

As the time is approaching when some of the principal railway-lines in course of construction will be completed, and a consequent reduction in the number of men employed on them will take place, honourable members will agree that some practical scheme should be devised to enable those employed on these works to secure homes for themselves and their families. For this purpose Parliament will be asked to set aside 20,000 acres of land along the North Island Main Trunk line, the Otago Central, and the Midland Railway lines, which the Lands Department will survey and cut up into suitable areas. Assistance will be given towards erecting suitable dwellings for those settling on this land.

NATIONAL PENSIONS.

Honourable members will recollect that the late Prime Minister propounded a scheme of national pensions or annuities. The Government hopes to be able to circulate a Bill containing matured provisions for this laudable object. I am doubtful whether there will be sufficient time to enable it to be placed upon the statute-book this session. It will, however, give the opportunity to honourable members and to the people of the colony to carefully consider it, so that as soon as possible legislation may be passed whereby all classes in the country may provide themselves with an annuity in their old age, or when through physical disabilities or accident they are compelled to cease active labour.

POSTAL REFORMS.

My attention has for some time been given to the anomalous postal rates under which inland letters are charged eight times as much as commercial papers and book-packets. The method of charging for letters by $\frac{1}{2}$ oz. stages is a survival of a time when modern systems of transportation were unknown, and there is no reason, other than a traditional one, why this should continue. I have therefore decided, while not interfering with the $\frac{1}{2}$ d. rate for book packets and other articles not over 2 oz. in weight, and for newspapers, to abolish all other distinctions, and to fix a uniform rate of postage for inland letters of 1d. for each 4 oz. It is estimated that this will mean an immediate concession to the public of £17,000 per annum, but experience has shown that every concession in postal rates creates a new class of business which is ultimately to the profit of the Post Office, and I have no doubt whatever that this new class of business will insure a sufficient increase in the number of letters to recoup a considerable portion of the loss to the Department in the first year, after which it may be safely anticipated that the deficiency will gradually disappear. Even if it were conceivable that the concession would not insure any new business, the fact that the number of letters increased in 1905 by nearly 7 per cent., and that the increase for the current year promises to exceed last year's, makes it apparent that the time is ripe for a reform which will remove the present restrictions against the transmission in closed envelopes of all classes of postal matter. Incidentally there will be a saving of time and money to the Post-Office in the relief from the examination of open packets to discover whether the regulations are being infringed.

It is intended to bring this concession into force on the 1st November next, in commemoration of the opening of our International Exhibition, and, making safe allowance for the increase and for the period of the financial year that the change will be in operation, I calculate that the resulting loss to the postal revenue will not exceed £4,000 up to the 31st March next.

As the new letter rates will be cheaper than the present inland parcel postage, I have under consideration the desirability of reducing the latter.

The question of reducing the commission on money-orders is also being considered.

I have also pleasure in announcing that the initial weight of letters to places beyond the colony will be raised to one ounce, and that the postage rates to countries which do not yet accept our penny letters will be reduced after the first ounce. Thus, a letter for Germany weighing two ounces which at present