

The gross revenue for the financial year amounted to £154,142 3s. 8d., against £150,315 8s. 7d. for the previous year, an increase of £3,826 15s. 1d., or 2·54 per cent.

The estimated expenditure, inclusive of the liabilities of the preceding year (and which for the first time were included as current expenditure), was £144,125 18s. 8d., or £10,016 5s. less than the receipts.

Added to the balance of £10,016 5s. as above, the sum of £58,584 13s. 8d., the estimated value of the official free postage, and £68,600 18s. 8d. represents the net earnings of the Post Office for the year.

The current year's postal revenue has been estimated at £160,000.

The number of letters, post-cards, book-packets and pattern-parcels, and newspapers delivered and posted during the year, compared with the number dealt with in 1880, is given in the following table:—

	1881.	1880.	Increase.
Letters—Delivered	13,588,740	10,963,012	
Posted	11,960,191	11,861,456	
	<u>25,557,931</u>	<u>22,824,468</u>	2,733,463
Post-cards—Delivered	382,174	264,507	
Posted	490,366	334,384	
	<u>872,540</u>	<u>598,891</u>	273,649
Book-packets and pattern-parcels—Delivered	940,238	673,669	
Posted	921,944	999,781	
	<u>1,862,182</u>	<u>1,673,450</u>	188,732
Newspapers—Delivered	7,228,663	5,651,270	
Posted	5,019,380	4,621,647	
	<u>12,248,043</u>	<u>10,272,917</u>	1,975,126

The letters increased 11·97, post-cards 45·69, book-packets 11·27, and newspapers 19·23 per cent., as against an increase in 1880 of 8·91, 19·9, 19·91, and 2·14 per cent. respectively.

The estimated number of letters posted by each person in the colony was 23·89.

“The Stamp Act 1875 Amendment Act, 1881,” authorized the interchange of postage and duty stamps by enacting that “one form of stamp of various denominations, according to the money-value of each, may be created, which may be used either as postage-labels or for any other purpose for which stamps are used or permitted to be used, whether under ‘The Stamp Act, 1875,’ or ‘The Stamp Fee Act, 1880,’ or otherwise howsoever, except under ‘The Beer Duty Act, 1880.’”

On the 1st April last a new series of combined “postage and revenue” stamps, of the following denominations, colours, and designs, were issued:—

One penny ...	Crimson ...	Queen's head in oval.
Twopence ...	Mauve ...	Queen's head in circle, hexagon border.
Threepence ...	Yellow ...	Queen's head in oval.
Fourpence ...	Dark-green ...	Queen's head in dotted circle.
Sixpence ...	Sepia-brown ...	Queen's head in square.
Eightpence ...	Blue ...	Queen's head in circle, hexagon border.
One shilling ...	Indian red ...	Queen's head in circle.

The two-shilling and five-shilling postage-stamps have been replaced by duty-stamps of similar values; and the higher values of duty-stamps are now accepted in prepayment of postage, and may therefore be used for either duty or postage purposes. The newspaper halfpenny stamp and the post-card impressed stamp have not been changed. The former stamp can be used only in prepayment of postage.

By this change the item of postal revenue hitherto derived from the sale of postage-stamps will no longer appear in the revenue accounts. All receipts from the sale of stamps at the several post offices are now accounted for as revenue proper of the Stamp Department. It was found to be impossible to apportion the sales, and it was decided that the total receipts from the sale of stamps should in the meantime be paid over as stamp revenue. To arrive at the postal revenue it will be necessary to do so by a special process; but, as the results can only be approximate, it will not be possible to determine with accuracy the actual receipts.

The work of inspection continued to show satisfactory results. The Christchurch, Dunedin, Oamaru, Timaru, Invercargill, Auckland, Thames, Wellington, Wanganui, and New Plymouth Districts were visited by the Inspector. It was deemed desirable to grant the Inspector such assistance as would enable a complete inspection being made of the post offices not in charge of permanent officers. Two experienced officers from the relieving staff were temporarily detached for this purpose, who visited the whole of the country post offices in the Auckland, Timaru, Oamaru, Dunedin, and Invercargill Districts. They also visited the minor combined offices. Over 500 offices were inspected during the year.

The system under which it is proposed to classify the Telegraph officers will also be extended to the employes of the Post Office branch, and thereby secure one system of general application for the whole service.

For departmental and other reasons the fixed commissions, fees, &c., hitherto paid direct to Postmasters for services performed by them for the Insurance, Registrar-General's, Stamp, and other departments, are now placed to the credit of the Postal-Telegraph vote, and the equivalent added to the fixed salaries of the officers.

With the desire to afford a convenience to the public, and at the same time to commemorate an important event in the history of the colony, a post and telegraph office was established at the International Exhibition, which was opened at Christchurch on the 10th April last, and the office placed