

The annexed statement will shew the distances travelled in this Province by the Inland Contractors, and the cost per mile :—

PERIOD.	NO. OF MILES TRAVERSED.	RATE PER MILE.	TOTAL COST.	
		s. d.	£	s. d.
1861-2	28,386	1 2½	1,743	0 0
1862-3	44,054	1 0	2,224	4 0
1863-4	79,328	0 10½	3,562	8 0

In the Province of Marlborough, three contracts for Inland Mails are in force—one for a Mail between Picton and Hurunui; another, twice a week, between Picton and Blenheim; and the third between Blenheim and Birch Hill.

In the Province of Nelson, there are five contracts in force.

In the Province of Wellington, there are four, and the Inland communication in this Province is very complete. There are eight offices on the West Coast, between Wellington and Wanganui, to and from which weekly Mails are sent and received. There are nine on the line of road between Wellington and Castle Point, and a fortnightly Mail running. There is a bi-weekly mail between Wellington and Karori; and daily, instead of bi-weekly, communication has been established with the Upper Hutt.

At Hawke's Bay, there are ten different contracts in operation, and twenty-four offices, independently of the chief office at Napier. Though two extra Mail Services have been provided—one to Gwavas, and an additional Mail to the Wairoa, by which weekly communication with that district is secured—the expenditure only exceeds the rate of that of the preceding half-year by £26. Of the ten contracts in this Province, nine are taken by Natives.

At Taranaki, there is but one office—the one in the town.

In the Province of Auckland, there are thirty contracts in force, and sixty-one Post Offices, independently of the Chief Office. The number of miles travelled by Inland Contractors is 84,941, at an average cost of 4d. per mile. The following Table exhibits the number of miles travelled, and the rate per mile during the last three years. The falling off is to be attributed to the stoppage of posts through disaffected Native districts. Some years ago there was a complete overland service, *viâ* Taranaki, to Wellington. This has long since been discontinued :—

YEARS.	NO. OF MILES.	MILEAGE RATE.	TOTAL COST.	
		s. d.	£	s. d.
1861-2	98,844	0 4½	1,660	10 6
1862-3	90,297	0 4½	1,576	2 6
1863-4	84,941	0 4	1,408	16 0

A Mail runs twice a day from Auckland to Onehunga, and from Auckland to Otahuhu. There are daily Mails from Auckland to Papakura, Drury, and on to the Queen's Redoubt on the Waikato, to St. John's College, Howick, Panmure, and Wairoa; and a Mail twice a week to Mauku and Waiuku. In the Northern District there is a double line of land communication—one by the Coast to Mangapai and all intermediate settlements, the other inland by the Great North Road to Kaukapakapa, with a branch to McLeod's mill, on the Kaipara. Weekly Mails are established to the new settlement of Albertland and Paparua.

The communication with the Bay of Islands is by water, and though irregular, it is frequent—on the average about twice a week. No contract exists for this service; small vessels are constantly trading backwards and forwards, and the masters of coasters carrying mails are remunerated by a gratuity of one penny per Letter. There are fortnightly posts from Russell, at the Bay of Islands, to Hokianga, Mongonui, Ahipara, and intermediate stations. The Russell and Hokianga Mail is carried by Natives, hired during good behaviour.

The weekly Mails between Auckland, Raglan, Aotea, and Kawhia, and the Mails between Tarawera, Maketu, and Tauranga are carried by Natives: and these services are satisfactorily performed by the Native carriers.

DEPARTMENTAL ARRANGEMENTS.

The very rapid increase of population and business at Southland and Otago have rendered it necessary greatly to increase the staff of Officers in those Provinces during the last year, so that the actual expenditure will be found to have somewhat exceeded the estimates, especially in the latter Province. The Postal revenue of the Colony for the Financial Years 1862-63 has, however, exceeded the revenue for 1861-62 upwards of 25 per cent. The receipts for 1861-62 were £19,250, for 1862-3 they were £26,870. The total expenditure, exclusive of steam subsidies, has been £30,400. At Dunedin it is proposed to create a new office—that of Secretary to the Post-office. The Officer filling this place will in reality be a second in command. The advantage of this arrangement is that inspection and supervision to some extent of Country Offices will be for the