

standing the pressure on the staffs, the officers to whom the duty of paying pensions has been allotted have, without exception, by the exercise of tact and patience, enabled the work to be done in such a way as to give rise to no complaint. On the 1st June 495 pensions were paid at Auckland, 210 at Wellington, 404 at Christchurch, and 318 at Dunedin. The total number for which warrants were issued was 8,345. The work entailed upon the General Post Office and the principal chief offices has been met by the appointment of several cadets; but, as it is intended to grant greater facilities to pensioners in country districts who may not live within a reasonable distance of and be able to attend personally at the paying money-order office, a considerable amount of additional clerical work will necessarily follow, and special accounting arrangements will probably be required.

USE OF BICYCLES.

The use of bicycles has been further extended during the year. There are now twenty-six bicycles belonging to the department in use by letter-carriers, ten by telegraph messengers, and eleven by telegraph linemen, while ten letter-carriers and nineteen telegraph messengers receive a small yearly allowance for the use of privately owned bicycles. The Imperial Post Office having adopted a standard specification, future bicycles for this department will be built according to it.

OFFENSIVE PUBLICATIONS SENT BY POST.

Test cases having resulted in the infliction of fines on booksellers offering for sale newspapers containing advertisements infringing the provisions of "The Offensive Publications Act, 1892," it may be determined to exercise the powers under section 3 of "The Post Office Acts Amendment Act, 1893," to detain and destroy all copies of newspapers or other publications containing advertisements, &c., interdicted by "The Offensive Publications Act, 1892."

POSTAGE ON MAGAZINES.

In order to bring the New Zealand postage on magazines into conformity with the postages existing in the principal Australian Colonies, a magazine post was established as from the 1st January last, the postages being fixed at 1d. for the first 8 oz., and $\frac{1}{2}$ d. for each succeeding 4 oz., as against $\frac{1}{2}$ d. per 2 oz. under the former regulations. As many magazines weigh as much as 1 lb., the concession is a considerable one, and is much appreciated by booksellers and their country customers.

AGREEMENT WITH RAILWAY DEPARTMENT.

The agreement which subsisted for the three years prior to the 1st April last between the Post Office and the Railway Department in connection with the carriage of mails by railway, &c., and the telegraph and postal services performed for the Railway Department, has been revised. The following figures give the result of the revision. As will be seen, the Post Office will in future make the Railway Department a net annual payment of £18,072 6s. 3d., as against £20,937 per annum paid under the old agreement.

	As under old agreement.			As revised (from 1st April, 1899, to 31st March, 1901).					
	£	s.	d.	£	s.	d.	£	s.	d.
To be paid to Railway—									
For post and telegraph business at combined offices	8,657	0	0	*8,932	0	0			
Carriage of mails by rail	30,129	0	0	31,612	1	0			
Handling mails	120	0	0	220	0	0			
Parcel-post	600	0	0	750	0	0			
	39,506	0	0	41,514	1	0	2,008	1	0
To be paid to Post and Telegraph—									
Railway telegrams	10,000	0	0	13,000	0	0			
Postage	4,000	0	0	5,000	0	0			
Telephone exchanges	521	0	0	1,004	0	0			
Private boxes	48	0	0	47	0	0			
Maintenance of wires, &c.	4,000	0	0	4,390	14	9			
	18,569	0	0	23,441	14	9	4,872	14	9
Net gain to the Post and Telegraph Department							2,864	13	9

RESULT OF REDUCED TELEGRAPH RATE.

For the first time in the history of the department, the net revenue from paid telegrams exceeded £100,000, the exact figures being £101,104 12s. 4d., an increase of £4,567 5s. 7d. on that of the previous year. The number of telegrams handled rose at the same time from 2,469,415 to 2,717,548: an increase of 248,133. In 1895-96, in which the old tariff obtained throughout the financial year, the number of telegrams was 1,899,632, and the net revenue £92,289 9s. 6d. In three years the revenue has increased by £8,815 2s. 10d. or 9.55 per cent., and the number of telegrams by 817,916,

* Subject to adjustment during the currency of the agreement.