean as an after result of the war, and promised a greatly improved service with South Africa when the trouble was removed.

7. *Urgent Cablegrams*.—In March, 1920, the Secretary, General Post Office, London, intimated that in consequence of pressure from commercial firms in the United Kingdom and Continental countries, it had been decided to admit an urgent cablegram service at triple rates to places served by the Eastern Telegraph Company and its associated companies. Representations were almost immediately made from commercial firms in the Union that the urgent class of cablegram should be introduced in the opposite direction. A tariff that would give any section of the public an advantage over others by reason of their ability to pay heavier charges was not favoured by the Government,

and the urgent class of cablegram has, in consequence, not been adopted in the Union. Speedier treatment of cablegrams is being constantly urged on the company, but it is felt that the introduction of a specially favoured class of cablegrams is not the best means to secure a better all-round cable service.

8. *Cable Traffic*.—Statistics of cablegrams sent from the Union are given in the following table :—

CABLEGRAMS FROM THE UNION, 1913 TO 1920-21.

Heading.	1913.	1919-20.	1920-21.
Cablegrams.....	121,481	133,628	135,354
Value.....£	110,819	178,851	152,398

The decreased comparative value was due to the reduction in the tariff in December, 1919.

An amount of £2,346 was paid in addition to the cable company in respect of Press cablegrams for the Union, the charges for which were collected from the addressees. The amount for the previous year was £2,086. The terminal and transit charges earned by the Department for cablegrams handed to the Eastern Telegraph Company totalled £7,242, exceeding the value for this service during the previous year by £738. For similar services on cablegrams handed over by the Eastern Telegraph Company to the Department, £7,896 accrued, showing an increase over the previous year of £1,002.

9. *Deferred Cablegrams*.—During the year the number of messages sent was 47,448 and the number of words 747,080. The figures for the previous year were respectively 132,325 and 2,537,685.

10. *Cable Interruptions*.—Interruptions to cables occurred during the year as follows :—

ON THE WEST COAST OF AFRICA—

Cape Town-Mossamedes.....	10 days in April, 1920.
Bonny-Principe.....	16 days in May, 1920.
Loanda-St. Thome.....	12 days in June, 1920.
Lagos-Bonny.....	5 days in July, 1920.
Loanda-St. Thome.....	19 days in July-August, 1920.
Loanda-St. Thome.....	14 days in November, 1920.
Lagos-Bonny.....	21 days in January-February, 1921.

ON THE EAST COAST OF AFRICA—

Durban-Quelimane.....	23 days in May-June, 1920.
Aden-Zanzibar.....	4 days in May, 1920.
Aden-Zanzibar.....	Intermittent faults from 26th September, 1920, to 22nd November, 1920.
Aden-Zanzibar.....	11 days in March, 1921.

11. *Wireless Telegrams*.—The radiotelegraph traffic continued to grow with the removal of all war restrictions against the use of wireless at sea. The figures for the years 1913, 1919-20, and 1921 were as follows :—

WIRELESS TELEGRAMS, 1913, 1919-20, AND 1920-21.

Heading.	1913.	1919-20.	1920-21.
Messages.....	6,044	10,030	12,123
Words.....	68,837	135,408	154,453
Value.....£	2,008	3,949	4,505

The amounts mentioned indicate the revenue derived by the Post Office for the services of the coast stations at Slangkop and Durban, but do not take into account the charges for ship stations.

12. *New Wireless Station.*—A 1½-kilowatt wireless station was opened at Port Elizabeth, designed to cover the coastal area between Cape Hermes and Cape Agulhas hitherto screened from or out of range of the Slangkop and Durban radio stations for vessels sailing close to the coast. The new station is fitted with a musical note spark transmitter and amplifying receiver and provides satisfactory communication for the whole of this area in the worst conditions during daylight. In addition, it will be of considerable value to the commercial community of Port Elizabeth, who will now have at hand a ready and effective means of communicating with vessels approaching Algoa Bay, and with those anchored in the roadstead.

The Slangkop and Durban radio stations were fitted with amplifying apparatus. Before the installation of the amplifying valves at Slangkop the range was 350 nautical miles by day and 1,200 by night. The new apparatus has increased the range during the hours of daylight to 1,000 miles and approximately to 2,000 at night. The greatest distance actually achieved by Slangkop is 2,500 miles and under the best conditions at night it is possible for vessels fitted with the latest improved radio equipment, immediately they lose touch with Devizes, the English commercial radio station working with South African shipping, to communicate with the South African coast at Slangkop. The Durban wireless station has an improved range up to 1,000 miles by day and approximately 2,000 miles at night. On one occasion a distance of over 4,000 miles was attained.

13. *Wireless Press Service.*—In October, 1920, Reuter's Telegram Company commenced a wireless Press service to ships at sea. This news is not addressed to any particular ship, but is broadcasted nightly about 11.30 p.m.

14. *Inspection of Ships' Wireless Installations.*—An arrangement has been entered into between the Imperial Government and the Governments of the Dominions to examine periodically wireless installations on merchant ships through the medium of the telegraph authorities in each country. The intention is to inspect the apparatus on every ship fitted with wireless telegraphy once a year as a minimum for the purpose of issuing a safety certificate, and to inspect every vessel each time she sails on an ocean voyage. It will not be possible without delaying shipping to examine every ship that leaves a Union port, but when this is not done the attention of the authorities at the next port where inspections are made will be drawn to the fact that the vessel sailed before inspection could take place.

15. *Wireless Telegraph Licences.*—Owing to the progress recently made in this branch of electrical science and the extension of wireless telegraphy to aviation, it was felt that the issue of licences for private installations in the Union needed special care. It was decided to grant licences to persons who were likely by the use of their wireless apparatus to promote scientific investigation. In this way a feeling of responsibility on the part of amateur investigators has been engendered, and so far the privilege has been exercised by them with restraint.

16. *Delay to Telegrams.*—The general delay in the telegraph service due to congested lines was slightly reduced by the temporary rearrangement of telegraph circuits consequent upon the reduction of traffic in the midland and eastern districts. The delay is still too great, and is a constant cause of complaint. Everything possible is being done to remedy matters and keep

the average delay within reasonable bounds, but the service cannot regain its former state of efficiency until more telegraph lines can be constructed in various directions in the Union to meet the increase of telegraph business which has accrued since pre-war days. In the meantime the use of the most modern types of telegraph apparatus is being extended or introduced. The Creed system of high speed machine printing telegraphy, which has been worked successfully for some years between Johannesburg and Cape Town, is in course of installation on the Johannesburg-Durban lines, and in a modified degree on the line between Cape Town and Durban.

The multiplex type-printing telegraph system, which has been brought into extensive use in recent years is also being adopted. Its main features are that while it greatly economizes telegraph lines the method of working is readily learnt and it is possible to adapt it to all classes of telegraph traffic. A quadruple duplex set will be used to equip the Johannesburg-Cape Town circuit. This will make it possible to signal eight telegrams simultaneously on one line. If the conditions in South Africa prove suitable the system will be gradually extended to all the more important telegraph circuits.

Notwithstanding the introduction of up-to-date apparatus on the overloaded telegraph circuits, the danger of considerable dislocation of the traffic arrangements with resultant delay to telegrams due to any breakdown even of a minor character will be always present until alternate routes are built, and the number of telegraph circuits increased.

17. *Warnings of Floods.*—The arrangements made with the Irrigation Department to advise riparian owners and others of heavy rains and sudden rises in the rivers proved of such general use that the details were elaborated. The warnings of the possibility of floods are now not only notified as regards the main streams, but all tributaries of the Gamtoos, Gouritz, Great Fish, Orange, Sundays, and Vaal Rivers are introduced in the general scheme of notification. In this way it is hoped that those concerned may be placed in a position to protect their property and stock from the effect of floods. The scheme provides for stations at the head of the rivers and the junctions of tributaries with one another or with the main rivers, to telegraph any abnormal conditions which exist when heavy rains take place to all stations along the stream. The telegrams are accorded priority of transmission and the warnings thus disseminated undoubtedly prove of great service.

IV. TELEPHONES.

1. *Development.*—During the year, the more serious of the difficulties mentioned in previous reports as retarding the resumption of telephone development were to some extent overcome; but the position is still not satisfactory. Since the armistice in November, 1918, £726,489 has been spent on new works, including the opening of 89 exchanges, the addition of 13,711 miles of wire, and 6,080 telephones, and the number of applicants awaiting service has now been reduced from 5,000 to 2,500. This represents approximately the same rate of development as obtained immediately before the war. The great business activity which marked the opening months of the period under review was responsible for large additions to the list of persons desiring service, and although, during the year, 81 new exchanges were established and over 900 miles of farmers' lines erected, there remained at the end of the period, 236 applications for new exchanges, and applications for 4,500 miles of farmers' lines which had still to be met. The same remarks apply to a departmental programme of new public lines intended to relieve traffic congestion on existing trunk lines and to extend telephone facilities to places not yet connected to the system. This programme involves the erection of over 5,354 miles of line and can only be

carried out as funds became available. The approximate cost at present prices would be £486,300. The general financial situation at the end of the year was such as to indicate a serious restriction of development in the immediate future. The assurance is, however, given that, when conditions with regard to finance and the costs of material do become favourable to the carrying on of the telephone business on normal lines, everything practicable will be done to catch up, as rapidly as possible, with the demands of the country in this important respect. Meantime, as rural telephone lines (farmers' lines) can, in many cases, be erected privately, without expert labour, arrangements are being made to assist persons in outlying places to build their lines themselves up to the boundaries of the nearest exchange.

2. *Increased Tariffs.* Owing to heavy increases in all the items making up the cost of rendering service, higher charges were adopted from the 10th May in the case of new applications for service and from the 1st July in the case of existing subscribers. The charges for trunk service, having been increased in June, 1916, were not altered on this occasion. Taking an average over all classes of service, the revised charges represent a revenue increase of 39 per cent. over those previously in force. The estimate of additional revenue to be derived from the revision was realized, although, in the closing quarter of the year, an unfavourable change developed in the economic conditions of the country with a consequent slight falling off in receipts.

3. *Official Telephones in Private Residences.*—The Select Committee on Public Accounts drew attention in 1920 to the remarks made by the Controller and Auditor General, in his report for 1919, relative to the increase in the number of official telephones provided in private residences. During the year an inquiry was made into the matter. As a result, 50 out of a total of 310 telephones were discontinued. The remainder were shown to be urgently required in the interests of State business.

4. *Concrete Telephone Silence Cabinets.*—Exhaustive experiments to determine whether telephone silence cabinets for installation in outdoor positions could be satisfactorily constructed of reinforced concrete were carried out with satisfactory results. A type of outdoor telephone cabinet which, in point of durability and sound-deadening qualities, is far in advance of the wood cabinets hitherto employed, can now be secured at a reasonable price. The use of concrete cabinets will permit of the provision of telephone call office facilities in suburban areas, etc., where it has hitherto been impracticable to open call offices owing to the lack of suitable accommodation.

5. *Extension of Hours at Country Exchanges.*—Insistent demands for the extension of the hours of service continue to be received from country communities. The meeting of these demands entails in every case an increase of operating staff, and the corollary of this is increased expenditure. It has been found very necessary during the year to examine each demand on its merits; the basis of the examination being revenue derived from subscribers' rentals against the exchange operating expense involved. The last-named item compared with pre-war costs has been increased to the extent of 107 per cent.

6. *Durban : New Telephone Agreement with Corporation.*—In order to meet more satisfactorily the telephone requirements of the Durban suburban area, it was decided to establish telephone exchanges at Overport, Isipingo, and Red Hill, as soon as material and apparatus could be secured for the purpose. This necessitated the revision of the agreement between the Department and the municipality in regard to telephonic intercommunication, and a new agreement was entered into in November, to take effect from the date upon

which the departmental exchanges mentioned are established. Under the new agreement the departmental trunk lines will be terminated at the Overport Exchange, instead of as at present at the Municipal Exchange, and, upon the opening of the exchanges named, all subscribers' lines outside the municipal boundaries will be provided by the Department.

7. *Wireless Telephony.*—The possibility of utilizing wireless telephony in remote and difficult parts of the country was under consideration. Two suitable Marconi sets were ordered from England during the year, and trials with these sets were arranged. Meanwhile, certain tests conducted in Swaziland and between Cape Town and Touws River by the local representative of the Marconi Company proved to be satisfactory so far as the range and efficiency of operation under favourable atmospheric conditions were concerned, but the commercial practicability of the method is still in doubt. The prime cost of the sets is considerable, and in the present development of the science expert and therefore expensive personnel is essential for satisfactory maintenance. A source of power is also necessary, and, if, as would normally be the case in outlying districts, a petrol engine and generator has to be provided to supply the necessary power, the running costs will be considerable as compared with communication by land line. Further investigation and trial under commercial conditions of working are therefore necessary, and will be carried out.

8. *Long Distance Telephony.*—Great developments are in progress in connection with this important branch of telephony. The trielectrode vacuum valve mentioned in the previous year's report is revolutionizing the present methods of long distance telephony: first, by providing an efficient form of repeater, the introduction of which in an existing trunk system means an improvement in transmission, or, alternatively, in new construction, cheaper line plant; and, second, by affording a means whereby it is possible for several conversations to be carried on simultaneously over a single trunk line without the slightest overhearing. This, known as multiplex telephony, represents the latest development in the science, and has hardly yet passed out of the experimental stage. In brief, it is a system in which use is made of alternating currents of higher frequencies than those found in ordinary telephony, but below those used in wireless communication. These ultra-audible frequencies are used as "carriers" and on them are superimposed the frequencies of the speech currents, a different carrier frequency being employed for each separate message. Trielectrode valves serve to produce the carrier currents, and are also used for modulating and demodulating these currents. Experiments are in hand, and it is hoped shortly to arrange a practical trial of the system, but this cannot be done until a complete series of tests on existing lines has been made. Certain special testing apparatus for this purpose is on order.

9. *Telephone Traffic.*—The work of extending the trunk system and switchboard equipment to meet the normal expansion of business has been considerably delayed and curtailed owing to the continued shortage of apparatus and general equipment; and the high cost of all telephone requirements, which represents in some cases an increase of 250 per cent. over pre-war prices, also affected the position adversely. Nevertheless, some progress is recorded, as shown by the fact that during the year 1,102 miles of metallic trunk circuit were erected and 450 miles of superimposed trunk circuit arranged. For various reasons, however, the congestion in the main trunk lines was only slightly relieved. The trunk traffic handled during the year is estimated at 4,015,000 calls.

In spite of the limited switchboard accommodation available, particularly at Port Elizabeth, Bloemfontein, East London, Pietermaritzburg, Kimberley, and a number of smaller exchanges, additional equipment was installed at

local exchanges throughout the Union to provide for 2,327 subscribers' lines. The Cape Town switchboard was considerably extended and rearranged during the year, but nothing could be done to the Johannesburg exchange, where extensive additions are urgently needed owing to the lack of additional equipment which had been on order for many months. One of the most important factors in the exchange systems of the Rand and Cape Peninsula is the junction line network for intercommunication between the several exchanges. The growth of the telephone business in these areas has been such that the provision of more junction lines by the erection of open wires on the existing routes has become impracticable, and the necessity has arisen of laying down an extensive conduit system with underground cables. The work involved is of some magnitude, requiring liberal provision of funds, and some time must elapse before the whole scheme can be completed.

It is estimated that during the year 94,895,000 local calls were dealt with by a staff of 916 telephonists. The increase in the operating personnel for the year was 115.

10. *Telephone Statistics.*—The actual extension effected during the year is shown below :—

Heading.	At 31st March, 1920.	At 31st March, 1921.
Exchanges.....	408	549
Direct exchange connections.....	30,069	33,667
Call offices.....	2,242	2,346
Telephones.....	43,022	48,362
Miles of working wire.....	123,520	130,752

The mileage of routes and wires on the 31st March as follows :—

Heading.	At 31st March, 1920.	At 31st March, 1921.
	Miles.	Miles.
Telegraph routes.....	12,842	12,384
Telegraph wire.....	13,938	44,183
Superimposed circuits, telegraph.....	5,513	6,687
Telephone trunk route.....	3,252	3,351
Superimposition trunk wire.....	2,961	3,410
Telephone trunk wire—		
(a) Carried on purely telephone routes.....	10,340	10,595
(b) Carried on telegraph-telephone routes.....	16,539	16,861
(c) Telegraph-telephone wire used for trunk purposes...	7,603	7,832
TOTAL TRUNK WIRE.....	34,482	35,338
Telephone exchange wire.....	89,038	95,414
Total exchange and trunk wire (working).....	123,520	130,752
Telephone wire spare.....	9,206	10,137

The capital expenditure and the revenue earned were as follows :—

CAPITAL EXPENDITURE AND REVENUE, 1920-21.

Heading.	At 31st March, 1920.	At 31st March, 1921.
	£	£
Capital Expenditure.....	2,533,818	3,006,873
Revenue—		
Cash collections.....	523,641	682,431
Value of services provided for Government departments	51,439	65,897
TOTAL REVENUE.....£	575,080	748,328

11. *Wood Poles for Telegraph and Telephone Lines.*—In view of the extremely high prices of iron products after the war, attention was directed to the possibility of utilizing locally grown wood poles in telegraph construction. Hitherto the iron pole has been standard because of its superior durability and lighter weight for transport, these two factors more than offsetting the lower prime cost of wood poles, even if supplies of suitable locally grown timber were available. The experience obtained in the construction of certain experimental lines in the Cape Province confirmed this conclusion. Owing to the rise in the cost of iron poles and the increasing availability of plantation-grown timber of resistant varieties, however, arrangements were made, in co-operation with the Forest Department, to erect light lines, using different varieties of timber, both in continuous lengths and as composite poles with separate hardwood or reinforced concrete bases. Before the close of the year certain lines had been erected and arrangements made for proceeding with a considerable mileage of such routes in the current financial year.

An analysis of costs indicated, however, that the use of wood poles for heavy routes would be of doubtful economy in view of the comparatively short life of the poles and the great expense and inconvenience of reconstructing a route carrying many wires, unless it were possible to subject the poles before erection to some efficient preservative treatment. The problem is engaging the attention of the Research Branch of the Forestry Department, and it was decided that the results of this and of experience to be gained with the light lines which have been constructed should be awaited before construction with heavy wood poles was begun.

12. *Electricity Supply Committee.*—In the draft Bill prepared in the course of the year by the Electricity Supply Committee appointed in October, 1920, on which the Department had two representatives, a clause was inserted for safeguarding the Department against interference with telegraph and telephone communication by induction, leakage, etc., from adjacent power lines.

V. GENERAL.

1. *Stores.*—Difficulty is still being experienced in obtaining early delivery of telephones and switchboards, orders for which have to be placed at least nine months ahead. The delivery of other items has been considerably improved and little, if any, difficulty is being experienced in securing fairly prompt execution of orders. No fall in price, worthy of comment, was noticed in connection with supplies received during the year. The following instances will illustrate the percentage advance in cost of the principal items purchased

The capital expenditure and the revenue earned were as follows :—

CAPITAL EXPENDITURE AND REVENUE, 1920-21.

Heading.	At 31st March, 1920.	At 31st March, 1921.
	£	£
Capital Expenditure.....	2,533,818	3,006,873
Revenue—		
Cash collections.....	523,641	682,431
Value of services provided for Government departments	51,439	65,897
TOTAL REVENUE.....£	575,080	748,328

11. *Wood Poles for Telegraph and Telephone Lines.*—In view of the extremely high prices of iron products after the war, attention was directed to the possibility of utilizing locally grown wood poles in telegraph construction. Hitherto the iron pole has been standard because of its superior durability and lighter weight for transport, these two factors more than offsetting the lower prime cost of wood poles, even if supplies of suitable locally grown timber were available. The experience obtained in the construction of certain experimental lines in the Cape Province confirmed this conclusion. Owing to the rise in the cost of iron poles and the increasing availability of plantation-grown timber of resistant varieties, however, arrangements were made, in co-operation with the Forest Department, to erect light lines, using different varieties of timber, both in continuous lengths and as composite poles with separate hardwood or reinforced concrete bases. Before the close of the year certain lines had been erected and arrangements made for proceeding with a considerable mileage of such routes in the current financial year.

An analysis of costs indicated, however, that the use of wood poles for heavy routes would be of doubtful economy in view of the comparatively short life of the poles and the great expense and inconvenience of reconstructing a route carrying many wires, unless it were possible to subject the poles before erection to some efficient preservative treatment. The problem is engaging the attention of the Research Branch of the Forestry Department, and it was decided that the results of this and of experience to be gained with the light lines which have been constructed should be awaited before construction with heavy wood poles was begun.

12. *Electricity Supply Committee.*—In the draft Bill prepared in the course of the year by the Electricity Supply Committee appointed in October, 1920, on which the Department had two representatives, a clause was inserted for safeguarding the Department against interference with telegraph and telephone communication by induction, leakage, etc., from adjacent power lines.

V. GENERAL.

1. *Stores.*—Difficulty is still being experienced in obtaining early delivery of telephones and switchboards, orders for which have to be placed at least nine months ahead. The delivery of other items has been considerably improved and little, if any, difficulty is being experienced in securing fairly prompt execution of orders. No fall in price, worthy of comment, was noticed in connection with supplies received during the year. The following instances will illustrate the percentage advance in cost of the principal items purchased

during the year as compared with pre-war rates:—Poles for farmers' lines, 199 per cent.; tubular arms, 266 per cent.; insulators, 162 per cent.; spindles, 253 per cent.; wire, copper, 71·6 per cent.; cable, underground, 92 per cent.; telephones, central battery, 208 per cent.; porous pots, for batteries, 232·5 per cent.; duck, cotton, 234 per cent.; twine, 120 per cent.; uniforms, grey drill, 246 per cent.

The storage accommodation provided at Port Elizabeth, East London, and Pietermaritzburg is still unsatisfactory. The question of transferring the depot from Pietermaritzburg to Durban was under consideration. A suitable site is available on the reclaimed ground at Congella and the transfer of the depot would greatly facilitate the work and result in considerable economy. The following requisitions were dealt with at the various depots in the Union during the year:—Engineering: issues, 51,671; receipts, 13,028; postal: issues, 32,887; receipts, 10,936; postage stamps and stamped stationery: number of requisitions, 16,395; postage value, £2,150,273; postal orders: issues, 2,993,910; sale value, £1,790,514; revenue stamps: issues, 5,240,580; value, £744,140; cigarette labels: issues, 111,422,200; value, £287,520.

2. *Buildings*.—New and additional State-owned office accommodation was secured at Hanover Street, Cape Town (office reopened after being closed during the war period); Kimberley (accommodation for surveyor's staff); Krantzkop; Kuruman; Langlaagte; Ottoshoop; Port Elizabeth wireless station; Stal Street, Cape Town (office reopened after being closed during the war period); Van Rhyns Dorp; and Vereeniging. Altogether, forty-four new premises were secured—a record since 1910. Extensions to existing buildings were undertaken at a number of places, and nine houses were purchased for postmasters. It was, however, impossible to keep pace with requirements, particularly as regards the extensions of existing premises and construction of new buildings rendered necessary by the growth of the telephone system. It is hoped that funds will be made available for the work in connection with the proposed Cape Town Parcels Office and Telephone Exchange, and it will be proceeded with as far as possible in advance of the main scheme, which has had to be postponed. This will allow of the introduction of the automatic telephone system so soon as the premises can be completed and will not interfere with the erecting, at a later date, of the Central Parcels Depot as originally designed. In the meantime the alterations effected in the main General Post Office will meet requirements, it is hoped, for the next five or six years until conditions improve. In June, the Accounting Branch at headquarters was transferred to the New Museum, Pretoria, but the accommodation is far from ideal, and the need for permanent offices in the proposed annexe to the General Post Office building is therefore pressing. The old Feather Market at Cape Town was secured on lease from the corporation for a central store. Alterations or extensions were started or completed during the year in respect of the Bloemfontein Post Office, the Johannesburg Post Office, and Port Elizabeth Telephone Exchange. At East London and Durban the work of the Department continued to be carried out under conditions of great difficulty.

3. *Automatic Telephone Exchanges*.—Early in the year a contract was entered into with the Western Electric Company, Limited, of London, for the supply and installation of an automatic telephone exchange of 350 lines at Overport, Durban. This and a similarly equipped exchange, which the municipality of Durban is installing as a subsidiary to the Durban Central manual exchange, will be the first of their kind in South Africa.

The installation of automatic systems in the larger telephone centres of the Union, such as Johannesburg, Cape Town, Port Elizabeth, and Pietermaritzburg, is engaging the close attention of the Department. At these places,

extension of the existing manual equipment is in hand to provide for anticipated development until about the beginning of the year 1924. Further extension in this direction, however, is either impracticable or inexpedient, because of space limitations or the obsolete type of switchboards in use. With these considerations in view, tenders were called for the installation of automatic systems at Johannesburg with six subsidiary exchanges, total 15,950 lines, Port Elizabeth 2,500 lines, and Pietermaritzburg 2,000 lines. The prices quoted in the tenders recently obtained for these works were obviously based on the high manufacturing costs then current, and according to the report of the Engineer-in-Chief, who proceeded to England to inspect tenders and to inquire into the position generally, it is clear that the present is by no means a favourable time for ordering large installations of the automatic type, especially as there are signs that the early future may bring a fall in prices.

4. *Parliamentary Elections, 8th February, 1921.*—Telephone information bureaux for the dissemination of results were established at the principle centres and the close co-operation of the telegraph and telephone services enabled the prompt circulation of all election news throughout the Union.

5. *Staff*.—(i) *General*.—The number of employees of all grades on the 31st March, 1921, was as follows:—

Administrative and Clerical Division Officers.....	3,565
General Division Officers.....	4,277
Learners in training.....	317
Local persons and Railway officials performing Post Office work.....	2,783

The wastage of staff in the Administrative and Clerical Division during the year through resignations, retirements, dismissals, deaths, and transfers to other departments was 3.39 per cent. and in the General Division 19.31 per cent. Fourteen officers were retired on account of failing health and eight by reason of their having reached superannuation age.

It is recorded with regret that during the native riots at Port Elizabeth in October, Miss L. J. Jansen van Rensburg, a telephonist attached to the Port Elizabeth office, was killed, and Miss M. Greenhalgh, also a telephonist, was seriously wounded.

Much was done to remedy the serious staff shortage previously prevailing, which had necessitated the employment of many temporary assistants. From the beginning of 1920 learners were recruited in considerable numbers, and in 1921 a large proportion of these began to qualify for appointment to the establishment, thus gradually bringing the personnel up to the required strength. In spite of this, however, much overtime in addition to that which must ordinarily be incurred for Sunday and public holiday duty—an indication that the staff is still inadequate—had to be worked.

At the end of the period there were over 300 learners in training, and it was expected that as these qualified for appointment it would be possible to place the staff generally on a sound basis and to make reasonable provision for the granting of some of the arrears of leave which officers accumulated during the war period.

(ii) *Fifth Report of the Public Service Commission of Inquiry.*—After referring in general terms to the Fifth Report of the Public Service Commission of Inquiry appointed in 1918, the Postmaster-General remarks:—

So far as the Post Office is concerned, I am obliged to say that this administration is much disappointed with the general terms of the Commission's Report. I think no Department of State had been more fully aware of the necessity for a thorough review of the conditions which were introduced at Union, or more earnestly desirous

of such a review, in the interests both of the staff and of efficient and economical administration, than the Post Office. No opportunity had presented itself for this until the appointment of the Commission of Inquiry, but we were quite aware of what we considered was the most desirable procedure to take, and upon the Commission's appointment, my predecessor in office, Sir Jeremiah Wilson, lost no time in placing before it a very full memorandum showing the history of the Post Office organization up to date and the present conditions, and embodying a complete scheme for the regrading of the whole Department, based upon the definite and business-like principles which it was considered should apply to this branch of the Public Service. The Commission acknowledged this memorandum in appreciative terms in one of its early reports, but, although adopting some of the minor proposals made, entirely disregarded the main principles upon which the organization suggested by the Department was based.

It is not necessary here to go into the details of the whole scheme submitted. It will suffice to say that the proposals depended upon the definite recognition of the undoubted fact that the Post Office, like the Railways, is primarily a business concern, and that its duties differ in many material respects from those of the ordinary administrative departments of the Public Service. Building up a scheme of organization with this fact in view inevitably led to the adoption of grading and titles more appropriate to the special conditions of the Post Office than the ordinary titles and descriptions of posts, and classifications of the staffs, commonly adopted in regard to the purely clerical duties of other departments. This can perhaps best be explained by a quotation from the official evidence before the Committee:—

"The most important feature is the necessity for *distinctive classification* in the case of the Post Office, owing to the special and technical character of the work. 'Separation' or 'cutting off' from the rest of the Service in the sense of differential treatment in regard to pay is in no way intended. The only point is the necessity for the use of titles which have a closer reference to the special duties performed than the ordinary Civil Service grade titles do in the case of the Post Office, and the introduction of a system of scales of pay and classification which properly co-ordinates the various sections of the special staff of the Post Office.

"The whole staff of the Department should be *one staff*, the existing distinction between 'Administrative' and 'Executive' sections and present sub-division into several 'groups,' as laid down in the Public Service Regulations, being abolished. It should be open to any officer in any section to reach any position in any other section, provided his training, experience, and qualifications fit him for it. The only differentiation should be on the basis of the grouping of the various posts and grades for salary purposes. Technical postal and telegraph experience is necessary at every stage of advancement. The highest positions cannot be held by men who have not themselves gone through the practical work. It is seldom that any position occurs that could be taken efficiently by, say, a clerk transferred from another department, and it would be quite exceptional—indeed practically impossible—for such a man to rise to a position of control. It is necessary, therefore, for the Post Office to provide a complete career within itself. At the same time there is nothing, nor would there be anything, to prevent a man in the Post Office from being transferred to another department if he gains the necessary qualifications, which, probably, being purely literary, he can do outside his working hours. Many have done so in the past, and been transferred. The grading recommended aims at grouping together, on the same scale, of all posts whose value can be fairly regarded as equal, thus considerably reducing the number of different scales of pay, and removing the cause of much present dissatisfaction by comparison of positions. The number of incremental scales and grades is reduced from forty to twenty-four. In the case of the clerical sections, the classification is arranged so as to provide the highest and most rapid advancement for the most highly efficient officers, whilst at the same time even those who do not reach a high standard of efficiency are enabled to attain a reasonable living wage; but their advancement has a definite limit. *The Administration is entirely opposed to any arrangement providing an open 'run through' to good, bad, and indifferent all alike up to a high maximum.* A high maximum is necessary for the best qualified, but the only way to give encouragement to such men—which it is necessary to do for the sake of efficiency and contentment—without overburdening the salary expenditure to an entirely disproportionate extent, is to set a definite limit to the advancement which the inefficient may hope for."

It is desirable to emphasize that the views expressed in the above extract are not only the views of all responsible officials of the administration at the present moment, but are essentially the same as those which have been placed on record by several previous Postmasters-General, and by more than one Commission. Further than that, although it is the case that in other British Dominions the Post Office has not up to the present been treated as an entirely independent State department, yet there are clear indications that the desirability of this is beginning

to be realized in other places besides the Union. What was in view was, as explained above, in no way any less favourable treatment of the staff—rather the reverse, in fact—but an arrangement which would give greater administrative freedom to manage a business department on business lines. In its Majority Report the Commission declared itself unable to admit the contention that the whole work of the Post Office is of a technical nature. This, of course, is the root of the question. After the evidence which was tendered by the Administration, and in view of the recorded opinions already referred to, this conclusion of the Commission can only be regarded as an extraordinary one. The advisory member of the Commission, who resigned before the final report was made, in his own report fully admitted the peculiar position of the Post Office. Himself a senior official of the Railway Administration he was in all probability in a better position to realize the force of the arguments put forward in respect of the conditions in a department much more similar to his own than to any other; and the elected member of the Commission in his Minority Report, remarked that in his opinion “a time must inevitably arrive when the Post and Telegraph Department shall be self-contained.”

I feel obliged to make these remarks in justification of the proposals put before the Commission of Inquiry as representing the definite policy of the Administration, which the Commission, for reasons which do not appear to be at all convincing, found itself unable to support; and I must say, in conclusion, that notwithstanding the unfavourable results on this occasion of the efforts of myself and my responsible officials to secure a recommendation on lines which we are satisfied would be in the greatest interests of the efficient management of this Department, I am in no way convinced that our attitude was wrong, and I look forward with confidence to a time when, sooner or later, the principles we advocated will be adopted with advantage to the Government, the public, and the staff of the Post Office.

(iii) *The Postal and Telegraph Friendly Society*.—This society was established in 1913 with the object of affording financial assistance to dependents of deceased members. It is registered under the Friendly Societies Act of 1892 (Cape), and is conducted on sound insurance principles. The management is in the hands of a committee elected by the members, benefits up to a maximum of £120 are contracted for and premiums are deducted from the monthly salaries of members.

The membership, which is rapidly increasing, is at present 2,100 and the total benefits aggregate £188,000. The premium income is over £4,000 per annum, the invested funds amount to £16,000 and the total amount of claims paid is £8,850.

(iv) *Overtime Rates*.—As a result of the salary adjustments adopted during the year it became necessary to increase the overtime rates. The maximum salary basis was increased from £330 to £409 (coastal) and from £393 to £473 (inland); and the maximum rate per hour from 5s. to 6s. At single-handed offices where fixed annual rates apply, an increase of 20 per cent. was authorized. At offices where supervising officers are in receipt of overtime allowances for Sunday and public holiday attendance the rates were advanced from 25s., 30s., and 35s. to 30s., 36s., and 42s. respectively for each attendance according to the number of hours worked.

(v) *Sick and Holiday Leave*.—During the year 4,446 officers obtained 72,133 days' sick leave, averaging 16.22 days per officer, and 3,416 officers were granted 148,455 days' vacation leave, averaging 43.45 days per officer. In addition, close on 8,000 employees received occasional leave of a maximum of twelve working days.

(vi) *Postmen and Messengers' Uniforms*.—The gradual return of peace conditions has enabled the Department to introduce an improvement in the uniforms for postmen and telegraph messengers which it has long had in contemplation. In April the first issue of uniforms made of a new cloth of fine texture and a serviceable grey colour took place and has given general satisfaction.

(vii) *Continuation School for Messengers at Cape Town.*—As a result of representations made by the Juvenile Advisory Board at Cape Town and the interest of the late Minister, Sir Jacobus Graaff, a Departmental school was opened at Cape Town in September. Three part-time teachers are employed giving daily instruction to 117 messengers employed at Cape Town. The tuition is free and books are supplied. The attendance has averaged 93 per cent. At examinations held in December 6 candidates out of 17 obtained the Standard VII certificate; 5 of these successful pupils and 5 others from the school were subsequently successful in passing the telegraph learners' entrance examination. This satisfactory result of the operation of the school augurs well for its future usefulness to the Department. Similar schools will be set up at other points as arrangements can be made.

(viii) *Technological Examinations.*—A South African record was established at the examinations of the City and Guilds of London Institute. Fifty-four candidates entered; 31 were successful in the first grade and 9 in the final grade. The examiners awarded 20 first class certificates in the first grade and 3 in the final grade. In order to supplement the number of applications for learnership a recruiting campaign was organized early in the year. The response was satisfactory and 575 of the 1,029 applicants were admitted to learnership as a result of 414 examinations at 192 centres in the Union. At the learners' official languages examination 15 out of 69 entrants in Dutch and 11 out of 22 entrants in English were successful. Fifty-six entrance examinations were held for telephonists at 44 centres. As a result admission was given to 291 of the 339 applicants. A technical examination for "repeater clerks" was held at 6 centres and it is gratifying to note that 9 of the 10 candidates were successful.

"Efficiency tests" were suspended by Government Notice No. 176 of 26th January, 1920. This has led to the accumulation of approximately 600 officers ready for efficiency tests when these are reinstituted along the lines suggested by the Public Service Commission of Inquiry. An examination was held during the year in accordance with Government Notice No. 687 of 22nd May, 1917, to permit promotion of general body assistants to clerical divisions. There were 65 candidates for the educational portion of the examination which was held at 15 centres. There were 16 successful candidates, and these with 21 who had been exempted were admitted to the special divisional examinations at 11 centres. There were 10 candidates who qualified for the second grade and 7 for the third grade as a result of the whole examination. The results were not wholly satisfactory, but this is probably due to the fact that this was the first examination held under these regulations.