

A weekly mail has been established between Christchurch and Timaru, and a fortnightly service from Timaru to the Mackenzie Plains. The services in this district have been very much accelerated, and are efficiently performed.

A monthly overland mail was established at the beginning of 1862 between Nelson and Blenheim, in the Province of Marlborough; but, as the service is not satisfactory, and the want which it was intended to supply will be met in another way, notice has been given of the discontinuance of the contract from the 30th of June, 1862.

The completion of the link of communication between Castle Point and Porangahau connects Wellington and Napier by a fortnightly mail, and perfects the overland line from North to South by the East Coast.

The service between Auckland and Napier, carried by Maoris, was accelerated at the commencement of 1862; and a service was contracted for with the view of supplying the requirements of the inhabitants of the Bay of Plenty, but it has as yet imperfectly succeeded.

The whole system of overland posts through the Native districts to the South of Auckland has been steadily improving under the management of the Rev. John Morgan, of Otawhao, to whom the thanks of the department are due for the energy and judgment which he has exerted for many years in establishing and controlling the difficult services in question. The last period of receiving tenders for the overland Postal Services through those Native districts in the North Island for which annual contracts are made was distinguished by an extraordinary eagerness on the part of a large number of competing tenderers of the Native race to undertake the required work. Further, the duty, when undertaken, has been performed with remarkable regularity and punctuality and in an excellent spirit, so far as the contractors themselves have been concerned. Nevertheless, the year's service through some districts has not been without its difficulties; and it has been found impracticable to reorganize the overland post between Wanganui and Taranaki.

REVENUE, EXPENDITURE, AND CORRESPONDENCE.

The extensions and improvements which have been made in the Postal Service, and those now contemplated, though of some magnitude, are not disproportionate to the increase which has taken place in the services performed, or to the estimate which may reasonably be formed of their further increase. It will be seen from the Tables in the Appendix, that the number of letters carried in 1861, within the Colony, both by land and sea, was greater by one-half than the number similarly carried during the preceding year. The number of letters despatched to places out of the Colony increased during the same period by more than thirty-seven per cent.; and the whole number despatched through the Post Office rose from 681,079 in 1860, to 973,596 in 1861, an increase of about forty-three per cent. During the same period, the Postal receipts rose, in like proportion, from £10,068 13s. 11d. to £14,108 8s. 0d.—a revenue very nearly double that received from the same source in 1859. From the advance already apparent, at least an equal rate of increase may be calculated upon for the current twelve months.

The distance over which mails were carried within the Colony, by land, during the year, is shown in a table in the Appendix to have been 245,306. The total cost of conveyance on overland services for the year was £5,749 18s. 9d. The mileage rate was, therefore, about 5½d. per mile. The number of letters carried all distances by land, is shown by another table to have been upwards of 470,000, at an expense of nearly 3d. per letter, for conveyance alone.

The whole number of letters carried by sea between different places in the Colony during the year was 246,297; and the whole expense of carriage, including subsidies paid by the Provinces for strictly Postal objects, is estimated at £12,000: being at the rate of 11½d. per letter. But it must be remembered that the packets employed on this service performed also the duty of carrying all foreign correspondence from and to the first port of arrival and last of departure in New Zealand of the inter-colonial boats.

The total expenditure on the carriage of mails between New Zealand and places beyond seas for the year was about £25,000. Of this amount, £14,000 was contributed by the Imperial Government towards the service between Australia and New Zealand, and about £4,000 by the Provincial Governments of Canterbury and Otago. The remainder represents the sum for which the Colony is estimated to be liable, in the adjustment of the Colonial contributions to the trunk service between the United Kingdom and New South Wales. The number of letters despatched to places beyond the Colony during the year was 257,000, at a cost of 23½d. per letter.

The total number of letters which passed through the Post Office in the year was 1,236,768, and 1,400,000 newspapers; or, more than 12 letters and 14 newspapers per head of population.

The total expense of management of the Post Office during 1861 was £8,429 8s. 7d.; and the gross expenditure of all kinds for Postal purposes, defrayed by the Colony, amounted to £30,666 14s. 3d.

FOREIGN AND SEA-BORNE POSTS.

In the Appendix annexed is printed the last statement furnished by the Imperial Post Office, showing the apportionment of the contributions of the Colonies to the expenses of the Australian trunk service according to the system proposed in the Treasury minute of 1855, and calculated on the returns of the year 1860. The system of apportionment adopted up to this period has been a calculation of the ratio which the number of letters passing between each Colony and the United Kingdom bears to the whole number of letters carried.

A change has, however, been effected in this system of apportionment, by authority of the Imperial Government, and with the consent, it is understood, of all the Colonies of the Australian group. The calculation is now based upon the compound ratios of the number of letters carried and of the distance over which they are carried. A further statement made out upon this basis will be found in the Appendix hereto annexed.