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ELEVENTH REPORT

OF

THE POSTMASTER GENERAL,

ON

THE POST OFFICE.

Presented to both Houses of Parliament by Command of Her Majesty.



LONDON:
PRINTED BY GEORGE E. EYRE AND WILLIAM SPOTTISWOODE,
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FOR HER MAJESTY'S STATIONERY OFFICE.

1865.

14396.

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ELEVENTH REPORT.

TO THE RIGHT HONOURABLE THE LORDS COMMISSIONERS OF
HER MAJESTY'S TREASURY.

MY LORDS,

IN the Tenth Annual Report on the Post Office I described the progress of the department during the year 1863, and during the 10 years over which this series of Reports had at that time extended; and after pointing out what had been done during the period to facilitate the circulation of correspondence and the transmission of money from place to place, and to furnish the working classes with the means of securely investing small savings, I showed what had been the result of these proceedings in each of the three great divisions of the kingdom.

In this, the Eleventh Report, I propose to continue the comparison upon the same plan, and to show what further progress was made in 1864.

The following table, which is similar in plan to that which appeared in the 12th and 13th pages of the Tenth Report, will give a tolerably complete view of the business of the Post Office, the Money Order Office, and the Post Office Savings Banks, in the London district, in the rest of England and Wales, in Scotland, and in Ireland, during 1863 and 1864, and will show the increase and per-centage of increase in each branch of business during the latter year.

I trust that the results which this table exhibits will be satisfactory to the country.

POST OFFICE.

Number of Letters delivered in the Year.	Proportion of Letters to Population, or Number of Letters to each Person.		Proportion of Letters to Inhabited Houses, or Number of Letters to each Inhabited House.		Number of Book Packets, including chargeable Newspapers delivered in the Year.		Number of Free Newspapers delivered in the Year.		Number of Packets sent by the Postal Service in the Year.	
	1864.	1863.	1864.	1863.	1863.	1864.	1863.	1864.	1863.	1864.
170,191,853 8,591,531 or at the rate of 5.31 per cent.	48 to each person.	51 to each person.	362 L. to 1 H.	373 L. to 1 H.	8,139,846	9,520,706 1,380,860 or at the rate of 16.96 per cent.	6,298,604	7,015,190 716,586 or at the rate of 11.37 per cent.		24
390,128,908 22,403,745 or at the rate of 6.03 per cent.	21 to each person.	22 to each person.	107 L. to 1 H.	113 L. to 1 H.	26,409,552	30,201,248 3,881,696 or at the rate of 14.69 per cent.	24,869,879	24,400,012 Decrease - 269,867		43
560,320,761 30,985,276 or at the rate of 5.85 per cent.	26 to each person.	27 to each person.	137 L. to 1 H.	144 L. to 1 H.	34,549,398	39,811,934 5,262,556 or at the rate of 15.23 per cent.	30,963,483	31,415,202 446,719 or at the rate of 1.44 per cent.		
61,261,493 2,850,805 or at the rate of 4.65 per cent.	20 to each person.	20 to each person.	154 L. to 1 H.	160 L. to 1 H.	4,904,691	5,478,915 484,224 or at the rate of 9.69 per cent.	6,074,939	6,080,516 5,577 or at the rate of .09 per cent.		
54,502,578 2,905,123 or at the rate of 5.63 per cent.	9 to each person.	9 to each person.	52 L. to 1 H.	56 L. to 1 H.	4,344,587	4,736,109 391,612 or at the rate of 9.01 per cent.	8,105,838	8,023,678 Decrease - 82,784		
679,084,822 36,760,204 or at the rate of 5.72 per cent.	22 to each person.	23 to each person.	122 L. to 1 H.	129 L. to 1 H.	43,588,076	50,027,068 6,138,392 or at the rate of 13.96 per cent.	45,149,260	45,519,778 369,512 or at the rate of .81 per cent.		

Western Post not in operation till close of year.

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1864

IMPROVEMENTS OF POSTAL ACCOMMODATION DURING
THE YEAR.

Receptacles for Letters.

It will be seen from the foregoing table that the increase, during 1864, in the number of receptacles for letters has been more than proportionate to the increase in the number of inhabited houses, since London, which at the end of 1863 had one receptacle for letters to every 426 houses, had one such receptacle to every 416 houses at the end of 1864. A like increase in the proportion of receptacles for letters to inhabited houses took place in each division of the kingdom.

Free Deliveries.

During the year 1864 free deliveries were for the first time established at 413 places (exclusive of single houses) in the United Kingdom; and in the same period additional free deliveries were given to 100 places, whilst the boundaries of 88 other free deliveries were enlarged.

Day Mails.

The following table will show how many of the towns in England and Wales were provided in 1864 with additional means of communicating with London, and at the same time with additional means of communicating with many other towns:—

YEAR.	Towns having a Night and Day Mail from London.	Towns having a Night and Day Mail to London.	Towns having three Mails daily from London.	Towns having three Mails daily to London.	Towns having four Mails daily from London.	Towns having four Mails daily to London.	Towns having five Mails daily from London.	Towns having five Mails daily to London.
1863	303	264	50	73	7	15	3	6
1864	397	276	55	78	10	15	3	6
Increase	4	12	5	5	3	—	—	—

In Scotland 24 additional towns were provided with a Day Mail to Edinburgh, and 14 with a Day Mail from Edinburgh; and in Ireland 10 additional towns were provided with a Day Mail to and a Day Mail from Dublin.

Accelerations of Mails.

During the year 1864, by the employment of the newly opened Cambrian Railway from Shrewsbury to Aberystwith, a very important acceleration of the Mails was afforded to an

extensive district in which the postal accommodation had previously been defective. For instance, Aberystwith itself obtained an arrival in the morning at about 10.0 a.m., with a despatch in the evening at about 5.30 p.m., in exchange for an arrival at about 2 p.m. and a despatch at about 11 a.m.

The benefit to Aberystwith as regards its communication with London may be thus shown. In 1863, a letter leaving London on Monday night reached Aberystwith at 2 p.m. on Tuesday, and its reply, if posted in time for despatch at 11 a.m. on Wednesday, reached London on Thursday morning. In 1864 such a letter reached Aberystwith at about 10 a.m. on Tuesday, and its reply, if posted up to about 4.30 p.m. on Tuesday, reached London on Wednesday morning.

In the adjacent neighbourhood of Dolgelly an important acceleration of the Mail was also afforded under a separate arrangement and, although the arrival at Dolgelly has been since somewhat irregular, the change has, notwithstanding, been very beneficial.

The Mails to and from Falmouth and Penzance, and Cornwall generally, were greatly accelerated by an increase in the speed of the trains west of Bristol, and, as regards Falmouth itself, by the employment of the newly opened Railway from Truro to Falmouth. Many remote places in the west of Cornwall thus obtained the means of despatching a reply to London on the day on which they received a letter, instead of having to wait until the next day, as had previously been the case.

A Night Mail train was established between London and Leicester by the Midland Railway Company's line viâ Hitchin and Bedford, and this was attended with advantage over the previous route by the London and North-western line viâ Rugby, inasmuch as it improved the communication between neighbouring districts, which had previously been unsatisfactory.

Many ordinary trains, belonging to various Railway companies with which the department has general contracts, were brought into use for the conveyance of Mails where increased accommodation could thus be afforded, and the system of making a fixed annual payment to include the general use of all ordinary trains was extended to several lines of Railways upon which it had not previously been in operation.

In Scotland the most important improvement was the transfer of the Mails to and from Inverness, and the north of Scotland generally, from the circuitous route by way of Aberdeen to the more direct route viâ Dunkeld, Blair Athol, and Kingussie, this alteration being made in consequence of the opening of the direct Railway from Perth to Inverness. By the transfer of the Mails to this line the extensive district from Forres to John O'Groats gained about four hours in the arrival and three hours in the despatch of its London Night Mail. Inverness obtained also an arrival of its London Day Mail at 9 a.m. instead of at 1.45 p.m., and a despatch which had not previously existed, in connexion with the Day Mail to London, that despatch taking place at 12.40 p.m.

It further obtained the advantage of an additional and very convenient Mail to Edinburgh and Glasgow between 7 and 8 p.m.

The acceleration arising from the use of the Direct Perth and Inverness Railway was extended in some degree to Elgin and Fochabers, as, although those towns are situated on the Aberdeen side of Forres, it was found that they could be served with greater advantage by a branch train from Forres than by the old route through Aberdeen.

The measure above referred to was carried into effect in the month of June, and in the following October the department placed the Mails from Invergordon to Tain on the extended line of Railway, by which a large district in the extreme north, including part of Rosshire, together with Sutherlandshire and Caithnessshire, obtained a further acceleration.

The most northern town of Scotland is Thurso, 755 miles distant from London, and the combined effect of these accelerations was to admit of a letter despatched from London on Monday night being delivered in Thurso early on Wednesday morning, and of its reply, if posted at about four o'clock on Wednesday afternoon, reaching London in time for the first delivery on Friday morning.

Contracts were entered into for the general use, at a fixed annual rate, of all the ordinary trains on the lines above referred to between Perth, Inverness, and Tain, and also on the lines belonging to the Great North of Scotland Railway Company. The contract with this latter company enabled the Post Office to afford additional accommodation to the public in several ways, and in particular by the substitution of Railway for Mail cart service to Peterhead and other places in the neighbourhood of Aberdeen.

Several other smaller lines of Railway in different parts of Scotland were used for the first time, or were used more extensively than before, for Mail purposes, and amongst others those to Peebles and Innerleithen were employed, by which means an improvement of the posts in that neighbourhood was effected.

A Mail coach was established between Kingussie and Fort William, by which means a very extensive district on the west coast of Scotland was brought into direct connexion with the newly established London Night Mail trains on the Perth and Inverness Railway.

No very extensive alterations took place in Ireland during this year (1864), but additional accommodation was in several instances afforded, as, for instance, by the establishment of a Day Mail Service on the Railway between Roscommon and Castlebar, and by the extension of the Day Mail from Castlebar to Ballina and Westport by Car Service.

Foreign and Colonial Posts.

The principal improvements in regard to postal communication between this country and foreign countries and colonies during the year were—

1. The reduction in the rates of postage on correspondence between this country and Holland (the postage on a single paid letter being reduced from 8*d.* to 3*d.*), which reduction has been followed by an increase, at the rate of 50 per cent., in the correspondence between the two countries; and

2. The establishment of a second Mail Service in each month, *viâ* the Mauritius, between this country and the Cape of Good Hope. The effect of the establishment of this second service is briefly, that there is a despatch by the old route from Plymouth to the Cape on the 10th of each month, and a further despatch, *viâ* Egypt and the Mauritius, on the 20th and 26th of each month; and that letters which are sent by the Mauritius route reach the Cape five days, Algoa Bay 14 days, and Natal 22 days, earlier than they would arrive if they were held over until the next monthly transmission from Plymouth.

Increase of Correspondence.

The table at page 2 will show that the increase of correspondence in 1864, which increase in the gross amounted to 37,000,000 of letters, and 7,000,000 of books, papers, and patterns, was more than proportionate to the increase of population in the London district, and in the rest of England and Wales, and more than proportionate to the increase in the number of inhabited houses in all parts of the kingdom.

In the London district the proportion of letters to population rose from 48 per head per annum in 1863, to 51 per head per annum in 1864; and the proportion of letters to inhabited houses rose from 362 per house per annum in 1863, to 373 per house per annum in 1864.

In both years the total number of letters delivered in the London district would have been more than sufficient to give a delivery of one letter on every working day to each house throughout the district.

The following table will show roughly the growth during the year 1864 of the correspondence between this country and foreign countries and colonies:—

—	In 1863.	In 1864.
The letters passing between this country and France } (i.e., in both directions) were - - - - -	6,373,000	6,771,000
The letters between this country and Spain were - - - - -	522,000	617,000
The letters between this country and Italy were - - - - -	742,000	827,000
The letters between this country and Belgium were - - - - -	838,000	924,000
The letters between this country and Holland were - - - - -	523,000	600,000
The letters between this country and Prussia, Ham- } burg, and Bremen were - - - - -	4,013,000	4,403,000
The letters between this country and the East Indies, } China, &c. were - - - - -	3,372,000	3,632,000
The letters between this country and Australia were - - - - -	2,693,000	2,915,000
The letters between this country and the West Indies, } the Pacific, and the Brazils were - - - - -	1,662,000	1,727,000
The letters between this country and Canada and } British North America and the United States were - - - - -	4,474,000	4,865,000

On the whole, 28,000,000 of letters, and 21,500,000 of books, papers, and patterns, passed between this country and foreign countries and colonies in 1864, there being an increase on the previous year of 2,000,000 of letters, and 2,500,000 of books, papers, and patterns.

Up to the close of 1864 no change had taken place in the proportion borne by the foreign and colonial letters coming into the United Kingdom to the whole number of letters delivered in the kingdom. The foreign and colonial letters formed, as in many previous years, about one-fiftieth part of the whole number of letters delivered.

The increase during 1864 in the number of circulars sent through the post in letters appears to have been considerable. In 1863 an account was taken of 4,000,000 letters which were posted in London, and which obviously contained circulars, and could be assigned to various trades and societies in proportions which were exhibited in a table at page 28 of the Tenth Annual Report. In 1864 a similar account was taken of 4,600,000 letters posted in London, and obviously containing circulars.

	In 1863.	In 1864.
Of these circulars there were transmitted by drapers -	1,690,000	1,780,000
" " by railway companies -	348,000	404,000
" " by insurance companies -	292,000	388,000
" " by wine merchants -	101,000	386,000
" " by charitable institutions -	307,000	261,000
" " by publishers and booksellers -	58,000	189,000
" " and by lottery offices -	141,000	169,000

In addition to the circulars which were transmitted in letters, largely increased numbers were in 1864 transmitted by the book post. During that year it was observed that--

	Book Circulars.
There were posted in London by railway companies -	316,000
" " by drapers -	282,000
" " by charitable institutions -	279,000
" " by building and mining companies -	210,000
" " by wine merchants -	197,000
" " by medical men and dentists -	177,000
" " by insurance companies -	113,000
" " and by tailors -	108,000

There was also a considerable increase in 1864 in the number of valentines, as the following statement will show:—

Estimated Number of VALENTINES posted in London.

YEAR.	For Delivery in London.	For Delivery in the Country.	TOTAL.
1863 - - - -	299,200	195,500	494,700
1864 - - - -	326,300	204,000	530,300
Increase in 1864 -	27,100	8,500	35,600

In both years the number of valentines posted in the Western Postal district of London was nearly one-fourth of the whole number posted in London.

The increase in the number of registered letters during the year was at the rate of $8\frac{1}{2}$ per cent. (the increase in the number of ordinary letters being at the rate of only $5\frac{7}{10}$ per cent.), making the total number of registered letters for the year about 2,130,000. During the year 1864 only 14 registered letters were lost in this country, and of these 2 were contained in the Macclesfield Mail Bag, which was stolen from the standard of the apparatus for exchanging bags at the Chelford Railway Station on the night of the 1st April 1864. The perpetrator of this robbery was very shortly discovered, convicted, and sentenced to 10 years' penal servitude.

The regulations which were framed in 1861 for the compulsory registration of letters containing coin, if posted as ordinary letters, have had the effect of diminishing very largely the number of unregistered coin letters. A great reduction in the number of such letters had taken place up to the close of 1863, and during the year 1864 a further reduction of about 30 per cent. is believed to have taken place.

The following table shows the numbers of returned letters in the years 1863 and 1864, and the manner in which they were disposed of:—

	In 1863.	In 1864.
Total number of returned letters - - -	2,864,035	3,154,089
Returned to the writers - - - -	2,159,341	2,428,612
Re-issued to corrected addresses - - -	98,085	116,142
Returned unopened to foreign countries - - -	98,302	111,314
Destroyed - - - -	493,000	483,000
In hand - - - -	15,307	15,021
	about {	
	2,864,035	3,154,089

The proportion of returned letters to the whole number of letters rose from 44 per cent. in 1863 to 46 per cent. in 1864, but this very trifling increase was more than counterbalanced by

the fact that the proportion of returned letters which could not be satisfactorily disposed of fell from 17 per cent. in 1863 to 15 per cent. in 1864.

The proportion of returned letters to total correspondence is, moreover, much lower in the United Kingdom than in Foreign Countries. For example, in the year 1864 :—

	Returned Letters.	Letters.
The United Kingdom had	- - 3,154,000	to 679,000,000
Whilst France had	- - - 2,034,000	to 298,000,000
Italy had	- - - 865,000	to 67,000,000
And the United States had	- - 4,368,000	to 467,000,000

The progress of the Book Post during the year calls for no comment, and the Pattern Post was so fully described in the Tenth Annual Report as to render further remarks on it in this Report unnecessary.

The Money Order Office.

The increase in the number of Money Order Offices during the year 1864 was in every part of the kingdom more than proportionate to the increase in the number of inhabited houses, and the increase in the business of the Money Order Office was nearly equally distributed over the whole kingdom.

During the year Money Order business was established between this country and the Colonies of Nova Scotia, Prince Edward Island, Trinidad, Newfoundland, Montserrat, St. Vincent, Bahamas, and St. Lucia. The following table will show the nature and amount of the Money Order business transacted between this country and the Colonies during 1863 and 1864 :—

YEAR.	Money Orders issued in United Kingdom for payment in Colonies.		Money Orders issued in Colonies and paid in United Kingdom.	
	Number.	Amount.	Number.	Amount.
1863 - - - -	8,194	£ 31,373	44,720	£ 177,314
1864 - - - -	10,326	40,173	62,590	272,074
Increase - - - -	2,132	8,800	17,870	94,760

It will be seen from the above statement that the increase of business in both directions was considerable.

The Act 27 & 28 Vict., cap. 56, which was passed in the year 1864, contained the following clause :—

“ When any person liable to the payment of any of the duties of land tax, assessed taxes, or income tax in Scotland shall have received the accustomed notice thereof, it shall be lawful for him, within twenty-one days after receiving such notice, to produce the same at any Money Order Office of the General Post Office in Scotland, and pay to the postmaster there the sum payable according to such notice, and thereupon the said postmaster shall deliver to him a Post Office Order payable at the General Post Office in London to the Receiver General of Inland Revenue for the said sum, *less the commission for such order*, which order such person shall forthwith transmit to the collector at the office for receipt in a letter prepaid by being duly stamped with the proper postage stamp or stamps, specifying the particulars of the payment in such form as shall be provided by the Commissioners of Inland Revenue for that purpose, and delivered to the said person along with the said order; and upon the receipt of the said order and letter, with the particulars and in the form aforesaid, the collector shall credit the person named in the said letter with the amount specified in the said order, and with the said commission, in like manner as if the same had been paid to the collector in cash.”

The Act came into operation in the autumn of 1864, and at the next ensuing period for the payment of taxes, upwards of 2,300 persons in Scotland availed themselves of the provisions of the clause which I have quoted, and remitted to the tax collectors, by means of money orders, upwards of 7,000*l.*

I may note here that the Act above referred to also contained the following clause:—

“ It shall be lawful for the Lords Commissioners of Her Majesty’s Treasury, if they shall see fit, and under such regulations, conditions, and limitations as they shall think proper, to authorize and direct the Commissioners of Inland Revenue and their officers to receive postage stamps as and for payment of the respective taxes of land tax and assessed taxes and income tax, or any of them, which may become due or payable in Scotland or Ireland; and, under such regulations as aforesaid, such postage stamps shall be delivered over to the Postmaster General or his officers, and the amount or value thereof be paid out of the revenue of the Post Office to the Inland Revenue, and accounted for as monies arising from the said taxes.”

The proper steps were taken to give effect to this clause, and in Scotland taxes to the amount of nearly 1,000*l.* were paid in postage stamps at the period of payment next following the promulgation of the Act; but in Ireland very little advantage was taken of the accommodation afforded by the clause.

Little, if any, change took place in 1864 in the distribution of Money Order business in the principal divisions of the kingdom.

The amount remitted to London continued to be largely in excess of the amount remitted from London, and the amount remitted to Ireland continued to be largely in excess of the amount remitted from Ireland.

The excess of the remittances to London is in accordance with the ordinary course of trade, but the excess in the remittances to Ireland is mainly attributable to the employment of the Money Order Office by Irish reapers and hay-makers for the purpose of remitting to their own country the sums which they earn in England and Scotland. Some, indeed, have been known to use the Money Order Office for the purpose of transmitting their money from town to town along their whole route, by which means they have not merely avoided the risk of losing their money on the road, but have been enabled, by repeatedly drawing it out and paying it in again, to satisfy themselves from time to time of its safety.

As a general rule each town in England has its greatest amount of Money Order business with London, and but a small amount of such business with any other single town. There are, however, exceptions to this rule, some of which may be noted here. Of the Money Order business at Barnsley, for instance, 13 per cent. is with London, 11 per cent. with Leeds, 9 per cent. with Manchester, and 6 per cent. with Sheffield. Of the Money Order business at Blackburn, 14 per cent. is with London and 17 per cent. with Manchester. Of the Money Order business at Bolton, 15 per cent. is with London, 9 per cent. with Liverpool, and 17 per cent. with Manchester. Of the Money Order business at Bradford, 14 per cent. is with London and 10 per cent. with Manchester. Of the Money Order business at Burnley, 9 per cent. is with London and 22 per cent. with Manchester. Of the Money Order business at Cardiff, 18 per cent. is with London and 13 per cent. with Bristol. Of the Money Order business at Chester, 18 per cent. is with London and 14 per cent. with Liverpool. Of the Money Order business at Coventry, 28 per cent. is with London and 14 per cent. with Birmingham. Of the Money Order business at Dewsbury, 17 per cent. is with London, 13 per cent. with Leeds, 9 per cent. with Manchester, and 11 per cent. with Liverpool. Of the Money Order business at Dudley, 14 per cent. is with London and 12 per cent. with Birmingham. Of the Money Order business at Stafford, 21 per cent. is with London and 16 per cent. with Birmingham. Of the Money Order business at Worcester, 21 per cent. is with London and 14 per cent. with Birmingham; and of the Money Order business at Wolverhampton, 20 per cent. is with London, and 17 per cent. is with Birmingham. It is presumed that in these cases the Money Order business follows the ordinary course of trade.

Post Office Savings Banks.

The increase in the business of the Post Office Savings Banks during the year ending on 31st March 1865, was very remarkable, since, though only 73 additional Banks were opened during the year, the increase in the number of depositors during the year was at the rate of 40 per cent., the rate of increase during the

previous year, in which year 161 additional Banks were opened, having been at the rate of 42 per cent.

The increase in the number of depositors in Post Office Savings Banks is constant, and subject to very little variation. It is at its highest point in January and February, and at its lowest point in November and December of each year, but on the whole year it amounts, and for a long time has amounted, to a net increase of from 11,000 to 12,000 depositors per month, the term "net increase" being used to denote the difference between the number of depositors coming in and the number going out during the month.

For some time after the first establishment of Post Office Savings Banks, the average amount of each sum deposited ranged between 3*l.* and 4*l.*, whereas the average amount of each sum deposited in the old Savings Banks had usually ranged between 4*l.* and 5*l.* As, however, the nature and advantages of the Post Office Banks became known to the poorer classes of the community, and as new Banks were opened from time to time in rural districts, or in those parts of great cities which were inhabited by large numbers of the poorer classes, a gradual reduction in the average amount of each deposit took place, and that amount has for some time ranged between 2*l.* and 3*l.*, whilst the average amount of each sum deposited in the old Savings Banks has not undergone any marked alteration.

So long as this constant influx of new depositors continues, and continues to be accompanied by a gradual fall in the average amount of each sum deposited, no marked increase can be expected to take place in the average amount due to each depositor. That amount has for some time ranged between 10*l.* and 11*l.*, and under the operation of existing circumstances will not reach 11*l.* for some time to come.

On the whole, it seems reasonable to expect that the annual increase in the business of Post Office Savings Banks will for some time be from 130,000 to 140,000 in the number of depositors, and from 1,400,000*l.* to 1,500,000*l.* in the capital of depositors.

During the year ending 31st March, 1865, the capital sum due to all the depositors in Post Office Savings Banks throughout the kingdom increased at the rate of 31 per cent. The sum due to depositors in England and Wales increased at the rate of 32 per cent.; the sum due to the depositors in Scotland increased at the rate of 18 per cent., and the sum due to the depositors in Ireland increased at the rate of 17 per cent. The rate of increase was, however, much higher in some counties of England and Wales. Thus it was 71 per cent. in Cornwall, 57 per cent. in Dorsetshire, 56 per cent. in Monmouthshire, 69 per cent. in Shropshire, 50 per cent. in Hampshire, 56 per cent. in Leicestershire, 52 per cent. in Worcestershire, and 56 per cent. in Yorkshire.

Although, as I have shown, largely increasing numbers of persons use the Post Office Savings Banks for a prolonged in-

vestment of their savings, there are in the Post Office Savings Banks, as in the old Savings Banks, large numbers of other persons who use the Banks for a short time only as mere places of security for the money which they do not require for immediate use. The total sum deposited up to the 31st March, 1865, inclusive of interest, in Post Office Banks, was 9,217,000*l.*, and of this sum 3,852,000*l.*, or 42 per cent., had been withdrawn up to that date. The total number of depositors who had entered up to that date was 690,912, and of these 166,572, or 24 per cent., had closed their accounts.

The labour and the cost of the Post Office Banks up to the 31st March, 1865, must be measured, as a matter of course, not by the number of accounts remaining open at that date, but by the whole amount of business on all accounts opened and closed up to that date, or, in other words, by the whole number of transactions to that date.

The cost of each transaction, *i.e.* of each deposit or of each withdrawal, in Post Office Savings Banks, continued up to the 31st March 1865, to be rather less than sevenpence, to which sum, prior to the passing of the Act for the establishment of Post Office Savings Banks, it was estimated that the cost of each transaction would attain.

From an examination into the occupations of about 11,000 depositors in Post Office Savings Banks, in all parts of the kingdom, it appears probable that the 524,340 depositors who had opened accounts in the Post Office Banks on the 31st March 1865, may be thus classified :

Females, Male Minors, and Trustees	-	-	285,769
Males of independent Means, or of no stated Occupation, Professional Men, and their Clerks or Assistants	-	-	31,353
Males engaged in Education	-	-	5,692
Tradesmen and their Male Assistants, Farmers, and Clerks of all kinds, except Clerks to Professional Men, and Clerks in General Offices	-	-	53,756
Mechanics and Artizans, Journeymen Mechanics, and Artizans, Domestic Servants, Farm Servants, Railway Servants, Policemen, Labourers, Pensioners, Boatmen, Fishermen and Merchant Seamen	-	-	140,518
Persons employed in the Revenue Departments	-	-	2,570
Persons in the Army or Navy	-	-	4,682
Total	-	-	<u>524,340</u>

Of the whole number of depositors in Post Office Savings Banks nearly one-third reside within the limits of the London Postal district. Of the whole number of depositors in the Post Office Banks throughout the kingdom, about 4 per cent. have balances due to them of 50*l.* and upwards.

The table at page 3 of this Report gives a statement, which is partly the result of estimate, but is sufficiently reliable, of the total number of depositors in Post Office Savings Banks and Old Savings banks combined, on the 31st March 1864 and 31st

March 1865. The increase in the number of depositors, it will be seen, has kept pace with the increase of population.

In London, it will be observed, there was in each year, one depositor to every seven persons ; in the rest of England and Wales one depositor to every fourteen persons ; in Scotland one depositor to every seventeen persons ; in Ireland one depositor to every seventy persons ; and in the whole of the United Kingdom one depositor to every fifteen persons.

It has been stated on authority that in Paris, as in London, there is one Savings Bank depositor to every seven persons, but that in the whole of France there is only one depositor to every 25 persons.

Revenue and Expenditure.

The following tables give in considerable detail the particulars of the actual expenditure (inclusive of the cost of Mail Packets), and of the actual Gross and Net Revenue, and of the Total Effective and Non-effective Force of the Post Office in each of the Ten Years from 1855 to 1864.

Force and Expenditure.

Date.	FORCE.		COST OF COLLECTION AND DELIVERY, OF MANAGEMENT, and of MONEY ORDER BUSINESS.										COST OF CONVEYANCE OF MAILS.				
	Effective.	Non-Effective.	Salaries, Wages, Pensions, Travelling Allowances, Pensions, Gratuities, Medical Commission on Money Order Business, Cost of Uniform Clothing, Medical Expenses, and Cost of Substitutes during Annual Holiday or Sickness of Officers and Men, Official Postage, Law Charges and incidental Expenses.	Manufacture of Postage Stamps, &c.	Printing, Paper, and Miscellaneous Charges.	Stationery.	Buildings and Repairs, Rents, Rates, Taxes, Fuel, and Light.	Total Cost of Collection, Delivery, Order Management, and of Money Order Business.	Conveyance by Coaches, Carts, and Omnibuses.	Conveyance by Railways.	Cost of Supply and Repair of Mail Bags and Boxes, Tolls, and Postage, Cost of Apparatus for Exchange of Bags conveyed by Railway, and Miscellaneous Expenses.	Conveyance of Mails by private Ships and by Packets under Contract with Admiralty or Post Office.	Conveyance of Mails over Isthmus of Suez and Isthmus of Panama, and in other Foreign Parts, and Salaries of Admiralty Agents and other Officers in charge of Foreign and Colonial Mails.	Total Cost of Conveyance.	TOTAL COST OF POST OFFICE SERVICE.		
1855	22,547	344	936,635	19,467	25,464	48,072	1,044,688	189,080	440,820	13,960	738,740	26,909	1,363,414	2,406,032			
1856	23,180	437	1,021,066	18,022	22,491	50,297	1,118,466	141,835	370,963	16,508	709,897	26,451	1,319,688	2,432,094			
1857	23,545	461	1,083,667	19,933	27,549	44,663	1,125,942	147,177	423,943	19,344	838,697	22,980	1,489,091	2,564,933			
1858	24,186	501	1,075,317	17,968	28,241	38,670	1,215,316	145,616	545,073	18,907	935,883	26,371	1,673,350	2,889,166			
1859	24,608	689	1,167,666	20,094	28,642	106,478	1,323,970	147,908	428,647	24,280	946,038	28,780	1,677,800	2,900,470			
1860	25,192	765	1,140,396	19,177	34,223	62,315	1,256,011	160,368	490,323	26,986	869,932	26,647	1,667,176	2,883,186			
1861	25,376	862	1,214,303	19,414	27,897	85,702	1,347,316	182,508	665,046	25,929	940,667	33,071	1,807,311	3,164,337			
1862	25,385	927	1,249,988	19,261	25,821	84,785	1,379,145	182,280	628,966	22,368	881,067	24,700	1,647,406	2,998,551			
1863	25,462	1,017	1,254,605	18,465	26,617	81,548	1,361,353	149,383	538,512	20,189	887,683	29,542	1,675,351	2,966,486			
1864	25,637	1,131	1,322,945	19,750	26,499	36,730	1,406,024	145,089	565,862	21,607	900,610	29,983	1,668,311	3,078,235			

Gross and Net Revenue.

Year.	Gross Revenue from Letters, Books, Packets, &c.	Money Order Commission.	Gross Revenue collected by the Post Office.	Produce of the Impressed Stamp on Newspapers collected by Inland Revenue Office.	Total Postal Revenue.	Total Cost of Post Office Services.	Net Revenue.
	£	£	£	£	£	£	£
1855	2,510,949	105,471	2,716,420	93,000	2,809,420	2,406,032	401,388
1856	2,764,606	108,945	2,867,964	169,000	3,035,954	2,433,094	603,860
1857	2,923,558	104,555	3,035,713	160,000	3,195,713	2,564,933	630,780
1858	2,975,969	111,896	3,087,535	154,000	3,241,535	2,889,166	352,369
1859	3,197,258	116,417	3,313,675	146,949	3,460,624	2,900,470	561,454
1860	3,267,662	131,663	3,399,355	141,910	3,531,165	2,923,186	707,979
1861	3,402,691	127,896	3,530,537	134,571	3,665,128	3,154,537	510,601
1862	3,496,035	136,964	3,635,599	130,415	3,766,004	2,926,561	837,463
1863	3,750,073	144,326	3,874,299	123,156	3,999,455	2,966,466	1,042,989
1864	3,937,047	151,979	4,109,026	123,638	4,231,568	3,073,335	1,158,233
Average Net Revenue of first Five Years							
Ditto		second ditto	-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£
			-	-	-	-	£

The following Statement shows the receipt and disposal of monies on account of Post Office Savings Banks, and the charges of management thereof, which are not included in the charges of management of the Post Office:—

RETURN of the Sums due to all Depositors in Post Office Savings Banks throughout the United Kingdom on the 31st March 1865; of the Expenses of Management of the Post Office Savings Banks to the same Date; of the Amount standing to the Credit of the Post Office Savings Banks, on the same Date, in the Books of the Commissioners for the Reduction of the National Debt; of the Balance in the Hands of the Postmaster-General at the same Date; and of the Amount of any Loss sustained by the Post Office Savings Banks from Frauds committed in the Transmission of Deposits, or otherwise.

LIABILITIES.

	£	s.	d.	£	s.	d.
Total amount of deposits, from 16th September 1861 to 31st March 1865, of the interest allowed and added to principal on 31st December 1861, 31st December 1862, 31st December 1863, and 31st December 1864, and of the interest allowed and paid on closed accounts up to 31st March 1865	9,217,800	8	7			
Deduct—						
Repayments to depositors, from 16th September 1861 to 31st March 1865	3,851,883	14	6			
Total sum due to all depositors in the Post Office Savings Banks in the United Kingdom on the 31st March 1865				5,365,925	14	1
Surplus of assets over liabilities					41,000	2
				£	5,406,925	16

ASSETS.

	£	s.	d.	£	s.	d.	£	s.	d.
Total amount of the sums paid by the Postmaster General to the National Debt Commissioners for investment, and of the interest received on such investments, from 16th September 1861 to 31st March 1865				5,487,728	6	10			
Deduct—									
Amount which has been repaid by the Commissioners for the Reduction of the National Debt, on account of 103,506 <i>l.</i> 12 <i>s.</i> 11 <i>d.</i> ,* being the amount paid for the expenses of management of the Post Office Savings Banks from 16th September 1861 to 31st March 1865	91,848	7	4						
Amount of sums transferred from Post Office Savings Banks to Savings Banks	5,255	19	5	97,104	6	9			
Balance remaining in the hands of the Postmaster General to be paid over for investment				29,147	15	9	5,390,624		0
Deduct—									
Amount of loss through the defalcations of a former postmaster of Beverley	1,093	14	1						
Amount of loss by the frauds committed by J. W. Thorne	94	0	0						
Amount of expenses of management paid by the Postmaster-General during the quarter ended 31st March 1865; not recovered from the Post Office Savings Bank Fund at that date	11,658	5	7	12,845	19	8			
							14,301	18	1
							£	5,404,925	18

* According to the Parliamentary Paper No. 523, 1861, it was estimated that the cost of each transaction would be 7*d.* The actual average cost of each transaction has been 6*d.*

Improvements under consideration at the Close of 1864.

At the close of 1864 a measure for the alteration of the scale of postage on Inland Letters, from a progression by one ounce and the charge for one ounce at each step after the first ounce of weight, to a progression by half an ounce and the charge for half an ounce at each step, was in contemplation.

A measure for giving additional facilities for the late posting of letters for the Night Mails out of London, at the General Post Office, and at the District offices, was also under consideration.

Some progress had been made in the introduction of the District system into Liverpool, and various plans for the increase of postal accommodation in that town were under consideration.

The regulations for giving effect to the provisions of the Government Insurances and Annuities Act were in course of preparation.

The effect of the measures thus adverted to will be described in the Report for the year 1865.

I have the honour to be,

My Lords,

Your Lordships' obedient Servant,

STANLEY OF ALDERLEY.

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