

The loss caused by abolition of the redirection fees, which was a concession from which no indirect gain could result, was for the first year about £1,400. For 1896 it would have probably reached £1,650.

In connection with the reductions in the inland and foreign telegraph rates, the loss is somewhat difficult to gauge, but was, as accurately as can be estimated for the four years ended the 31st December, 1895, £27,486. In 1896 the sixpenny rate was introduced, the results of which are dealt with elsewhere.

The reduction in the inland parcel-post rates and in the telephone-exchange subscriptions has resulted in an annually-increasing saving to the public.

It is estimated that the result of the whole of the reductions, as compared with 1890, was that the public was relieved of payments amounting to £98,120 in 1896, notwithstanding which the department collected £56,788 more revenue than it did in 1890.

The second meeting of the Appeal Board under "The Post and Telegraph Department Act, 1894," was held in June of last year. Forty appeals were considered, seventeen of which were favourably reported upon by the Board and twenty-three unfavourably. Effect has been given to the seventeen favourable recommendations, wholly or partially, in all cases except two.

The term of office of the two elected members having expired a new election was held in February last, when Mr. J. H. Stevens, Postmaster of Feilding, was elected by the officers of the Postal Branch as their representative, and Mr. W. McNickle was re-elected by the officers of the Telegraph Branch.

The new Board held its first sitting on the 7th June last.

During the year 1896 1,328 visits of inspection were made to post-offices in the colony. The distances travelled by the Inspectors were as follow:—On horseback, 5,079 miles; by coach or buggy, 7,430 miles; by rail, 11,021 miles; by water, 2,526 miles; on foot, 166 miles: total, 26,222 miles.

Notwithstanding the fact that notices are placed over every posting-box in the colony warning the public against enclosing money in unregistered letters the practice is still prevalent to a large extent. As the registration-fee is now merely a nominal one it is difficult to understand why money should continue to be sent without ordinary business precautions being taken to insure its safety. It is hardly to be credited by people who are careful in such matters that it is a common thing to find in the post-office letters crammed full of bank-notes, very often in the flimsiest of covers. Frequently the contents protrude from the envelopes, or are found loose in the mail-bags, having burst their envelopes, and often letters filled with notes are carelessly thrown into railway-vans for the guard to deliver with the mails. Many other cases could be instanced of carelessness on the part of the public in sending money by post.

The use of bicycles as a means for facilitating the delivery of letters and telegrams has been considerably extended in the past year. It is proposed to gradually apply the system to places where it is likely to be advantageous, either in the direction of accelerating or extending deliveries. The boom in the bicycle trade and the consequent high prices of machines has so far prevented the department from settling upon a standard pattern, but with the experience which has been gained there will be little difficulty in compiling a suitable specification for future orders.

But little progress has been made with the Pacific-cable question, as may be seen from papers submitted to Parliament. The Imperial Commission which met in London in June last year confirmed the resolutions of the Intercolonial Conference held at Sydney at the beginning of 1896, but the formal proceedings of the Commission have not yet been made public. Further consideration was given the question during the presence of the colonial Premiers in London.

No formal Intercolonial Post and Telegraph Conference has met since 1895, but there have been several meetings of representatives of the other colonies to consider matters of more or less urgency and importance, more particularly in connection with the renewal of the Federal mail-service.

There was also a special Conference of Postmasters-General held at Melbourne in March last, presided over by the Postmaster-General of this colony, to consider the appointment of a delegate and Ministerial representative of the Australasian Colonies to the Washington Postal Union Congress. The choice fell on the Hon. John Gavan Duffy, Postmaster-General of Victoria.

The Conference also passed the following resolution in reference to the Pacific cable:—

"That this Conference hereby expresses its great satisfaction that the Pacific-cable Commission has decided to recommend the adoption of the proposals formulated at the Sydney Conference, and, in view of the great importance to the Empire of the construction of the cable, expresses the hope that means may at an early date be found for its speedy realisation."

The quinquennial congress of the Universal Postal Union sat at Washington in May last. New Zealand was, in concert with the other Australian Colonies, represented by the Hon. John Gavan Duffy, Postmaster-General of Victoria, who was accompanied by Mr. James Smibert, late Deputy Postmaster-General of that colony, as postal expert. A brief preliminary report has been received from the representative of the colonies, from which it would appear that the principal change in the treaty affecting New Zealand is a reduction of the sea-transit rates. This will probably result in a saving to the colony. The weight of sample packets has been increased from 250 grammes (8 oz.) to 350 grammes (12 oz.), but the Congress refused by a large majority to accede to the demand that small packages of ordinary merchandise should be carried as samples. Among other matters, it was decided to permit vignettes or other illustrations on the address side of post-cards, provided sufficient space be left for the address, &c.; and that the postage-stamps of