

Visits made by me to isolated districts in the Dominion have strengthened my conviction that some suitable scheme should be devised with the object of providing telephonic communication to as many of the backblock settlements as possible. I propose, as a step in this direction, to ask for an initial vote for the purpose of giving assistance to settlers who desire to construct private telephone-lines to connect with the nearest Government offices.

WIRELESS TELEGRAPHY.

Tenders have been called for two high-power wireless telegraph-stations, at Doubtless Bay and the Bluff, and three medium-power stations, at or near Gisborne, Cape Farewell, and Sumner. These should supply all requirements in the meantime for defence, naval purposes, and the mercantile marine. It is hoped to have the system in operation in about twelve months' time.

RETRENCHMENT.

Very great savings have been effected in the public service not only by dispensing with the services of many officers, but in other ways resulting from the amalgamation of Departments and enforcement of economies wherever possible.

The duty of retiring many old public servants was a most unpleasant and painful one. It was one that had to be faced, however, and the results are very important to the taxpayer. Over £300,000 per annum has been saved to the country by the application of the retrenchment system.

The improved condition of things, and the growth of the business of the different Departments resulting therefrom, make further retrenchment impossible without seriously impairing the efficiency of the public service.

PUBLIC SERVICE CLASSIFICATION.

The recent amalgamation of Departments and extensive retrenchments upset in a great measure the classification which had been almost finished by the Board appointed under the Act of 1908; otherwise the report of the Board would have been presented to Parliament last session.

The work of classification of the service is a very heavy and tedious one. It requires a continuously sitting body to now complete the matter, and the heads of Departments constituting the present Board cannot possibly do the work. The intention is to legislate with a view of appointing a smaller Board—say, of five responsible officers of the service—who, with the work already completed by the present Board, should be able to have their report ready for the next session of Parliament.

PUBLIC SERVICE SUPERANNUATION FUND.

During the year ended 31st December, 1909, the income amounted to £108,339 2s. 8d., and the outgo to £25,272 2s. 5d., leaving the sum of £83,067 0s. 3d. to be added to the fund, which at the end of the year totalled £154,548 1s. 8d. The amount contributed by the officers themselves during the year was £82,890 10s. 3d., the balance of the income (which more than covered the whole outgo) being made up of Government contribution, £20,000; interest, £5,318 10s. 11d.; and fines, £130 1s. 6d. It is gratifying to find such a substantial increase in the interest earned by the fund, the amount received last year being £1,294 18s. 6d. As the fund is increasing rapidly, and is practically all invested either at 5 per cent. or $4\frac{1}{2}$ per cent., a great increase in the interest-accretions may be expected in the future. The outgo of £25,272 2s. 5d. includes pensions to members, and to widows and children of deceased members, £17,862 5s. 9d., as against £3,355 11s. 7d. for the previous year; contributions refunded, £3,627 13s. 4d.; compensation, £2,343 4s. 8d.; and expenses, £1,438 18s. 8d. The number of contributors at the beginning of the year was 7,235. New contributors to the number of 717 joined during the year, while 630 discontinued contributing, having either left the service with refund of contributions, retired on pension, or died. The total number of contributors at the end of the year was 7,322, or a net increase of 87. Considering the large number of retirements, &c., brought about by the recent retrenchment, the position of the fund as