Arrangements for establishing within the colony a parcels post are under consideration; and, if the Bill now before Parliament be passed, it is intended to have everything in readiness for introducing the scheme before the end of the year.

The cash receipts of the department for the financial year amounted to £297,375 10s. 10d., an increase of £13,130 8s. 1d., or 4.62 per cent.

The revenue and expenditure for the year are given in the following statement:—

Revenue.		£	s.	d.	Expenditure.	£		d.
Stamps used for postage		141,500	0	0	Salaries	126,190	12	2
Money-order commission collected in	i the				Conveyance of mails by sea	84,357		
colony		9,271	15	3	Conveyance of inland mails	28,925	19	9
Money-order commission received	from				Conveyance of mails by rail	739	10	0
foreign offices		455	0	4	Money-order commission credited to			
Private box and bag fees		4,051	10	0	foreign offices	1,335	5	10
Postage from foreign offices		30,853	5	7	Maintenance and repairs to telegraph			
Miscellaneous receipts (postal)		9,264	9	8	lines, and miscellaneous	42,872	9	5
Ordinary and press telegrams		88,013	15	3	Cable subsidies	5,350	0	0
Telephone exchange		12,294	1	2				
Miscellaneous receipts (telegraph)		1,671	13	7		£289,771	14	5
1 (0 1 /					Balance of revenue over expenditure	7,603	16	5
		£297,375	10	10		£297,375	10	10

The revenue was £7,603 16s. 5d. in excess of the expenditure; and it may be stated that the Post Office and Telegraph expenditure has been considerably less than the receipts for the past five This highly satisfactory position, however, is not generally known.

The value of work performed gratuitously for other departments of the Government service was no less than £95,075 4s. 8d., and, taking credit for this sum, the gross earnings of the department will be found to have amounted to £392,450 15s. 6d. for the year.

£29,452 1s. 3d. was expended on account of telegraph extension, and £7,569 4s. 5d. on buildings, repairs, &c., out of Public Works Votes.

35,829,855 letters were dealt with.

1,774,273 telegrams of all codes were transmitted.

58 additional offices were opened, and the total number open at the end of 1885 was 1,049.

20 new mail services were established, and the total number maintained for the year was 553. The number of miles of telegraph lines increased by 190, and the total number of miles at

the end of the year was 4,463. The number of miles of wire increased from 10,474 to 10,931. The telephone-exchange system was very largely extended during the year. Excluding the

free connections, there was an increase of 506 subscribers for the twelve months. The total number of connections on the several exchanges on the 30th April last was 1,755. 3 new exchanges were established, namely, at Napier, Wanganui, and Timaru.

£1,341,001 3s. 2d. was deposited by Savings-Bank depositors during the calendar year; and the sum at the credit of depositors on the 31st December was £1,638,035 19s. 5d.

38 officers on the permanent staff were appointed, 26 resigned, 8 were dispensed with, 4 dismissed, 1 disrated, and 4 died.

Departmental changes involved 193 transfers.

65 telegraph message-boys were appointed, 24 resigned, and 12 dismissed.

The following table and return give the number of offices and officers of all classes on the 31st December last :-

Postal Districts.	Post and Telegraph Offices. Country Post Offices. Telephone Exchanges.		ne Bureaux.	Clerks and Postal Cadets.		Operators (including Cadets).		Postmasters and Officers-in- Charge on Permanent Staff.	Postmasters.	Letter-carriers.		ers (Post Office).	Tele Messa	legraph age Boys.	
	Post and	Country	Telepho	Telephone	Town.	Country.	Town.	Country.	Postmasi Charge Country	Country	Town.	Country.	Messengers	Town.	Country.
Auckland Thames New Plymouth Gisborne Napier Wanganui Wellington Blenheim Nelson Wesport Greymouth Hokitika Christchurch Timaru Oamaru Dunedin Invercargill	45 11 6 1 17 13 19 6 11 5 4 8 50 16 9 37 20	177 27 14 17 32 19 60 17 32 18 21 26 101 25 12 105 67	1 1 1 1 1 1 1 1 1 1	10	35 1 2 1 12 8 40 3 5 1 3 30 5 4 435 8	 	21 7 5 3 22 11 37 32 2 7 4 27 6 6 6 24 7	8 7 1 5 4 9 2 2 2 4 1 6 6 2 8 6	46 11 6 1 18 13 21 6 11 5 4 3 51 16 9 38 20	177 27 14 17 32 19 60 17 32 18 21 26 101 25 12 105 67	14 2 2 1 3 2 7 1 1 1 1 2 2 1 1 1 2 1 1 1 1 1 1 1 1	4 1 1 2 2 2 1 6 3 3 1	2 1 1 1 1 1 1 2 2 2	15 4 3 3 6 4 4 33 2 2 16 3 14 3 121	111 4 22 4 8 6 2 2 2 2 2 3 1 1 15 2 16 6