

The Telegraph Office at Nelson having been transferred to the new premises erected in Trafalgar Street, the Chief Post Office has been re-arranged and enlarged. The accommodation is now most suitable and convenient, and it may be remarked that the office is one of the most commodious in the colony.

The Chief Post Office, Wellington, has also been re-arranged, and although additional and improved accommodation has been secured, the increase of business has been so great that the office is even now found to be barely large enough for the requirements of the department. As this office cannot be further enlarged, with any corresponding degree of convenience, the question of providing new and suitable offices must shortly be taken into consideration.

The Telegraph Department at Dunedin having vacated the Post Office building for new premises, arrangements are now being made for effecting much required improvements in the Chief Post Office. The intention is to make very considerable alterations, and re-arrange and enlarge the office and public accommodation. It is a matter for regret that the department should only be enabled to carry out these alterations because of the removal of the Telegraph Office to a separate building, a change which cannot but result in more or less inconvenience to the public, from the fact that the business of the Post Office and Telegraph must for the future be carried on in separate offices, considerably apart from each other.

The Post Office and Telegraph building now in course of erection at Port Chalmers will be completed in September next.

The Post Office and Telegraph business at Lawrence is now carried on in the old Courthouse building, which has been adapted for the requirements of the two departments with satisfactory results.

Since the date of last report, new offices have been erected and occupied at Alexandra, Amberley, Cambridge, Drury, Feilding, Kaitangata, Mercer, Outram, Oxford, and Sanson. Several other offices have been altered and enlarged.

New offices are being built or intended to be erected at Kumara, Mohaka, Mongonui, Reefton, Waiwera, and Whangaroa. The buildings in course of erection at Gisborne are also designed to provide accommodation for the Post Office. Alterations to the Nelson Custom House are to be carried out so as to enable a branch Post Office being opened at the port.

INLAND MAIL SERVICES.

The expenditure on account of Inland Mail Services for the year 1876 amounted to £27,797 11s. 9d. The number of services provided by the department was 378, as against 330 in 1875, showing the number of additional services established during 1876 to have been 48. Of the 378 services, 89 were performed by coach and mail cart, 168 on horseback, 49 on foot, 49 by water, and 23 by rail. These services in the aggregate were of a length of 7,479 miles, and the gross number of miles travelled with the mails was 1,792,752 miles, at an average cost to the department of 3½d. per mile. In 1875, the Inland Mail Services were 7,030 miles in length, while 1,464,112 represented the number of miles travelled with the mails, and the cost 4½d. per mile. The above expenditure is, of course, exclusive of the services performed by the railways free of charge to the Post Office, which, if taken into account in calculating the total cost for the carriage of inland mails, would considerably increase the department's expense in this direction.

The coach service between Napier and Tauranga has been re-established.

Mails between Wellington and Napier are now delivered in two days.

The journey between Wellington and Wanganui has also been accelerated, and mails have been delivered within twenty-four hours, but the ordinary time is twenty-seven hours.

Daily mails are now exchanged between Greymouth and Reefton, under a three years' contract, at an annual subsidy considerably less than formerly paid for the thrice-a-week service.

Railway extension has been the means of accelerating the delivery of mails, and enabled the department to provide several important districts with additional postal facilities. The completion of the line between Christchurch and Oamaru admits of mails being delivered between those offices in a day, and the exchange of mails between Christchurch and Oamaru, and several of the intermediate Post Offices, has been increased to twice daily.

A large number of the services have been contracted for for a period of two years. Those services affected by railway extension may, however, be terminated on notice by the department, or a reduction at a fixed rate made from the subsidy for each mile the Contractors shall be relieved from running their conveyances.

The several services have been creditably performed, and generally schedule time has been observed. Several acts of carelessness have been reported, and the Contractors have been called to strict account. One mail has been lost, and as it was shown to have been lost through negligence, the Contractor was summarily dealt with.

MAIL STEAM SERVICES.

The negotiations for effecting a modification in the San Francisco Service only await the assent of the Parliament of New South Wales to the proposals. In the meantime, permission has been given the Contractors to perform, temporarily, the service on the basis of the proposed modification, but on the understanding that, should the New South Wales Parliament refuse to adopt the altered service, the Contractors shall be required to carry out their contract in its entirety. This concession was granted on the 4th May last, from which date the Contractors have been paid a lesser subsidy of £72,500 per annum, instead of £89,950. As a matter of fact, however, the Contractors, owing to unforeseen circumstances, had been permitted to perform the modified service since December last, on the understanding that they arranged for carrying out the coastal part of the service,