

Several of the existing postal districts are to be re-arranged, and it is the intention to create additional divisions. For the future, all officers in charge of postal districts will be designated "Chief Postmasters."

The post-card system was introduced during the year, and as an event in the history of postal progress in the colony, the fact is one deserving of more than ordinary notice. Post-cards were first issued on the 1st November last, and on the 31st December 92,500 were sold to the public—a number which largely exceeded the most favourable estimate. The introduction of post-cards would appear to have been appreciated by the public, by whom the cards are extensively used, both for general and special purposes.

No complaints have been made against the charge of a penny for each card; and, contrary to anticipation, not a single card has been detained for having obscene or libellous writing. There is reason to believe, however, that a few post cards, with writing of an offensive character, have been posted and delivered to the addressees. There seems no good or sufficient reason for supposing that post-cards will be extensively used as a medium for transmitting obscene or libellous communications. The success which has attended the introduction of the post-card system has been very satisfactory.

It is impossible, in the present report, to state to what extent the revenue may have been affected by the circulation of post-cards. It is believed, however, that the revenue has not suffered; and that when returns have been completed it will be found that the postal receipts have not in any way diminished through the introduction of the post-card system. This assumption is based on the knowledge that the post-cards are to a large extent used for purposes which were formerly effected by agencies other than that of the Post Office.

It may be stated that the New Zealand post-card is a colonial production, having been manufactured in the Government Printing Office. The printing is from an electrotype, the impressed stamp being produced from the die of the penny postage stamp, and the border and body of the card from ordinary type. The card is of the size of five inches by three and an eighth inches. It is printed in Indian red on buff-coloured card.

The expense in connection with the introduction of post-cards, inclusive of the cost of producing 1,002,500 cards, is estimated at £184 3s. 6d.

The United States postal authorities have again been communicated with, in the hope that they may consent to the establishing of a system for the exchange of money orders.

REVENUE AND EXPENDITURE.

The cash revenue collected within the colony, year by year, for the six financial years ended 30th June ultimo, is shown by the following statement:—

Financial Year.	Revenue.			Increase.		
	£	s.	d.	£	s.	d.
1871-72	47,054	18	3	3,968	3	3
1872-73	50,586	6	4	3,531	8	1
1873-74	60,535	18	2	9,949	11	10
1874-75	70,692	0	0	10,156	1	10
1875-76	80,656	0	9	8,619	0	9
1876-77	86,547	14	0	5,891	13	3

The increase for the six years is 100·87 per cent.; and the year 1876-77 shows an increase over the preceding year of 7·30 per cent.

The total receipts of the department for the financial year, compared with the expenditure, may be stated to be as follows:—

REVENUE.			EXPENDITURE.		
	£	s. d.		£	s. d.
Revenue collected within the colony	86,547	14 0	Payments on account of Salaries	37,585	6 6
Receipts from non-contracting colonies	1,489	14 1	Conveyance of Mails by Sea	64,919	9 10
Postages estimated to be due by London	14,437	2 10	Carriage of Inland Mails	27,743	5 9
Balance of Expenditure over Revenue	37,236	4 7	Contingencies	3,802	2 6
			Estimated Liabilities	6,186	0 0
	<u>£140,236</u>	<u>4 7</u>		<u>£140,236</u>	<u>4 7</u>

By taking into account £51,816 6s. 0d., the sum estimated for franked correspondence, it will be found that the earnings of the Department for the year exceeded its expenditure by the sum of £14,054 12s. 4d.

OFFICIAL POSTAGE.

The service performed for other departments of the Government service by the Post Office, in the transmission of official correspondence through the post, is shown by the following Table:—

OF THE SERVICE OF	AMOUNT OF POSTAGE FOR THE YEAR 1876.									TOTALS.
	Auckland.	Taranaki.	Hawke's Bay.	Wellington.	Nelson.	Marlborough.	Canterbury.	Otago.	Westland.	
Provincial Government	£ s. d. 337 8 6	£ s. d. 80 8 4	£ s. d. 26 7 10	£ s. d. 332 1 1	£ s. d. 46 1 1	£ s. d. 43 8 8	£ s. d. 29 7 4	£ s. d. 1,245 17 4	£ s. d. 185 5 9	£ s. d. 2,326 5 10
General Government ...	1,293 19 8	757 9 6	270 5 10	39,272 5 7	547 5 8	179 17 4	1,848 1 4	4,914 8 8	406 6	749,490 0 2
Totals ...	1,631 8 1	837 17 10	296 13 8	39,604 6 8	593 6 9	223 6 0	1,877 8 8	6,160 6 0	591 12	451,816 6 0