

placing, in different parts of the principal towns, Iron Pillar Boxes for the receipt of letters, which are regularly cleared by the letter carriers. The hours during which the Offices are open to the public have been extended, being now from 9 to 5 instead of from 10 to 4 as formerly. Late letters are also received at the Chief Offices until 20 minutes before the hour for despatch of the mails, on payment of an extra fee of 6d. for Inter-Provincial and 1s. for Foreign Letters. Letter Boxes have also been placed on board each of the Inter-Provincial subsidized steamers, into which letters can be at any time posted, the late letter fee, in postage stamps, being affixed to the letters posted. This has been found to be a great convenience to the public, although some complaints have been made of the late fee being too high. An endeavour has been made to increase the efficiency of the Department by instituting an examination of Officers entering the Post Office service as to their geographical knowledge—with what results remains yet to be seen.

BUILDINGS.

The want of proper buildings in the two principal towns, Dunedin and Auckland, has been grievously felt, causing much inconvenience to the public and discomfort to the officers, and necessitating a larger number of officers than would be necessary in properly arranged and commodious buildings. A new Post Office is now in course of erection in Dunedin, and it is hoped that the labours of the Public Buildings Commissioners in Auckland will soon give to that city a suitable Post Office. Until that is done it is impossible to expect anything like efficiency even from the ablest officers. In the other Provinces the Post Office buildings are tolerably well suited for present requirements.

MONEY ORDER SYSTEM.

The annexed tables will show to what extent the public avail themselves of this mode of transmitting money. In the Province of Otago especially it is very largely made use of by the mining population, no less than £16,740 having been remitted to the Colony of Victoria alone by this means during the past year.

POST OFFICE SAVINGS BANK.

The introduction of the Post Office Savings Bank system, which has been so successful in Britain, has been a matter which has received much consideration from the Postmaster General. The English system would require to be considerably modified in order to meet the peculiar conditions of the Colony, but there are no insuperable difficulties in the way of its successful operation. That it would be a great boon to the public there cannot be a doubt, whilst it would be a useful adjunct to the other financial departments of the Government. It is hoped that an Act will be passed at the next session of the Assembly, enabling the system to be brought into operation in the Colony.

FINANCIAL.

For some years past the sums provided by the Estimates for payment of the proportion of postages becoming due to Great Britain on the home correspondence have been insufficient, leaving a constantly increasing balance due to the Imperial Government. This balance at 30th September, 1864, amounts to about £34,000, which ought to be provided for in addition to the probable amount required for the ensuing year.

RATES OF POSTAGE.

Early in the current year the Imperial Government intimated its intention of increasing the rate of postage from England to New Zealand and the Australian Colonies, and invited the Colonies to adopt a similar proceeding in reference to the rate from the Colonies to England. New Zealand, in common with the Australian colonies, except New South Wales, remonstrated against the increase, and declined to adopt the proposal, so far as they were concerned. Strong remonstrances were also made by the people of England on the subject, and it is satisfactory to find that the Imperial Government have for the present deferred carrying their proposal into effect.

From the annexed Tables it will be seen that the Post Office expenditure in New Zealand is very far in excess of the revenue, an excess mainly caused by the very heavy cost of transmission of mails. The inland conveyance of mails is an especially heavy item, and this is to a very large extent caused by the great bulk of newspapers transmitted by post. At present newspapers are in New Zealand transmitted free, although such a course is not adopted, as far as can be ascertained, in any other Colony. There seems no good reason why the finances of the Colony should be burdened with the cost of carriage of newspapers, and it is a matter which should receive the consideration of the next General Assembly whether all newspapers transmitted by post should not be subject to a small postage rate.

THE FRANKING SYSTEM.

This system, which has been almost entirely abolished in England, and the other Colonies, has been gradually extending itself in New Zealand. Numerous abuses having been brought under the notice of this department. A careful consideration has led to the conclusion that the system ought to be almost entirely abolished. Not only is it very liable to abuse, as experience has everywhere shown, but it prevents a proper knowledge of the cost of the various departments of Government. It is therefore proposed at an early date to confine the right of franking within very narrow limits.