

veyance is effected by services of more than one country, each administration participates in the 15 franc and 1 franc rates in the proportion of mileages of transit furnished to total sea-distance traversed, remains unaltered.

(c.) Sea transit under three hundred miles remains at the same rates as territorial transit.

Territorial transit rates which, under the Vienna and former Conventions, were fixed at 2 francs per kilogramme of letters and post-cards, and 25 centimes per kilogramme of other articles, are reduced by 5 per cent. during 1899 and 1900, 10 per cent. during 1901 and 1902, and 15 per cent. during 1903 and onwards. It is also stipulated that countries whose total receipts and expenditure in connection with territorial transit do not exceed 5,000 francs per annum will be exempt from payments on account of territorial transit.

Provision is also made for the reduction of those special maritime transit rates which now are 15 francs per kilogramme of letters and post-cards to 14 francs during 1899 and 1900, 12 francs during 1901 and 1902, and 10 francs during 1903 and onwards.

The counting of correspondence in May, 1896, on which the transit charges for 1895, 1896, and 1897 were computed, is to form the basis for all territorial and maritime transit payments till 1904 or later.

The ultimate effect of this decision will be a reduction in the transit rates generally. To New Zealand it will mean a saving in American overland and Atlantic sea transit of correspondence from this colony to the United Kingdom. Other alterations will also affect this colony favourably. The rates payable by European countries for the conveyance of their mail-matter from the Australian Colonies to New Zealand will, however, be more than doubled under the Washington conditions.

The effect of the reduction in the telegraph rates from 1s. to 6d. was referred to at such length in the report for last year that there is little to be added now. The anticipated disturbance in the revenue, and the largely increased expenditure then foreshadowed, have been realised; but the somewhat unexpected increase in the traffic in the quarter ended the 31st March last brought up the receipts for the year to £96,537 in place of the estimated £95,000, which is, however, £916 less than the revenue from paid telegrams for last year.

The average value of each paid telegram, which might fairly have been assumed to have reached a normal level last year, suffered a further fall from 9·29d. to 8·47d. As the average value for the first month of the sixpenny tariff—June, 1896—was 10·96d., it will be seen that condensation is now being generally practised by the users of the telegraph.

The following table will show the fluctuations of the business in paid telegrams for each quarter of the last two years:—

TABLE showing the NUMBER of TELEGRAMS forwarded, and the Revenue derived therefrom, during the Four Quarters of the Financial Years 1896-97 and 1897-98 respectively.

Quarter.	Number of Telegrams forwarded.		Increase per Cent.	Revenue.			Increase per Cent.	Decrease per Cent.			
	Year ended 31st March, 1897.	Year ended 31st March, 1898.		1896-97.		1897-98.					
June quarter ...	495,661	581,187	17·25	£ 23,978	s. 2	d. 4	23,189	13	1	...	3·29
September quarter ...	549,838	553,898	0·74	23,693	17	11	21,732	13	5	...	8·28
December quarter ...	610,751	643,801	5·41	25,075	10	0	25,182	7	6	0·43	...
March quarter ...	628,751	690,529	9·83	24,705	8	4	26,432	12	9	6·99	...
	2,285,001	2,469,415	8·07	97,452	18	7	96,537	6	9	...	0·94

From the 1st April last the change introduced on the 1st November, 1891, of keeping no office copies of received telegrams was abandoned in favour of taking telegrams in duplicate at the receiving instrument, and retaining the top copy as the office record. The absence of office copies of telegrams had latterly rendered it a matter of some difficulty to make such a complete audit of the telegraph revenue as was desirable, while there was reason to conclude that the absence of a check of the text of the forwarded against that of the received telegrams induced more errors and more indifferent handwriting on the part of telegraphists than would otherwise be the case. Under the system of keeping office copies, accounting checks are simplified—it being necessary to merely pair an original forwarded telegram with the copy of the received message, and to check the value affixed in stamps. Errors and careless work can now be more promptly brought home to the officers in fault, and an increase in the efficiency and accuracy of the work of the telegraph operating staff should result.

It has been decided, as a matter of experiment, to introduce at the principal telegraph-offices a combined telegram form and envelope so soon as the necessary machinery for cutting the forms is obtained from London. The combined form is so devised that the writing of the name and the address of the addressee by the receiving operator renders further addressing unnecessary. Freedom from error in address and economy in handling appear to be assured.

Owing to the difference of 1 hour 39 minutes between New South Wales (zone) time and New Zealand time, the opening of the Sydney Telegraph Office at 8 a.m. for the transmission of cablegrams to New Zealand had the effect of preventing messages then on hand from reaching