

costs tenpence will, under the new arrangement, cost fourpence. The change as regards the British Dominions may, it is hoped, by mutual arrangement come into force early in the year, and as regards foreign countries on the 1st October following.

It remains to say one word about the staff. There is a great block in some of the grades, owing to the enormous expansion of business, and the rigid limitation of the number of officers within each grade. Proposals to meet the difficulty will be submitted.

TELEGRAPH REDUCTIONS.

The success of the sixpenny telegram, introduced in 1896, has been so marked that I am justified in now announcing a reduction, as from the 1st November next, of the rate charged after the first twelve words. It is proposed to reduce this from 1d. to $\frac{1}{2}$ d., making a uniform rate of $\frac{1}{2}$ d. per word, with a minimum charge of sixpence.

The immediate value to the public of this concession will be about £14,000. The normal increase of inland telegrams in 1905 was almost $9\frac{1}{2}$ per cent.; and to make good the concession now decided upon, an increase of about $12\frac{1}{2}$ per cent. on last year's business would be required. After providing fully for the period that the telegrams will be carried at the new rates, I calculate that the resulting loss of revenue for the balance of this financial year will not be more than £3,000, if so much. I have little doubt but that the additional 3 per cent. may be looked for in the first year, and I expect to find that the whole of the revenue will be made up within twelve or, at the outside, eighteen months. As every class in the country is interested in the efficiency and usefulness of the Post and Telegraph Service, I am confident that these improvements will materially add to the benefits conferred by these two great Departments of the State.

In connection with these reductions it is intended that the present system of franking telegrams and letters by the various Government Departments shall cease from the 1st January next, and from that date each Department will provide for payments of both letters and telegrams. This change will at once result in considerable economy, besides freeing the telegraph-wires at times to a marked extent, and better enable them to carry the increased work that the concession to a $\frac{1}{2}$ d. rate per word is certain to create.

When the reforms I have sketched are given effect to, New Zealand will have one of the most liberal and up-to-date post and telegraph systems in the world.

WIRELESS TELEGRAPHY.

Captain Walker, representative of the Marconi wireless-telegraph system, was in Wellington during February of this year, and the subject of wireless communication with New Zealand, the Auckland Islands, Tasmania, and Australia was discussed. Draft specifications were prepared and copies forwarded to the Commonwealth with a view to the matter being mutually considered and some action taken, but nothing definite has yet resulted. Experimental stations have been erected at Queenscliff and the north of Tasmania. Communications have been made by these stations, but no official report has been received from the Commonwealth. As Parliament has given authority to establish this system I hope shortly to have tenders invited with a view to the most up-to-date system being adopted.

TELEPHONES TO OUTLYING LOCALITIES.

As telegraphic and telephonic communication is a matter of very great importance to our outpost settlers, who make great sacrifices in comparison with those who enjoy the comforts and conveniences of town life, authority will be asked for a special vote of £25,000 for the provision of telephones in the more remote parts of the country; and, in cases where the construction of telephone-lines in the ordinary way is not warranted, the material will be