On account of telegraph extension, &c., the sum of £25,911 12s. 6d. was spent out of loan. 35,257,846 letters were dealt with—an increase of 1,669,438.

1,654,305 telegrams of all codes were forwarded, being an increase of 54,905 telegrams.

The Savings Bank deposits for the calendar year exceeded the withdrawals by £31,978 10s. 5d., compared with an excess of withdrawals of £117,245 14s. 2d. over the deposits in 1883.

The introduction of postal notes for circulation within the colony has been decided upon. The value of the notes and the poundage payable thereon will be,—

Value of Note.				Poundage.
One shilling	•••	•••		One halfpenny.
One shilling and sixpence	•••			. "
Two shillings and sixpence		• • • •	•••	One penny.
Five shillings				"
Seven shillings and sixpence	• • •		• • •	Twopence.
Ten shillings	••• «			Threepence.
Twelve shillings and sixpence	•••	• • •		<i>"</i>
Fifteen shillings	•••			"
Seventeen shillings and sixpence		•••		"
Twenty shillings	•••	•••	• • •	"

It is the intention to give practical effect to this decision early in January next.

It is also proposed to establish a parcels post, and a Bill providing for both inland and foreign parcels posts has been introduced in Parliament. Should the Bill be passed, it is intended to establish an inland parcels post early next year. It is also the desire to extend the system to places outside the colony. The fact of there now being a contract service by the direct steamers has removed many of the difficulties which hitherto interposed the way of establishing a parcels post between the colony and Great Britain.

During the year 51 officers of the permanent staff were appointed, 29 resigned, 6 were dispensed

with, 4 dismissed, and 7 died. Departmental changes, &c., involved 130 transfers.

108 telegraph-message boys were taken on, 41 resigned, 6 were dispensed with, 11 dismissed, and 3 died. The net increase was 47.

The total strength of the staff of permanent officers at the close of the year was 927. This was

exclusive of 218 telegraph-message boys, and 697 country postmasters.

The nature and extent of the business performed by each branch of the service will be found disclosed in the statements which follow, and in the appended tables. It may be remarked that, whatever may have been the effects of the depression experienced in several parts of the colony during the year, the business of the Post Office and Telegraph in no way suffered.

POST OFFICE.

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 1883, was as under:—

Letters—Delivered Posted	••	••	••	$1884. \\ 19,237,790 \\ 16,020,056$	1883. 17,768,357 15,820,051	Increase.
•				35,257,846	33,588,408	1,669,438
Post-cards—Delivered Posted	••	••	••	561,652 591,903	539,682 574,717	
				1,153,555	1,114,399	39,156
Books and parcels—Delivered Posted	••	••	••	1,529,603 1,511,510	1,197,521 1,321,363	
. 0				3,041,113	2,518,884	522,229
Newspapers—Delivered Posted	••	••	••	7,525,596 6,568,146	6,911,203 6,119,360	
				14,093,742	13,030,563	1,063,179

The letters increased 4.97, post-cards 3.51, books and parcels 20.73, and newspapers 8.16 per cent.

The average number of letters posted by each person was estimated at 28·39.

The cash receipts for the financial year ended the 31st March last amounted to £186,066 16s. 7d., being an increase of £9,384 7s. 10d., or 5.31 per cent. Stamps were estimated to have increased £3,000; money order commission increased by £128 18s. 2d.; and private box and bag fees, £75 1s. The postage received from foreign post offices was £6,724 3s. 9d. in excess of the sum received during the previous year, while the miscellaneous receipts fell off £627 17s. 8d.

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The expenditure on postal services was £161,069 14s. 11d., against £158,200 0s. 8d. for the former year, an increase of £2,869 14s. 3d., or 1 81 per cent. The expenditure, it should be noted,

was £24,997 1s. 8d. less than the revenue.

The value of the free correspondence has been estimated at £70,830 ls. 5d. Including this item, the gross earnings of the Post Office amounted to £256,896 lss., or an apparent surplus of £95,827 ld. on the year's business.

Property-tax receipts amounting to £93,688 16s. 2d., in 21,241 payments, were collected at

post offices.

1,149 game licenses, for £1,635 19s., and certificates for fees amounting to £2,743 10s., in connection with the inspection of machinery, were issued at post offices.