

The number of letters and newspapers received and despatched during the years 1874 and 1875 was:—

	1875.		1874.		Increase.
Letters—Received ...	...	5,053,403	...	4,339,165	
Despatched ...	...	5,374,448	...	4,719,291	
		10,427,851		9,058,456	1,369,395
Newspapers—Received ...	...	4,026,457	...	3,872,668	
Despatched ...	...	2,784,820	...	2,434,024	
		6,811,277		6,306,692	504,585

The increase of letters was equal to 15½ per cent., and of newspapers 8 per cent.

Comparing the number of letters despatched with the population of the colony, it is found that the proportion is 14·29 letters to each head of population, as against 12·08 for 1874. During this year the average in Victoria was 16·39, and in New South Wales 16·38.

#### REVENUE AND EXPENDITURE.

The revenue collected for the financial year ended 30th June last amounted to £80,656 Os. 9d. Had the postages due by the Imperial Post Office, and the sums recoverable from non-contracting colonies for conveyance of mails by the San Francisco Service, been collected within this period, the gross sum to have been treated as revenue would have amounted to £94,591 Os. 9d.

The subjoined statement shows to what extent the Postal revenue increased during the past four years:—

Financial Year.	Revenue.			Increase.		
	£	s.	d.	£	s.	d.
1871-72 ...	47,054	18	3	3,968	3	3
1872-73 ...	50,586	6	4	3,531	8	1
1873-74 ...	60,535	18	2	9,949	11	10
1874-75 ...	72,037	0	0	11,501	1	10
1875-76 ...	80,656	0	9	8,619	0	9

The revenue of 1874-75 included a sum of £1,345 recovered on account of contributions to the San Francisco Service, the actual amount collected in the colony being £70,692.

The revenue for the calendar year 1875, inclusive of the postage on franked correspondence, amounted to £122,495 18s. 9d., as shown by the summary table of the Report (No. 29). If the amounts admitted to be due, but not recovered, be added to this sum, £136,430 18s. 9d. would represent the gross earnings of the department for the year ended 31st December.

The transmission of franked correspondence is largely on the increase, as may be seen by the following table. The amount of official postage for 1874 was estimated at £42,223 6s.:—

ON THE SERVICE OF	AMOUNT OF POSTAGE FOR THE YEAR 1875.									TOTALS.
	Auckland.	Taranaki.	Hawke's Bay.	Wellington.	Nelson.	Marlborough.	Canterbury.	Otago.	Westland.	
Provincial Government	£ s. d. 463 14 6	£ s. d. 34 17 2	£ s. d. 26 7 4	£ s. d. 311 6 0	£ s. d. 58 17 4	£ s. d. 20 0 6	£ s. d. 87 4 8	£ s. d. 1,401 5 4	£ s. d. 212 1 6	£ s. d. 2,613 14 4
General Government ...	1,289 17 10	616 7 0	242 16 4	40,275 12 8	503 0 4	319 6 0	1,678 16 4	4,073 16 0	434 1 2	49,433 13 8
Totals ...	1,753 12 4	651 4 2	269 3 8	40,586 18 8	559 17 8	339 6 6	1,766 1 0	5,475 1 4	646 2 8	52,047 8 0

The actual expenditure for the financial year just ended amounted to £139,321 8s. 4d. Of this sum, £72,743 8s. 3d. represents the cost of conveyance of mails by sea. The payment for salaries was £32,135 2s. 8d., and Inland Mail Services absorbed £29,770 2s. 7d.

#### INLAND MAIL SERVICES.

The cost for the carriage of inland mails amounted to £28,699 Os. 10d for the calendar year 1875. There were 330 services in operation; of these 83 were carried out by coach and mail cart, 153 by horse, 29 on foot, 51 by water, and 14 by railway. These services exceeded 7,030 miles in length; and the gross number of miles travelled with the mails was 1,464,112, at an average cost of 4½d. per mile, a fraction higher than in 1874.

Daily communication has been established between Dunedin and Invercargill, and it may be of interest to remark that mails have been delivered between those places within fifteen hours. From Dunedin to Balclutha, and from Invercargill to Maitara, the mails are carried by railway, while the intermediate stage, between Balclutha and Maitara, is still travelled by mail coach.

The contract for the Napier and Tauranga coach service having expired, and no eligible offers received for continuing the service, temporary arrangements were made for the carriage of weekly mails by members of the mounted constabulary. The coach service will be re-established so soon as a favourable opportunity presents itself.

Forty-seven additional services were established, and in a number of cases the frequency of services increased. The extension of the railways has enabled many important districts to be supplied with daily mails, and in several instances with mails more than once daily.

The fact has forced itself upon the department that the strict and exact observance of schedule time appears to be considered by many contractors of secondary consideration. The department has