

increase was at the rate of 15·98 per cent. per annum. It had been estimated that the reduction would involve a loss to the department of £10,374 for the first year, assuming the letters increased 10 per cent. Of the number of letters received from the United Kingdom during the four months ended April there was an increase at the rate of 9·68 per cent. per annum.

The special letter rate *via* Brindisi and Naples was reduced to 6d. per half-ounce, and this will be further reduced to the universal postal union rate of 2½d. on the 1st October next.

Concurrently with the reduction of the letter postage an exchange of twopenny post-cards with the United Kingdom was established. A special post-card has not as yet been issued in the colony; the Inland-Australian card, having a penny stamp affixed, is accepted in the meantime.

To provide for the altered rate of postage to the United Kingdom stamps of the denominations of 2½d. and 5d. were issued. The following is a description of the stamps:—

Twopence halfpenny.—Queen's head in profile, enclosed in an oval, on line groundwork, encircled by the words "Postage and Revenue." At the base the words "New Zealand," and immediately below, the words "Twopence halfpenny," with the figures and letter "2½d.," in white letters, dividing them. On each of the upper corners of the stamp a representation of an ocean-steamer. Printed in light blue.

Fivepence.—Queen's head in profile, in relief, enclosed in a tablet, the figure and letter "5d." printed in side tablets on white ground; and on a ribbon design the words "New Zealand Postage and Revenue." The border of the stamp of filigree pattern. Printed in silver-grey.

The 2½d. stamp was issued on the 27th December last, and the 5d. one on the 1st February.

The 2½d. stamp is from a design by Mr. Cousins, of Wellington, and the 5d. stamp from a design by Mr. A. W. Jones, of Christchurch. Both stamps were engraved by Mr. Cousins, and the electrotypes were manufactured in the Government Printing Office.

A series of special stamps for prepaying the correspondence of the Government Life Insurance Department have been permitted to be brought into use in lieu of the ordinary postage- and revenue-stamps. The stamps are six in number, of the respective denominations of ½d., 1d., 2d., 3d., 6d., and 1s. They are all of the same design—a lighthouse in the centre on lined groundwork, and on the rays of light from the lantern the words "State security." The letters "V.R." flank the tower. Above the lighthouse are the words "Government Life Insurance," flanked by the initials "N.Z.," and below, the word "Department." "Postage" and the value in words appear on the sides of the stamp, and the value in figures in the lower corners. The colours are—½d., mauve; 1d., dark blue; 2d., Indian red; 3d., brown; 6d., light-green; and 1s., carmine.

The prepayment of insurance correspondence by special stamps is the outcome of a difference of opinion between the Insurance Department and the Post Office as to the annual postage, calculated on periodical countings, to be paid the Post Office. The matter in dispute was referred to an arbitrator, but the Insurance Department declined to recognise the award, and decided to prepay its correspondence by stamps. The acceptance of alien stamps by the Post Office is unique. It was urged that stamps of a distinctive character would be less likely to be fraudulently used, while they would also afford a means for advertising the Insurance Department.

PARCEL-POST.

The increase of business was not equal to that of the previous year. The increase, however, gives promise of a continued and satisfactory expansion of the parcel-post system.

The minimum rate on inland parcels has been reduced from 7d. to 6d., with a corresponding reduction in each successive rate. The rate for a parcel of the maximum weight of eleven pounds is now 3s., in the place of 3s. 1d.

The following table shows the number and weight of parcels posted and the number delivered during the years 1888, 1889, and 1890:—

Postal Districts.	1888.			1889.			1890.		
	Posted.		Delivered.	Posted.		Delivered.	Posted.		Delivered.
	Number.	Weight.		Number.	Weight.		Number.	Weight.	
		lb. oz.			lb. oz.			lb. oz.	
Auckland ..	15,267	39,276 0	8,343	19,468	53,351 11	13,186	21,882	57,912 10	17,100
Thames ..	886	2,091 11	1,776	1,199	3,053 1½	2,651	1,491	3,661 8	3,147
New Plymouth ..	722	1,744 0	1,644	878	2,341 14	2,131	1,007	2,674 3	2,748
Gisborne ..	694	1,731 11	1,508	770	1,969 0	1,991	938	2,570 6	2,367
Napier ..	3,810	9,787 6	5,060	5,354	13,802 2	6,747	6,265	17,075 14	7,659
Wanganui ..	2,794	6,044 0	5,229	3,344	7,862 8	7,111	4,035	9,568 8	9,195
Wellington ..	16,591	42,627 8	10,500	20,856	55,910 9	14,088	25,893	74,544 2	17,110
Nelson ..	3,058	8,405 14	2,286	3,767	11,013 13½	3,295	4,723	13,370 7	3,723
Westport ..	674	1,497 2	1,474	868	1,859 14	2,091	1,077	2,332 4	2,701
Greymouth ..	1,496	3,840 13	2,699	1,630	4,024 11½	3,449	2,509	6,243 13	4,244
Hokitika ..	922	2,517 12	1,698	1,182	3,394 5	2,007	1,413	3,924 5	2,173
Blenheim ..	1,165	2,603 10	2,711	1,785	4,008 15	3,903	1,846	4,357 11	4,574
Christchurch ..	10,893	29,534 3	5,692	17,370	48,403 14	8,524	19,333	58,708 4	10,422
Timaru ..	1,267	2,740 8	2,049	1,760	3,807 1	2,899	2,013	4,774 8	2,742
Oamaru ..	650	1,417 7	1,434	854	1,873 14	2,100	859	2,123 3	1,701
Dunedin ..	16,594	44,115 4½	9,709	20,363	57,366 11	11,439	22,500	65,329 13	13,271
Invercargill ..	2,295	4,748 0	2,911	3,138	7,722 12½	3,932	3,458	7,477 5	3,888
Totals ..	79,778	204,722 13½	66,723	104,586	281,766 13	91,544	121,292	336,643 12	108,765

The table includes inland, United Kingdom, and Australian parcels.

The number of inland parcels posted and delivered was—posted, 117,613; delivered, 93,730.