

Since the adoption of the amended San Francisco Service time-table, there has been an increase in the number of letters by the Galle and Suez route. It has been estimated that the colony's annual payments to Victoria will be increased thereby about £1,000.

The contract for the conveyance of the Suez mails between Melbourne and New Zealand expires in September next. It is proposed to renew the contract now held by Messrs. McMeckan, Blackwood, and Co., by whom the service has hitherto been carried out most efficiently.

The payment made by the colony in respect of the Torres Straits Mail Service for 1877 was £40 6s. 11d. This service is used only for the exchange of correspondence with China, Japan, Singapore, &c.

The agreement of 1874, under which the Imperial Government agreed to convey the colonial mails between San Francisco, Galle, Singapore, and London, free of charge to the colonies, and pay over the sums representing the outward postages (less the British inland rate), provided the colonies established and maintained at their own cost mail services to either the points named, expires on the 31st December next. The whole question is to be reviewed by the Imperial Post Office authorities; but it is not supposed that the Imperial Government will desire to force upon the colonies any arrangement less liberal than that now extant. On the United States postal authorities, in 1876, raising the transit charges upon closed mails conveyed by railway between New York and San Francisco, it was feared that that circumstance would decide the Imperial Post Office to deal exceptionally with New South Wales and New Zealand in any proposed new arrangement. From information recently received, however, it has been ascertained that, by a special agreement entered into on the 6th October, 1876, between the British and United States Post Offices, the rates of territorial transit charges on British-closed mails conveyed across the American Continent between Boston or New York and San Francisco has been lowered, so as to be now actually below the original rates which were in force prior to 1876. There appears, therefore, no reason why the existing agreement with the Imperial Government should not be renewed, or some other of an equally liberal character substituted. The Agents-General of the several colonies will make joint representations in the matter to the Imperial authorities.

It has not been practicable to re-establish steam communication with the Fiji Islands, and it is feared that it will be impossible to do so, except at a heavy outlay, owing to the trade in the meantime having been diverted to Sydney. There is at present a monthly steam service between Sydney and Fiji, subsidized by the New South Wales Government at the rate of £6,000 per annum.

The interprovincial services for the collection and distribution of the San Francisco mails have been performed most satisfactorily. No special agreement has been entered into for the collection of the outward San Francisco mails at Picton, Nelson, and New Plymouth; but the Union Steamship Company have generally timed the departure of one of their steamers from these ports to the Manukau so as to be available for this service.

The following steam services are subsidized by the department: Middle Island Service; Nelson and Blind Bay; Wellington, Kaikoura, and Lyttelton; Westport and Karamea; Tauranga and Opotiki (re-established in July, 1877); Helensville and Dargaville; Helensville and Matakoho, and Port Albert; Auckland, Warkworth, and Matakana; and Lyttelton and Pigeon Bay. It is also proposed to establish steam services between Tauranga and Katikati, and between Waitara and Mokau.

MONEY ORDERS.

The transaction of Money Order business was extended during the year to 13 new offices—namely, to Amberley, Aratapu, Feilding, Kaitangata, Lyell, Manutahi, Ohinemutu, Pukekohe, Sanson, Te Kopuru, Waitotara, Waiwera, and Woolston; and the total number of Money Order Offices open at the close of the year was 138, against 124 at the close of 1876.

There were 90,672 orders issued during the year for £334,973 7s. 9d., against 80,255 orders for £310,268 5s. 11d. in 1876; the increase being 10,417 orders, and £24,705 1s. 10d.

The money orders paid were 68,558, for £254,334 4s. 10d., against 59,807 for £232,334 6s. 2d. in 1876; the increase being 8,751 orders, and £21,999 18s. 8d.

The money orders issued in New Zealand for payment in the United Kingdom and the Australian Colonies were 26,672, for £101,168 11s. 11d.; and 4,826 orders for £20,800 11s. 3d. issued in those countries for payment in the colony. The orders issued in the colony for payment abroad exceeded those received for payment in the colony by upwards of £80,000. In 1876 the excess was £77,000, and in 1875, £81,000.

The telegraph was used during the year for the transmission of 12,478 orders, for £55,683 16s. 11d.; the increase of telegraph orders being 842 in number, and £3,629 4s. 11d. in amount.

The revenue derived from the issue of money orders in 1877 was £5,714 18s. 4d., against £5,261 19s. 2d. for the previous year; the increase being £547 0s. 10d.

SAVINGS BANKS.

New accounts were opened during the year to the number of 11,235, against 11,255 in 1876; and 8,591 accounts were closed, against 9,472 in 1876. The number of accounts which remained open had increased at the close of the year to 28,761, from 26,117 at the close of 1876.

The number of deposits received during the year was 60,953, amounting to £681,294 13s. 2d., the average amount of each deposit being £11 3s. 6d. The withdrawals were 39,363, for £667,023 7s. 5d., and of an average amount of £16 18s. 10d. The amount at the credit of depositors increased to £767,375 17s. 8d. at the close of the year, from £723,910 17s. 5d. at the close of 1876.

There was an excess of deposits over withdrawals of £14,271 5s. 9d., against an excess of withdrawals over deposits in 1876 of £32,146 14s. 10d.; and the interest credited to the accounts of depositors during the year was £29,193 14s. 6d., against £28,762 4s. 7d. in 1876.