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FOURTEENTH 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.

1868.

CONTENTS.

INTRODUCTION	Page 4
Table showing at one view, and for the years 1865, 1866, and 1867 :—	
I.—The number of inhabited houses ;	
II.—The population ;	
III.—The number of receptacles for letters ;	
IV.—The proportion of receptacles for letters to inhabited houses ;	
V.—The number of letters delivered ;	
VI.—The proportion of letters to population ;	
VII.—The proportion of letters to inhabited houses ;	
VIII.—The number of book packets, including free and chargeable newspapers, and patterns delivered ;	
IX.—The number of Money Order Offices ;	
X.—The proportion of Money Order Offices to inhabited houses ;	
XI.—The amount of money orders issued ;	
XII.—The amount of money orders paid ;	
XIII.—The number of Post Office Savings Banks ;	
XIV.—The proportion of Post Office Savings Banks to inhabited houses ;	
XV.—The number of depositors ;	
XVI.—The balance due to depositors to 31st December 1865, 1866, and 1867 ;	
XVII.—The total number of depositors in old Savings Banks and Post Office Banks combined, on 31st December 1865, 1866, and 1867 ;	
XVIII.—The proportion of Savings Bank depositors to population, in the years ending 31st December 1865, 1866, and 1867 ;	
XIX.—Insurances in force at the close of 1865, 1866, and 1867 ;	
XX.—Annuities purchased or in course of purchase at the close of 1865, 1866, and 1867 ;	
	5, 6
1.	
Receptacles for Letters - - - - -	7
2.	
Extensions of Free Deliveries - - - - -	7
3.	
Day Mails - - - - -	8
4.	
Accelerations of Mails - - - - -	8
5.	
Foreign and Colonial Mails - - - - -	11
6.	
The London District Service - - - - -	15
7.	
The Provincial Service - - - - -	16
8.	
Increase of Correspondence - - - - -	18

	9.	Page
Registered Letters - - - - -		19
	10.	
Returned Letters - - - - -		20
	11.	
The Money Order Office - - - - -		21
	12.	
Post Office Savings Banks - - - - -		22
	13.	
Government Insurance and Annuities - - - - -		25
	14.	
Revenue and Expenditure - - - - -		28
	15.	
Miscellaneous - - - - -		31
<hr/>		
APPENDIX - - - - -		32

FOURTEENTH REPORT.

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

MY LORDS,

I HAVE the honour to present to your Lordships the
Fourteenth Annual Report on the Post Office.

The following table will give a tolerably complete view of the
business of the Post Office, the Money Order Offices, the Post
Office Savings Banks, and the Insurance and Annuity Offices
in the United Kingdom during the year 1867, and also, for
purposes of comparison, during the years 1865 and 1866; and
will also show the increase and per-centage of increase in each
branch of business in the year 1866 over 1865, and in the year
1867 over 1866.

Much information properly relating to the last two years is
given in this Report, inasmuch as the Thirteenth Report did not,
as your Lordships are aware, enter into details.

The table, and the statements which follow it, will show what
efforts have been made during the past and the previous year
to afford additional accommodation to the public; and I trust
that the results will be satisfactory.

ORDER OFFICES.						
Portion of Orders to be paid, or number of Orders to each person.	Amount of Money Orders issued.			Amount of Money Orders paid.		
	1865.	1866.	1867.	1865.	1866.	1867.
30 each person.	£ 15,257,385	£ 16,107,999	£ 16,463,487	£ 15,121,459	£ 16,059,615	£ 16,467,939
—	—	850,614 or at the rate of 5·57 per cent.	355,488 or at the rate of 2·21 per cent.	—	938,156 or at the rate of 6·2 per cent.	408,324 or at the rate of 2·54 per cent.
22 each person.	£ 1,411,065	£ 1,504,524	£ 1,557,303	£ 1,559,896	£ 1,656,350	£ 1,707,328
—	—	93,459 or at the rate of 6·62 per cent.	52,779 or at the rate of 3·5 per cent.	—	96,454 or at the rate of 6·18 per cent.	50,978 or at the rate of 3·08 per cent.
10 each person.	£ 1,160,840	£ 1,235,120	£ 1,261,319	£ 1,463,195	£ 1,501,941	£ 1,513,439
—	—	74,280 or at the rate of 6·39 per cent.	26,199 or at the rate of 2·12 per cent.	—	38,746 or at the rate of 2·64 per cent.	11,408 or at the rate of ·76 per cent.
24 each person.	£ 17,829,290	£ 18,847,643	£ 19,282,109	£ 18,144,550	£ 19,217,906	£ 19,688,708
—	—	1,018,353 or at the rate of 5·71 per cent.	434,466 or at the rate of 2·31 per cent.	—	1,073,356 or at the rate of 5·9 per cent.	470,800 or at the rate of 2·44 per cent.

(Continued on next page.)

OFFICE.

Annuities purchased or in course of Purchase at close of 1866.										Annuities purchased or in course of Purchase at close of 1867.									
Deferred Annuities.										Deferred Annuities.									
Purchased by Single Payments.										Purchased by Single Payments.									
Purchased by Annual or more frequent Payments.										Purchased by Annual or more frequent Payments.									
Amount of Annuities.	Number.	Purchase Money received.	Amount of Annuities.	Number.	Purchase Money payable annually.	Amount of Annuities.	Number.	Purchase Money received.	Amount of Annuities.	Amount of Annuities.	Number.	Purchase Money received.	Amount of Annuities.	Number.	Purchase Money received.	Amount of Annuities.	Number.	Purchase Money payable annually.	Amount of Annuities.
£ 5,994	27	£ 3,010	£ 443	76	£ 785	£ 1,617	490	£ 121,076	£ 10,933	39	£ 4,336	£ 600	90	£ 930	£ 1,860				
£ 323	—	£ —	£ —	—	£ —	£ —	41	£ 10,270	£ 935	1	£ 40	£ 20	3	£ 36	£ 82				
£ 110	—	£ —	£ —	4	£ 24	£ 58	20	£ 5,291	£ 525	—	£ —	£ —	4	£ 24	£ 63				
£ 6,427	27	£ 3,010	£ 443	80	£ 809	£ 1,675	551	£ 130,637	£ 12,393	40	£ 4,376	£ 620	97	£ 960	£ 1,964				

IMPROVEMENTS OF POSTAL ACCOMMODATION DURING THE YEARS 1866 and 1867.

Receptacles for Letters.

It will be seen from the foregoing table that the increase during the years 1866 and 1867, in the number of receptacles for letters, was, as it had been during 1865 and previous years, more than proportionate to the increase in the number of inhabited houses. The following statement shows the proportion of receptacles for letters to inhabited houses in each of the years 1864, 1865, 1866, and 1867:—

	In England and Wales.	In Scotland.	In Ireland.
At the close of 1864 there was one receptacle for letters to every - -	321 houses.	255 houses.	502 houses.
At the close of 1865 there was one to every - - - - -	309 houses.	254 houses.	495 houses.
At the close of 1866 there was one to every - - - - -	300 houses.	251 houses.	477 houses.
And at the close of 1867 there was one to every - - - - -	296 houses.	252 houses.	473 houses.

Free Deliveries.

During the year 1866, free deliveries were for the first time established at 351 places (exclusive of single houses) in the United Kingdom; and in the same period additional free deliveries were given to 124 places, whilst the boundaries of 206 other free deliveries were enlarged.

During the year 1867, the extension of free deliveries was carried on more actively than in the year 1866, as the following statement will show:—

	Number of Places in which Free De- liveries were for the first time established.	Number of Places in which additional Free Deliveries were established.	Number of Places in which the Boun- daries of existing Free Deliveries were extended.
In 1866 - - - -	351	124	206
1867 - - - -	434	161	217
Excess in 1867 over 1866 -	83	37	9

Day Mails.

The following table will show how many of the towns in England and Wales were provided, in 1866 and 1867, with additional means of communicating with London, and at the same time with additional means of communicating with other towns :—

YEAR.	Towns having a Night and Day Mail.		Towns having three Mails daily.		Towns having four Mails daily.		Towns having five Mails daily.		Towns having six Mails daily.		Towns having seven Mails daily.		Total Number of Post Towns in England and Wales.
	From London.	To London.	From London.	To London.	From London.	To London.	From London.	To London.	From London.	To London.	From London.	To London.	
1865	410	266	57	85	9	29	6	10	—	3	—	2	542
1866	408	264	65	89	14	36	11	19	2	4	—	2	555
1867	404	280	86	88	13	48	4	21	3	5	2	2	559

Of the 559 post towns in England and Wales, including the islands of Guernsey, Jersey, and Man, only 47 are now unprovided with a second or Day Mail from London, and 115 with similar accommodation to London.

During the year 1866, fifteen additional towns were provided with a Day Mail to, and twenty-two with a Day Mail from, Edinburgh; and during the year 1867 six additional towns were provided with a Day Mail to and from Edinburgh.

In Ireland six additional towns were provided with a Day Mail to and from Dublin during the year 1866, and four additional towns were provided with similar accommodation during 1867; whilst during the same year eight towns were provided with a *third* Mail with Dublin in both directions.

Accelerations of Inland Mails during 1866.

In February 1866, the night mail train between Newcastle-on-Tyne and Edinburgh was accelerated, and the detention at Berwick-on-Tweed for sorting letters was abolished by the establishment of a sorting carriage on the North-eastern and North British lines of railway. This measure enabled the Post Office to improve the postal service between the towns on these lines of railway and Glasgow and the west of Scotland, in addition to accelerating the delivery of Edinburgh letters arriving by that route.

The day mail trains on the London and South-western Railway were accelerated, and the hours rendered more convenient for postal purposes by an earlier despatch of the morning mail from London, and a later arrival of the afternoon mail in London, affording to Southampton, Portsmouth, &c. a better post in both

directions with all places the mails for which pass through London, including the North of England, Ireland, Scotland, the continent, &c. During the present year (1868) a further improvement has been effected, as regards the down mail, by a still earlier despatch from London.

A night mail train was established in both directions between Leicester and Birmingham by the new line through Nuneaton, and this train, working in connexion with the night mail trains on the London and North-western and Midland Railways, has greatly improved the communication of a large district, consisting of parts of Northamptonshire, Leicestershire, Huntingdonshire, Cambridgeshire, and Norfolk, with Scotland, the north and west of England, and Wales.

The Mid-Wales Railway between Llanidloes, Rhayader, and Brecon has been employed under a general contract, enabling the department to send mails by all ordinary trains, and advantage has been taken of this railway to improve the mail service in a district of Wales which, though not very populous, was previously much inconvenienced for want of a better postal service.

An earlier arrival of the Day Mail from London and a later despatch of the Night Mail to London were afforded to the towns on and near the Stockton and Darlington line of railway, thereby greatly facilitating the communication between London and the towns in the north of Yorkshire and the south of Durham.

In Scotland, the principal improvements were the establishment of a sorting carriage to Edinburgh by the East Coast Route, already referred to, and the acceleration of the London Night Mail train on the Glasgow and South-western Railway; a measure which has given an arrival at a convenient hour in the morning of the London Night Mail at Ayr, Kilmarnock, and throughout an extensive district of the south-west of Scotland. The arrival at Ayr is now at 8.0 A.M., instead of at 10.15 A.M.; and a proportionately earlier arrival has been gained at Dumfries, Castle Douglas, Kilmarnock, and other places on the line. At the same time a Sunday Mail was established between Carlisle and Ayr and Castle Douglas in both directions, and several minor improvements were effected in the mail services to Girvan, Maybole, and Kirkcudbright.

The morning delivery of the London Night Mail in Greenock was also accelerated, and the despatch of the mails by the steam vessels on the Clyde has been expedited by sorting the letters on the railway between Glasgow and Greenock.

The department extended its contracts with railway companies for the transmission of mails by any of their ordinary trains to the lines formerly belonging to the Scottish Central and Scottish North-eastern Railway Companies between Larbert, Perth, and Aberdeen, now in possession of the Caledonian Railway Company, and such contracts now exist with all the railway companies by the main route from Penzance in Corn-

wall to Ardgay in Ross-shire, the latter being but twenty miles from the extreme point of railway communication in the north of Scotland.

In October 1866, under a general contract with the Midland Great Western Railway Company, a Night Mail Service by railway was established between Mullingar and Sligo, the mail car service being abolished. By this arrangement much additional accommodation was given to the towns of Boyle, Carrick-on-Shannon, Ballymote, Sligo, Longford, and Edgeworthstown. The department also obtained the general use of trains on additional railways in Ireland, the most important line to which this arrangement was extended being the Dublin, Wexford, and Wicklow Railway.

Accelerations, &c. of Mails during the Year 1867.

The chief improvement during the year 1867 consisted of an earlier despatch of the train from Euston Station conveying the London Day Mail to towns as far north as Preston, including Liverpool, Manchester, &c. on the London and North-western Railway, and to towns between Rugby and Leeds, including Nottingham, Sheffield, &c., on the Midland Railway. The train formerly left London at 8.45 A.M., and the despatch was made 1h. 15m. earlier, viz., at 7.30 A.M., affording an earlier arrival of the Mail to a corresponding extent at the provincial towns which it serves. In many cases, however, the benefit afforded is much increased, and at Bolton and Oldham, for instance, the arrival is accelerated by as much as three hours, and at Liverpool the delivery of the London Day Mail letters is made 2h. 15m. earlier than heretofore. In order that the advantages of the measure might not be counterbalanced by any loss of accommodation, arrangements were made for including in the earlier mail the whole, or very nearly the whole, of the correspondence which had been sent by the later despatch, including Foreign letters arriving in London in the morning.

During the present year the earlier despatch of the first Day Mails from London has been extended to other lines; but the particulars will be referred to in the next Report.

In connexion with this measure, it has been found expedient in many cases to establish second Day Mails from London a few hours after the earlier Mails, and this has accordingly been done in the case of a large number of towns.

Arrangements have also been made for receiving Bags in London from provincial towns later than formerly, and in consequence it has been found practicable to establish a Morning Mail to London at towns which previously had no such accommodation, as, for instance, at Newcastle-on-Tyne, Darlington, York, Hull, and Lancaster, as well as to afford a more convenient despatch at other towns.

Several lines of railway which had not been employed for the Mail service were used during 1867,—among others the Furness

Railway in Lancashire and the Carmarthen and Llandovery Railway. The posts in the districts traversed by these lines were placed on a much more satisfactory footing.

Sorting carriages were established in the Night Mail Trains between Milford Junction and Hull, between Lincoln and Tamworth, and between Ely and Peterborough, and thus in many instances the delivery of the letters was accelerated, and the course of Post between different parts of the kingdom improved.

Many accelerations were effected in the case of local Posts in all parts of Scotland, but perhaps the improvement which is of most general interest is that which took place with respect to the packet conveying the mails to all the towns on the Clyde below Greenock. Up to last year the packet employed during the winter, when there is little passenger traffic, was much slower than the one in summer, but a swift Packet Service throughout the whole year has now been provided.

The railway in the extreme north was nearly completed to Golspie by the end of the year (1867), and during the early part of this year (1868) was opened and employed for the Mail service.

In Ireland, the Day Mails in several parts of the country were improved by the use of railways hitherto not employed. But by far the most important benefit was not carried into effect until February of this year, when the Day Mail trains in both directions between Dublin and Belfast were greatly accelerated, with the view of meeting urgent requests from the merchants of Belfast for an improvement of their Post with London. The effect of this acceleration has been to save a day for purposes of business, in obtaining a reply to a letter between London and Belfast.

Foreign and Colonial Mails.

IMPROVEMENTS IN 1866 AND 1867.

THE half-ounce scale of postage, *i.e.*, the scale progressing by half an ounce through all its gradations, was extended to the correspondence between the United Kingdom and numerous foreign countries.

The British fee on registered letters, newspapers, and book packets addressed to the kingdom of Italy, or to any British colony, was reduced from 6*d.* to 4*d.*

A like reduction took place in regard to letters addressed to any foreign country,—letters addressed to France or letters sent in the French mail excepted.

Registration was extended to book packets and patterns addressed to any of the States of the German Postal Union.

The pattern post was extended to Russia, the United States of Colombia, Bavaria, the Netherlands, various foreign ports in the East and West Indies, Turkey, Moldavia, and Wallachia, Por-

tugal, Madeira and the Cape de Verds, Ecuador, Chili, Bolivia, Peru, the States of Central America, Venezuela, Brazil, Monte Video, and Buenos Ayres.

The book post was extended to all parts of Sweden instead of being limited to a few towns. It was also extended to the United States of Colombia, to various foreign ports in the East and West Indies, Turkey, Moldavia, and Wallachia, and to Ecuador, Bolivia, Chili, Peru, the States of Central America, and to Brazil.

The postage on correspondence with Russia was reduced from 10*d.* to 9*d.* per single half-ounce letter; on correspondence sent by private ship to Norway from 6*d.* to 4*d.*; on correspondence sent by Swedish packet to Sweden from 11*d.* to 6*d.*; on correspondence with Portugal, Madeira, and the Cape de Verds from 6*d.* paid in England, with an additional charge at the place of destination, to a total combined rate of 6*d.*; on correspondence to the Papal States from 11*d.* to 6*d.*; on correspondence to Greece from 11*d.* to 8*d.*

The postage on letters addressed to any of the places in Turkey, Greece, or Egypt at which Austria maintains post offices has also been in most cases reduced.

Arrangements were made with the Danish post office under which the whole postage, British and Foreign, on newspapers, book packets, and patterns addressed to Sweden and Norway, and forwarded in the Danish mails, can be paid in advance in this country.

The scale for charging book-packets and packets of patterns addressed to any of the British colonies, or to any foreign country to which book packets and patterns can be sent at a reduced rate of postage, was altered, and the charge was made to increase one single rate for every four ounces or fraction of four ounces.

The Government of New Zealand having entered into a contract with the Panama, New Zealand, and Australian Royal Mail Company for a monthly mail service by steam vessels between Panama and Wellington, with branch services to the other ports of New Zealand, as well as to Sydney and Melbourne, all correspondence for New Zealand and such of the correspondence for the Australian colonies as is addressed "*via Panama*," is now forwarded by the West India Packet of the 2*d* of the month to Colon.

The Peninsular and Oriental Steam Navigation Company having given notice to terminate their contract for the mail service between Suez and Port Louis, a new contract was entered into, on behalf of the Mauritius Government, with the Union Steam Ship Company, for a monthly mail service between Point de Galle and Port Louis, fitted to the mail packets between Suez and China.

This second contract has recently been terminated by mutual consent, and the mails to and from Mauritius are now conveyed wholly by the French mail packets.

A contract was entered into with the proprietors of a line of Spanish steamers for the conveyance of an additional British mail in each month between St. Thomas, Porto Rico, and Havana, and for the conveyance of British mails to Porto Plata, Santa Domingo, and St. Jago de Cuba.

A new contract was made with the African Steam Ship Company, for the conveyance of the mails monthly to and from the West Coast of Africa, on terms by which a saving of 10,000*l.* a year was effected.

The company are now despatching steamers to the African ports twice a month, and an extra mail is carried monthly to each port; the company receiving a portion of the sea postage on the letters carried, as their remuneration.

When the time arrived at which such a course was practicable, notice was given to Messrs. Cunard, Burns, and MacIver, that their contract for the North American mail service would be terminated at the end of the year 1867, and, in order that the department might be free to make the best possible arrangements for this service after the termination of the contract, notice was also given to the Postmaster General of the United States of a desire to terminate, at the same period, the postal convention concluded with the United States Post Office in 1848. He was, at the same time, informed that this department would be ready to conclude a new convention, suited to the altered circumstances of the case.

In June 1867 a new convention was signed, under which the total postage on a single letter passing between the United Kingdom and the United States was reduced from one shilling to sixpence; the transmission of book packets and patterns at a low rate of postage was sanctioned, and reduced rates of charge were established for correspondence sent in transit through either country.

Each office was left free to make its own arrangements for the despatch of mails to the other office, and tenders were accordingly invited for the conveyance of mails from this country to New York, on the understanding that the contractors should be paid the whole of the sea postage, and should be bound under penalties to deliver the mails within a certain time.

The tenders received were so far unsatisfactory that none was made by the owners of the established line of British steam vessels, Messrs. Cunard, Burns, and MacIver, by whom the mails had been conveyed for so many years, and with so much regularity, between this country and the United States,—those gentlemen declining to undertake a mail service in one direction only.

In other respects the altered arrangements necessary to comply with the stipulations of the new convention with the United States were found to be so unfavourable that I thought it my duty to inform the Postmaster General of the United States that I was desirous that it should not continue in force longer than one year, during which I hoped to be able to

conclude with him another convention which should be free from the objections attaching to that concluded in June 1867.

Mr. Anthony Trollope is now in Washington, empowered by me to carry on the negotiations for such a convention.

The several post office agencies in the ports of China and Japan never having been inspected, Mr. Edward Rea, of the secretary's office, was despatched from London for the purpose of making such an inspection. He was instructed to inquire and report whether the agencies in question might not advantageously be placed under the control of the Government of Hong Kong, and if so, upon what terms. Upon Mr. Rea's report the several agents have been placed under the superintendence of the Postmaster General of Hong Kong, to whom this department is to pay a fixed annual sum on account of the cost of the agencies.

The limitation of weight for book packets sent to the East Indies has been extended from three to five pounds.

In addition to the weekly exchange of mails by means of the French Mail Packets sealed mail bags are now sent to and from the British Post Office at Constantinople through Austria, the route of Rutschuk and Varna being employed in the summer, and the Trieste route in the winter.

The Panama Railroad Company having agreed to reduce their charge for the conveyance of printed matter across the Isthmus, the department has been enabled to make a reduction in the postage of newspapers and book packets sent to the Pacific and to New Zealand.

The privilege enjoyed for many years by naval officers serving abroad of sending and receiving their letters by British packet to and from the United Kingdom for a postage of sixpence has been extended to officers of the army stationed in the Colonies, in all cases where the postage of ordinary letters between the United Kingdom and such Colonies is more than sixpence.

In accordance with the recommendations of the Select Committee on East India communications, notice was given on the 1st February 1867 to the Peninsular and Oriental Steam Navigation Company to terminate in twelve months the contracts of the 1st January 1853 and the 7th July 1854 for the East India and China Mail services, and tenders for a weekly service to Bombay, and a fortnightly service to Ceylon, China, and Japan, were called for. The only tender received was sent in by that company, and the subsidy demanded was 500,000*l.* a year.

After much discussion, the company agreed to accept 400,000*l.* instead of 500,000*l.* a year, but on condition that the contract should continue in force for 12 years, and that when the fund accruing for dividend in any one year should fall below the amount required for a 6 per cent. dividend, the subsidy should be increased by the amount of the deficiency, the Post Office being bound in no case to pay more than the 500,000*l.* first asked. On the other hand, they agreed that when the like fund rises above the sum required for a dividend of 8 per cent. the Post Office should have one fourth of the excess.

The increase of expense for this service will be considerable, but, looking at the great competition to which the Peninsular and Oriental Company is now exposed in its passenger trade, not only by the establishment of the French line of steam vessels, but also by the large number of military officers and other Government passengers now carried by the steam transports lately built by the Admiralty, I am of opinion that the terms of the new contract are as favourable as could be expected.

In consequence of a desire expressed by many mercantile bodies connected with the manufacturing district, arrangements were made for the West India Mail Packets to call at Plymouth and land the mails on the return voyage; officers were employed on board the packets to sort the letters, &c., so that they might be ready to be forwarded at once to their destination.

This step was, unfortunately, taken just at the time that the yellow fever prevailed so seriously at St. Thomas. Two of the sorting officers died, and others suffered from the effects of the fever, and, for a time, it became necessary to suspend the sorting operations; but as soon as St. Thomas was pronounced healthy the service was resumed, and the mails are now regularly landed at Plymouth.

Endeavours have been made to conclude a new postal convention with Brazil, but as there did not appear any prospect of success the negotiation terminated.

The London District.

The improvements which have been made in the London District are as follows:—

The establishment of a direct mail cart between certain of the district offices in place of keeping up the former circuitous circulation through the Head Office, whereby a considerable portion of the correspondence has been accelerated.

An extension by half an hour of the time allowed for posting letters for the night mails to the country throughout a large part of London.

The establishment from certain receiving offices and pillar letter boxes in the eastern central district of additional collections of letters. These collections are now made every half hour during the busy hours of the day.

The extension to several important suburbs of the morning collection from pillar letter boxes for the early mails to the country and for the first delivery in London.

The establishment of an additional delivery throughout Bayswater and Paddington for the continental letters. A larger measure has been carried out during the present year for giving this neighbourhood the same number of collections and deliveries of letters as there are in other parts of London.

During the period embraced in this report further additional accommodation has been afforded by the opening of 19 new receiving offices, and the erection of 64 pillar letter boxes. The total number of receptacles for letters in the Metropolitan District at the close of 1867 was made up as follows:—

Receiving offices	-	-	-	-	-	469
of which number 417 were money order offices						
and 405 were post office savings banks.						
Pillar letter boxes	-	-	-	-	-	423
Wall letter boxes	-	-	-	-	-	54
Railway station boxes	-	-	-	-	-	9

In Provincial Towns.

In addition to the improvements which have been described, the following summary may be given.

The service for the following places in the neighbourhood of London has been placed upon a new and satisfactory footing, in many cases the railway being employed for the conveyance of mails, instead of mail carts, viz. :—

Barnet.	Hampton.	Teddington
Battersea.	Hanwell.	Twickenham.
Charlton.	Harrow.	Wandsworth.
Croydon.	Kilburn.	Willesden.
Ealing.	Petersham.	Woolwich.
Edgware.	Richmond.	
Greenwich.	Stanmore.	

Additional letter carriers have been employed at

Birmingham.	Clevedon.	Pembroke Dock.
Brighton.	Crewe.	Rhyl.
Bolton.	Durham.	Shrewsbury.
Bodmin.	Farnham.	Southport.
Bute Docks	Gravesend.	Torquay.
(Cardiff).	Leeds.	Weston-super-Mare.
Cambridge.	Llandudno.	Wolverhampton.
Carlisle.	North Shields.	
Chesterfield.	Nottingham.	

In the Twelfth Report on the Post Office, it was stated that a scheme was under consideration for increasing the number of the collections and deliveries of letters in Manchester, in extension of the principle of giving additional facilities of that kind under the system of postal districts which has proved so successful in London, and had then recently been advantageously introduced at Liverpool.

Plans, to which great attention has been given, are now nearly matured for effecting this improvement in the Manchester service; and I hope that I shall, before long, be able to submit these plans for your Lordships' favourable consideration. It will probably be found expedient to divide Manchester and its immediate suburbs into several districts,—one to be a Central

district around the Head Post Office, and the rest to be outer districts, each having a letter carrier's sorting office, by means of which the work of collecting and delivery could be carried on with increased convenience and rapidity; and probably also it will be expedient to establish two additional collections of letters, with one additional delivery, throughout Manchester, and another additional delivery perhaps in the Central district only.

- One object to be attained by such additional general delivery, which would take place in the afternoon, would be an important acceleration in the distribution of letters brought by the second day mail from London, a point which I am very desirous of seeing accomplished, and both this and the other new delivery, if established, would accelerate letters posted in Manchester itself, and also letters brought from other places. The proposed new collections would, of course, aid in bringing about this result.

Such additions as these to the work of the department in Manchester obviously could not be met without a material augmentation of the number of officers employed, and of the cost of the office; but I think it will be found that the proposed additional facilities would by no means extend the postal accommodation of Manchester beyond an amount which the inhabitants have a fair right to expect; and I should hope that in this case, as in others, these facilities would, by promoting a more rapid exchange of correspondence, lead to such an increased use of the post as to bring in eventually an increased revenue, sufficient at least to prevent loss through the outlay it would be necessary to incur.

In connexion with the proposed new arrangements, it will be desirable to look also at the means of postal communication between Manchester and other towns with which it may have intimate relations, in order that, if necessary, changes and improvements may be made calculated to develop to the full the usefulness of the new facilities at Manchester in regard to its intercourse with other places.

Increase of Correspondence.

The table at pages 5 and 6 will show that the increase in the number of letters conveyed by the Post Office during the year 1866, and again during the year 1867, was, as in previous years, much more than proportionate to the increase of population in all parts of the United Kingdom, and to the increase in the number of inhabited houses.

In the United Kingdom the proportion of letters to population rose from 24 per head per annum, in 1865 and 1866, to 26 per head per annum in 1867; and the proportion of letters to inhabited houses rose from 135 letters to one house in 1865, to 141 letters to one house in 1866, and 144 letters to one house in 1867.

During the years 1866 and 1867 the total number of letters delivered in the London district would have been much more than sufficient to give a delivery of one letter on every working day to each house throughout the district.

The following statement will show the actual increase in all kinds of correspondence conveyed by the Post Office during the past four years :—

Articles conveyed by the Post Office.	Increase in 1864 over 1863.	Increase in 1865 over 1864.	Increase in 1866 over 1865.	Increase in 1867 over 1866.
Letters - - - -	36 Millions.	41 Millions.	30 Millions.	25 Millions.
Books, free and chargeable } Newspapers, Samples, and } Patterns - - - - }	7,825,009	2,410,000	3,245,000	450,000

The gross total of the articles conveyed by the Post Office rose, in 1866, to

Letters - - - -	750,000,000
Books, free and chargeable newspapers, } samples, and patterns - - - }	101,784,185
In all - - - -	<u>851,784,185</u>

And the gross total of the articles conveyed in 1867 was,

Letters - - - -	774,831,000
Books, free and chargeable newspapers, } samples, and patterns - - - }	102,273,301
In all - - - -	<u>877,104,301</u>

The progress of the book post and the pattern post calls for no special comment, though it will be seen by a reference to the table at page 5, and the foregoing tables, that the increase, especially during the year 1866, continues considerable. As in previous years, the samples and patterns sent from London during 1866 and 1867 formed more than one sixth part of the entire number of these articles transmitted through the post.

The correspondence with foreign countries and the colonies continued, with one or two exceptions, to increase in the year 1866 as against the year 1865, and again in 1867 as compared with 1866. The correspondence between this country and France is steadily progressive. So also is it in the case of the correspondence between this country and Belgium, Italy, Spain, and Holland, the East Indies and China, and Canada and the United States.

There was also a considerable increase in 1866 and 1867 in the number of valentines transmitted through the Post Office. In the year 1865 the estimated number of valentines despatched

from, or delivered in London, on the 13th and 14th of February, was 820,000 ; in 1866 the number was estimated at 997,900 ; whilst in 1867 the number rose to 1,119,142. As in previous years it was found that the valentines sent from London to the country were twice as numerous as those sent from the country to London ; and also that the number of valentines posted in the Western District was, in both years, greatly in excess of the number posted in any other district of London.

The estimated postage derived from the valentines passing through London was 9,354*l.* in 1866, and 11,242*l.* in 1867. Valentines having postage charged upon them to the amount of nearly 200*l.* in each year were refused by the persons to whom they were addressed.

Registered Letters.

The number of registered letters passing through the registered letter branch of the General Post Office, either for despatch or delivery, was, in the year 1865, 1,800,982 ; in the year 1866, this number had increased to 1,955,141, or an increase of 8·5 per cent ; in the year 1867 the number had increased to 1,964,980, or an increase of 0·5 per cent. These figures are exclusive of the letters containing coin, which are compulsorily registered in this department, and which numbered 37,823 in 1865, 33,364 in 1866, and 28,000 in 1867. A corresponding increase in the number of registered letters passing through the post in the whole of the United Kingdom, which number amounted in 1866 to 2,540,160, and in 1867 to 2,619,570, has also taken place.

In 1866 an important improvement was introduced in the system of treating registered letters in the Registered Letter Branch of the Chief Office, rendered necessary by the growth and the extreme importance of the duty performed there. This change consisted in an improved system, by means of which the check was extended to each officer through whose hands the registered letters passed, instead of being confined to those only who received and despatched the letters.

The new system of check consists in entering the address of each registered letter in triplicate, by the manifold process at the despatching office, so that at one operation the address is recorded for the three stages through which each letter passes from the time of despatch to the time of delivery. One copy so taken is on perforated paper, divided into slips of convenient size, lettered and numbered ; and, in order that it should not be necessary for the registered letter to pass into other hands than those of the receiving and despatching, or delivering officers, the perforated slips are sorted to the divisions to which they belong, and when signed by the despatching officer or letter carrier, as the case may be, are presented to the receiving officer in exchange for the letters.

This system of check, was applied experimentally in 1866 to the ten largest provincial offices, and this trial having proved

successful, the system was extended during the past year to all provincial towns making up bags for London ; and thus, not only has additional security been given to the letters themselves, but the work has been simplified and made uniform.

Owing to the great increase in the number and size of the registered letters or parcels for the principal banking establishments in the City it has been considered that these valuable letters could no longer, with due regard to their security, be delivered in the ordinary manner by letter carriers. With the concurrence, therefore, of the bankers, these parcels, averaging more than 500 daily, are now enclosed in separate sealed bags for each firm, and forwarded to the several establishments by carts, under the charge of special messengers. This arrangement has undoubtedly afforded greater security to a large amount of valuable correspondence, and relieved the letter carriers of great responsibility.

Whilst on the subject of the security of registered letters, it should be stated that the department cannot hope to carry every registered letter inviolate, when the public themselves show in so many cases great disregard to their security. For example, many registered letters were received open, and in several cases bank notes and postage stamps were forwarded in registered book packets in so careless a manner that they might have escaped, or have been easily abstracted.

Returned Letters.

The following table shows the number of returned letters in the years 1866 and 1867, and the manner in which they were disposed of.

	1866.	1867.
Total number of Returned Letters in the United Kingdom - - - - -	3,602,995	3,618,888
Of these total numbers :—		
Returned to the Writers - - - - -	2,884,024	2,943,119
Re-issued to corrected Addresses - - - - -	133,564	138,759
Returned unopened to foreign countries - - - - -	132,499	140,784
Destroyed - - - - -	452,908	396,226
In hand - - - - -		
	3,602,995	3,618,888

As there were 3,518,000 returned letters in 1865, the number of these letters for 1866, as shown by the foregoing return, are slightly in excess over that for 1865 ; the returned letters for 1867 were also slightly in excess of the number for 1866, but these very slight increases are far from being proportionate to the increased correspondence passing through the post for the past two years. For example, the increase in the total number of letters passing through the post in 1865 over 1866 was at the rate of 4·09 per cent., and the increase in the total number of letters in 1867 over 1866 was at the rate of 3·31 per cent. ; the

increase in the total number of returned letters in 1866 over 1865 was at the rate of 2·4 per cent.; and the increase in the total number of these letters in 1867 over 1866 was at the rate of ·46 per cent.

It is found that the increase in the number of returned letters is chiefly attributable to the incorrect manner in which circulars are addressed. It is the practice of persons who issue circulars in large numbers to copy the names of persons to whom they are sent from directories, and in consequence of the numerous changes of abode that take place every year, in London especially, the information so obtained is by no means reliable, and hence the large numbers that fail to reach the addressees. Of the number of returned letters which cannot be satisfactorily disposed of, the great bulk consists of circulars and letters of apparently little value.

The property letters and packets received in the returned letter branch in 1866 numbered 55,106, and 49,154 of these were returned to the writers; in 1867, these letters numbered 58,538, of which 52,281 were returned to the writers.

During the year 1866, 10,400 letters were posted in England and Wales without any address, and 276 of these were found to contain cash, notes, bills, and cheques, to the amount in all of 3,670*l.*, and in 1867, 9,169 letters were so posted, 236 of which contained cash, notes, bills, &c. to the amount of 2,140*l.*

The Money Order Office.

The increase in the number of money order offices during the years 1866 and 1867 was, in every part of the kingdom, much more than proportionate to the increase in the number of inhabited houses; and the increase in the business of the money order office was, as in previous years, nearly equally distributed over the whole kingdom.

At the end of the year 1865 the number of money order offices was 3,418, and at the end of the year 1866 the number was 3,567, showing an increase of 149; at the end of 1867 the number amounted to 3,691, showing an increase on the previous year of 124, or a total increase on the two years of 271 offices.

During the years 1866 and 1867 the money order business was established between this country and Alexandria, Turk's Island, Dominica, Bermuda, Nevis, Bahia, Buenos Ayres, Monte Video, Pernambuco, Rio de Janeiro, and Lagos. The following table will show the nature and amount of the money order business transacted between this country and our colonies and foreign countries:—

YEAR.	Money Orders issued in the United Kingdom for Payment in Colonies.		Money Orders issued in Colonies and paid in United Kingdom.	
	Number.	Amount.	Number.	Amount.
1865 - - - -	11,744	£ 44,927	77,732	£ 371,979
1866 - - - -	13,682	53,801	91,513	448,276
1867 - - - -	18,967	74,621	104,816	490,327
Increase in the year 1866 as compared with 1865 } -	1,938	8,874	13,781	76,297
Increase in the year 1867 as compared with 1866 } -	5,285	20,820	13,303	41,951

It will be seen from the above statement that the business done in 1866, in both directions, was considerably in excess of the business done in 1865, and that the increase during 1867 on the business done in 1866 was also considerable.

During the year 1867 a money order office was established in connexion with the Paris Exhibition, which was very useful to British exhibitors and visitors; 3,815 money orders, amounting to 16,564*l.*, were issued, and 4,155 orders, of the value of nearly 17,000*l.*, were paid during the time the office remained open.

Since the passing of the Act, 30 Vict. cap. 5., repealing the assessed taxes on dogs, and imposing in lieu of them a licence duty of excise to be paid annually in Great Britain, this department has undertaken the distribution, at all its offices, of forms of application from the public for dog licences. The Commissioners of Inland Revenue have since represented to me that it would be a great and additional convenience to the public if the licences themselves were granted by this department, and if the public could obtain these licences on application at any money order office. After full consideration a satisfactory arrangement for the performance of this additional duty has now been decided upon, and will be brought into operation at once.

Post Office Savings Banks.

It will be seen from the table at page 6 that the number of depositors in post office savings banks, and the amounts deposited, continue to increase. These evidences of progress are sufficiently striking of themselves, but the following comprehensive statement of the business of the post office savings banks from the commencement of operations, of the cost of that business year by year, and of the funds in hand at the close of each year, will show that the rate of increase in each branch

Period.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Number of Post Office Savings Banks at close of Period.	Number of Deposits received during Period.	Total Amount of Deposits received during Period.	Average Amount of each Deposit received during Period.	Number of Withdrawals during Period.	Total Amount of Withdrawals during Period.	Average Amount of each Withdrawal during Period.	Charges of Management during Period.	Average Cost of each Transaction, viz., of each Deposit or Withdrawal.	Number of Accounts opened during Period.	Number of Accounts closed during Period.	Number of Accounts remaining open at close of Period.	Total Amount standing to credit of all open Accounts, inclusive of Interest, to close of Period.	Average Amount standing to credit of each open Account at close of Period.	Total Sum standing to credit of Post Office Savings Banks on Books of National Debt Commissioners at close of Period.	Balance in hands of Postmaster-General, after allowing for Charges of Management, at close of Period.	Total Balance in hand, applicable to payment of Depositors, at close of Period.	Number of Old Savings Banks and Post Office Banks combined, at close of Period.	Number of the Depositors in Old Savings Banks and Post Office Banks combined, at close of Period.
From 16th Sept. 1861 to 31st Dec. 1862.	2,535	639,216	2,114,669	£ s. d. 8 6 2	97,294	438,637	£ s. d. 4 10 2	20,591	6 $\frac{1}{2}$ %	205,923	27,433	178,485	1,698,221	£ s. d. 9 10 3	1,659,032*	35,692	1,694,724*	3,157	1,792,555
From 31st Dec. 1862 to 31st Dec. 1863.	2,991	842,548	2,651,209	£ s. d. 8 2 11	197,431	1,027,154	£ s. d. 5 4 0	25,401	7 $\frac{1}{2}$ %	185,384	44,760	319,699	3,377,481	£ s. d. 10 11 4	3,328,182*	44,413	3,372,595*	3,594	1,876,389
From 31st Dec. 1863 to 31st Dec. 1864.	3,081	1,110,762	3,350,084	£ s. d. 8 0 3	306,242	1,894,840	£ s. d. 5 18 8	45,866	7 $\frac{1}{2}$ %	226,153	74,964	470,853	4,963,163	£ s. d. 10 12 1	4,966,683*	5,522	5,001,183*	3,659	1,967,663
From 31st Dec. 1864 to 31st Dec. 1865.	3,321	1,302,369	3,719,017	£ s. d. 2 17 1	407,412	2,318,610	£ s. d. 5 13 9	49,527	6 $\frac{1}{2}$ %	239,086	98,725	611,819	6,526,400	£ s. d. 10 13 4	6,582,329*	4,327	6,586,656*	3,822	2,078,346
From 31st Dec. 1865 to 31st Dec. 1866.	3,507	1,625,871	4,400,657	£ s. d. 2 19 0	515,348	2,975,054	£ s. d. 5 15 4	59,451	7 $\frac{1}{2}$ %	266,542	131,672	754,258	8,121,175	£ s. d. 10 15 4	8,231,176*	26,791	8,256,967	4,058	2,156,200
From 31st Dec. 1866 to 31st Dec. 1867.	3,629	1,592,344	4,643,906	£ s. d. 2 18 4	581,972	3,222,800	£ s. d. 5 10 9	62,700	7 00%	294,341	155,612	854,989	9,749,929	£ s. d. 11 8 0	9,897,703*	47,690	9,915,393	4,268	2,239,347

* These sums do not include the dividends accruing to the Post Office Savings Banks on the 5th January, that is, five days after the close of the account in each year.

† The falling off in the cost per transaction during 1863 and the increase in that cost during 1864 are attributable to one and the same cause, viz., to the payment during 1864 of various charges properly belonging to 1863.

of the business is constantly progressive, and will also serve to show that in all respects the anticipations which were formed in the first instance as to post office savings banks have been abundantly realized, and that the estimated cost of this business has not been exceeded.

It will be seen from the statement on page 23 that the total number of depositors in post office savings banks and old savings banks combined, and throughout the kingdom, had risen at the close of the year 1866 to 2,156,290, and at the close of the year 1867 to 2,239,347. The total number of depositors at the end of the year 1855 was 1,304,000 ; so that there has been in the last twelve years an increase of nearly a million in the number of savings bank depositors.

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 ranged between 4*l.* and 5*l.* As the post office banks became better known to the poorer classes, and were more extended into remote districts, a gradual reduction took place in the average amount of each deposit, which has for some time ranged between 2*l.* 10*s.* and 3*l.*

It will be seen, by a reference to the table at page 6, that the increase in the number of depositors has more than kept pace with the increase of population. In England and Wales there was, in 1866 and 1867, one depositor to every eleven persons ; in Scotland, one depositor to every sixteen persons ; in Ireland, in 1866, one depositor to every seventy-five persons, and, in 1867, one to every sixty-nine persons ; and in the whole of the United Kingdom there was, in both years, one depositor to every fourteen persons.

Government Insurances and Annuities.

The following Tables will show the progress which has been made in the Government Insurance and Annuity Office from the commencement of business on the 17th April 1865 to the 31st of December 1867, and these tables also show the amounts which have been paid during that period for charges of management.

GOVERNMENT ANNUITIES AND INSURANCES (GRANTED) CARRIED OVER.

An Account showing the Number and Amount of Sums received and paid, and the Number and Amount of Contracts granted by Her Majesty's Postmaster General, under authority of the Act 27 & 28 Vict. c. 43, from the Commencement of Business on the 17th April 1865 to the 31st December 1867, together with the Number and Amount of Contracts in existence on the 31st December 1867, and the Amount paid for Charges of Management.

(I)

An Account showing the Number and Amount of Sums received and paid on Account of Government Annuity and Insurance Contracts from the Commencement of Business on the 17th April 1865 to the 31st December 1867.

			Receipts.			Payments.		
			From 17 April 1865 to 31 December 1866.		From 1 January to 31 December 1867.		Total.	
No.	Amount.		No.	Amount.	No.	Amount.	No.	Amount.
To Cash received for the purchase of Annuities, viz.:-			£	£ s. d.	£	£ s. d.	£	£ s. d.
283	71,565 6 3	For Immediate Annuities	286	65,068 17 3	552	136,637 3 6	-	140,287 8 5
76	2,650 0 7	For Deferred Annuities	83	1,263 1 11	129	3,863 2 6	-	11,650 0 11
288	1,558 0 0	Monthly Allowances, Money not returnable	290	1,129 3 8	546	2,687 3 8	-	228 17 4
To Cash received for Fees on Annuity Contracts (the Charges for Monthly Allowances being included in the Premium)			-	407 4 6	-	735 13 7	-	7,441 13 1
To Cash received from the Commissioners for the Reduction of the National Debt for payment to Annuitants, viz.:-			-	-	-	-	-	388 9 10
Gross	£ s. d.	£ s. d.	-	-	-	-	-	-
Less In-	3,709 7 6	8,556 13 2	-	-	-	-	-	-
come Tax	9 4 6	31 11 8	-	-	-	-	-	-
To Cash received on account of Contracts for the payment of Sums at Death			-	3,700 3 0	-	11,925 9 6	-	-
To Cash received from the Commissioners for the Reduction of the National Debt, for the Payment of Annuity due under Contracts for Sums payable at Death	4,538	4,004 12 1	5,368	1 7 10,256	7,584 13 8	-	-	-
Total			-	70 7 6	-	218 2 4	-	163,751 15 3
Total			-	£ 63,938 13 11	-	70,513 1 4	-	134,451 14 5

(II.)

AN ACCOUNT showing the Number and Amount of CONTRACTS entered into by Her Majesty's Postmaster-General from the Commencement of Business on the 17th April 1865 to the 31st December 1867, and the Number and Amount of Contracts in existence on the 31st December 1867.

	CONTRACTS GRANTED.				TOTAL.	
	From 17 April 1865 to 31 December 1866.		From 1 January to 31 December 1867.			
	No.	Amount.	No.	Amount.	No.	Amount.
		£ s. d.		£ s. d.		£ s. d.
Contracts for Annuities granted from the commencement of business on 17th April 1865 to the 31st December 1867, viz. :—						
Immediate Annuities - -	283	6,427 13 6	268	5,966 3 8	551	12,393 17 2
Deferred Annuities and Monthly Allowances, Money not returnable - -	44	896 11 0	13	229 0 0	75	1,125 11 0
Deferred Annuities and Monthly Allowances, Money returnable - - - -	73	1,442 4 0	28	475 14 0	101	1,917 18 0
Contracts for Sums payable at Death granted from the commencement of business on 17th April 1865 to the 31st December 1867 - - - - -	1,168	87,910 16 9	364	26,989 7 10	1,532	114,900 4 7
Contracts for Annuities in existence on the 31st December, 1867, viz. :—						
Immediate Annuities - -	- - - -	- - - -	- - - -	- - - -	545	12,245 17 2
Deferred Annuities and Monthly Allowances, Money not returnable - -	- - - -	- - - -	- - - -	- - - -	52	1,006 3 0
Deferred Annuities and Monthly Allowances, Money returnable - - - -	- - - -	- - - -	- - - -	- - - -	85	1,563 9 0
Contracts for Sums payable at Death in existence on the 31st December 1867 - - - -	- - - -	- - - -	- - - -	- - - -	1,485	111,437 1 5

(III.)

AN ACCOUNT showing the Amount paid for the CHARGES of MANAGEMENT from the Commencement of Business on the 17th April 1865 to the 31st December 1867.

	From 17 April 1865 to 31 December 1866.	From 1 January to 31 December 1867.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.
Salaries and Allowances - - - -	503 7 11	252 13 9	756 1 8
Stationery - - - - -	1,351 7 5	53 18 0	1,405 3 5
Stamps on Policies - - - - -	90 0 0	- - -	90 0 0
Fees to Medical Officers - - - -	102 5 0	81 0 0	183 5 0
Incidental Disbursements, including Travelling Charges - - - -	11 18 10	- - -	11 18 10
Works executed and Furniture supplied - - -	241 15 0	8 10 10	250 5 10
Postage - - - - -	177 0 4	37 5 0	214 5 4
TOTAL AMOUNT paid for charges of management, including books, stationery, and preliminary expenses - - - - }	2,477 14 6	433 5 7	2,911 0 1
Fees received on the grant of certain Annuities	407 4 6	328 8 1	735 12 7

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 gross and net revenue, and of the total effective and non-effective force of the Post Office, in each of the ten years from 1858 to 1867.

The cost of the Post Office Savings Banks and the cost of the Insurance and Annuity Office, which are not chargeable on the Post Office, are excluded from the following table, and separately stated, so far as the Savings Banks are concerned, at page 23, and so far as the Insurance and Annuities are concerned, at page 26.

Force and Expenditure.

Date.	Force.		Cost of Collection and Delivery, of Management, and of Money Order Business.							Cost of Conveyance of Mails.						Total Cost of Post Office Service.	
	Effective.	Non-Effective.	Staff Officers, Postmasters, Clerks, Sorters, Guards, Letter Carriers, Stampers, Messengers.	Pensioners.		Salaries, Wages, Pensions, Travelling Allowances, Pensions on Sale of Stamps, Commission on Money Order business, Cost of Uniform Clothing, Medical Expenses, and Cost of Substitutes during annual Holidays or Sickness of Officers and Men, Official Postage, Law Charges, and incidental Expenses.	Manufacture of Postage Stamps, <i>i.e.</i> , Printing, Paper, and Miscellaneous Charges.	Stationery.	Buildings and Repairs, Rents, Rates, Taxes, Fuel, and Light.	Total Cost of Collection, Delivery, and 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 Barges of Admiralty Agents and other Officers in charge of Foreign and Colonial Mails.	Total Cost of Conveyance.	Total Cost of Post Office Service.
1858	24,186	501				1,075,217	17,968	33,468	93,970	1,290,668	145,516	545,073	18,907	935,983	28,571	1,673,560	2,894,518
1859	24,698	589				1,167,656	20,094	35,333	105,478	1,392,560	147,905	488,647	24,890	948,088	28,780	1,577,600	2,907,160
1860	25,192	765				1,140,396	19,177	42,174	68,215	1,368,993	150,268	490,323	25,995	969,953	28,647	1,567,175	2,851,137
1861	25,376	868				1,214,363	19,414	34,781	85,708	1,354,200	152,508	605,045	25,999	940,637	33,071	1,807,511	3,161,411
1862	25,985	927				1,340,968	19,281	31,365	84,795	1,384,689	152,280	538,998	23,393	881,067	24,700	1,547,406	2,982,095
1863	25,498	1,017				1,254,903	18,495	32,183	81,548	1,386,930	149,333	538,513	20,189	837,655	29,548	1,575,381	2,968,051
1864	25,637	1,151				1,332,945	19,750	32,561	39,780	1,414,996	145,089	505,893	21,807	900,610	29,963	1,683,511	3,079,297
1865	25,082	1,274				1,264,153	22,064	33,396	75,331	1,484,944	140,517	538,330	22,330	799,399	28,786	1,516,148	2,941,066
1866	25,594	1,423				1,368,157	23,234	34,989	193,627	1,609,007	139,988	586,095	21,336	817,467	27,898	1,692,674	3,301,651
1867	25,908	1,569				1,481,354	23,654	35,053	250,598	1,715,163	140,009	599,575	23,454	789,545	28,764	1,581,687	3,346,350

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 Service.	Net Revenue.
	£	£	£	£	£	£	£
1858 -	2,975,939	111,596	3,087,535	154,000	3,241,535	2,804,418	347,117
1859 -	3,197,263	116,417	3,313,675	146,249	3,461,924	2,907,160	554,764
1860 -	3,267,663	121,683	3,389,355	141,310	3,531,165	2,831,137	700,028
1861 -	3,403,691	127,966	3,530,557	134,571	3,665,128	3,161,411	503,717
1862 -	3,496,635	136,954	3,633,589	130,415	3,764,004	2,932,095	831,909
1863 -	3,730,073	144,226	3,874,299	125,156	3,999,455	2,963,051	1,037,404
1864 -	3,937,047	151,979	4,109,026	122,533	4,231,558	3,078,297	1,153,261
1865 -	4,142,086	157,113	4,299,199	124,409	4,423,608	2,941,066	1,482,542
1866 -	4,311,457	166,450	4,477,897	121,790	4,599,687	3,201,681	1,397,996
1867 -	4,376,044	172,085	4,548,129	120,085	4,668,214	3,246,850	1,421,364
Average Net Revenue of first Five Years							
	Ditto	second ditto	-	-	-	-	£ 537,507
			-	-	-	-	£ 1,298,507

Miscellaneous.

Applications are made to me from time to time for a reduction of the postage on local letters, but I am not disposed to view favourably any proposition which would have the effect of disturbing the uniformity of rate for distance, which is the principle of the existing postal system.

It may be very true that as a general rule local letters, that is, letters posted in any town for delivery within the same town, entail in some respects less labour and cost than other classes of letters; but it is obvious that if the Department is to be deprived of the advantages which it derives from this inequality of cost, its power of usefulness in directions where the conditions are less favourable would be greatly curtailed, or else the general community would suffer for the benefit of a comparatively small section of the public—the senders of circulars, for it is they only who can desire a cheaper postage for local letters.

Other applications, having for their object to lower the minimum rate of postage for printed matter sent by post in the United Kingdom, now fixed at 1*d.* for 4oz., are in my opinion more worthy of consideration with the view of seeing whether such matter when not exceeding 2oz. in weight could not be taken at a correspondingly lower rate. Indeed I have with your Lordships' sanction already made a change in this direction in the case of printed matter sent to places abroad.

I have the honour to be,

My Lords,

Your Lordships' obedient servant,

General Post Office,

MONTROSE.

July 1868.

APPENDIX.

The following statements, which have been prepared by order of the House of Commons, on the motion of Mr. Ayrton, show in detail the receipt and disposal of monies on account of post office savings banks, the surplus of funds to meet liabilities, and a detailed return of the securities standing to the credit of the post office savings banks fund:—

RETURN of the BALANCE SHEET of the POST OFFICE SAVINGS BANKS for the Year 1867, showing the Balance due to Depositors, the Amount of Expenses remaining Unpaid, the Value of Securities at the Cost Price less depreciation of those which are Terminable by Lapse of Time, Amount of Cash in hand and Dividends accrued but not received at the end of the Year, and the Surplus or Deficiency of Funds to meet Liabilities.

LIABILITIES.		ASSETS.			
	£ s. d.		£	s.	d.
Balance due to Depositors on the 31st December 1867 (including interest) -	9,749,029 9 10	Value of Securities at the Cost Price less depreciation of those which are terminable by Lapse of Time -	9,687,004	6	5
Amount of Expenses remaining unpaid (partly estimated) -	25,000 0 0	Amount of Cash in hands of Commissioners for the Reduction of the National Debt -	30,594	13	4
Surplus of Funds to meet Liabilities -	143,910 7 6	Dividends accrued but not received at the end of the year -	150,104	14	8
		Total Amount in the hands of the Commissioners for the Reduction of the National Debt -	9,807,703	14	5
		Cash in the hands of Her Majesty's Postmaster General -	67,684	19	4
		Deduct, — Amount required to meet the Payment of Warrants issued, but not cashed on 31st December 1867 -	16,548	16	6
	£ 9,918,839 17 3			51,136	2 10
				£ 9,918,839 17 3	

Total Amount received from Depositors, including Interest, to 31 December 1867	£ s. d.
Total Amount repaid to Depositors, to 31 December 1867	21,567,035 14 8
	11,817,106 4 11

Number of Transactions.		Number of Accounts.		
Deposits.	Withdrawals.	Opened.	Closed.	Remaining open.
7,612,748	2,106,042	1,380,750	529,754	850,996

The total cost of the Post Office Savings Banks from their establishment to the 31st December 1867, including the sum of 25,000*l.* charged as above, was 268,531*l.* 8*s.* 4*d.*

The total number of Transactions, i.e., Deposits and Withdrawals, in the period was 9,120,390. The average cost of each Transaction was 7*d.* 066.

Prior to the passing of the Post Office Savings Bank Act in 1861 it was estimated (*see* Parliamentary Paper, No. 523, 1861) that the average cost of each transaction would be 7*d.*

General Post Office,
March 1868.

GEORGE CHETWYND,
Receiver and Accountant General.

RETURN of the BALANCE SHEET of the POST OFFICE SAVINGS BANKS for the Year 1867, showing the Balance due to Depositors, the Amount of Expenses remaining Unpaid, the Value of Securities at the Cost Price less depreciation of those which are Terminable by Lapse of Time; Amount of Cash in Hand, and Dividends accrued but not received at the end of the Year, and the Surplus or Deficiency of Funds to meet Liabilities. So far as relates to the NATIONAL DEBT OFFICE.

Securities standing in the Names of the Commissioners for the Reduction of the National Debt on account of the Post Office Savings Banks Fund.		Value of such Securities at the Cost Price, less Depreciation of those which are Terminable by Lapse of Time.	Dividends accrued but not received at the end of the Year.
	£ s. d.	£ s. d.	£ s. d.
Consolidated £3 per Cents. - -	1,792,462 0 10	1,616,612 0 7	26,156 6 1
Reduced £3 per Cents. - -	160,000 0 0	147,231 7 6	1,106 12 4
New £3 per Cents. - - -	1,066,136 12 2	971,133 18 4	7,567 10 4
New £2½ per Cents. - - -	1,000,000 0 0	765,000 0 0	12,160 6 6
Exchequer Bonds - - -	472,000 0 0	472,000 0 0	4,720 0 0
Turkish Guaranteed £4 per Cent. Bonds	102,800 0 0	102,600 0 0	1,096 8 8
Bonds of Metropolitan Board of Works	845,000 0 0	845,000 0 0	12,080 10 9
Annuities for Terms of years ending } 5th April 1885 - - - - }	360,051 15 3 } per annum }	4,703,927 0 0	83,403 0 0
Red Sea and India Telegraph Annuities, expire 4th August 1908 - - }	3,100 0 0 } per annum }	63,500 0 0	1,312 0 0
	£	9,687,004 6 5	150,104 14 8
Add Value of Securities - -			9,687,004 6 5
Cash Balance in Bank of England -			30,594 12 4
		£	9,667,703 14 5

National Debt Office,
30 March 1868.

A. Y. SPEARMAN,
Comptroller General.

(II.) AN ACCOUNT showing the Number and Amount of CONTRACTS entered into by Her Majesty's Postmaster-General from the Commencement of Business on the 17th April 1865 to the 31st December 1868, and the Number and Amount of Contracts in existence on the 31st December 1868.

	CONTRACTS GRANTED.				TOTAL.	
	From 17 April 1865 to 31 December 1867.		From 1 January to 31 December 1868.			
	No.	Amount.	No.	Amount.	No.	Amount.
		£ s. d.		£ s. d.		£ s. d.
Contracts for Annuities granted from the commencement of business on 17th April 1865 to the 31st December 1868, viz. :—						
Immediate Annuities - -	551	12,393 17 2	323	6,396 0 0	874	18,789 17 2
Deferred Annuities and Monthly Allowances, Money not returnable - -	57	1,125 11 0	11	165 0 0	68	1,290 11 0
Deferred Annuities and Monthly Allowances, Money returnable - -	101	1,917 18 0	29	503 5 0	130	2,421 3 0
Contracts for Sums payable at Death granted from the commencement of business on 17th April 1865 to the 31st December 1868 - - - -	1,532	114,900 4 7	350	26,781 5 3	1,882	141,681 9 10
Contracts for Annuities in existence on the 31st December, 1868, viz. :—						
Immediate Annuities - -	-	- - -	-	- - -	860	18,527 17 2
Deferred Annuities and Monthly Allowances, Money not returnable - -	-	- - -	-	- - -	62	1,161 3 0
Deferred Annuities and Monthly Allowances, Money returnable - -	-	- - -	-	- - -	98	1,810 6 0
Contracts for Sums payable at Death in existence on the 31st December 1868 - - - -	-	- - -	-	- - -	1,789	134,823 17 2

(III.) AN ACCOUNT showing the Amount paid for the CHARGES of MANAGEMENT from the Commencement of Business on the 17th April 1865 to the 31st December 1868.

	From 17 April 1865 to 31 December 1867.	From 1 January to 31 December 1868.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.
Salaries and Allowances - - - -	756 1 8	233 11 9	989 13 5
Stationery - - - -	1,405 3 5	8 15 11	1,413 19 4
Stamps on Policies - - - -	90 0 0	- - -	90 0 0
Fees to Medical Officers - - - -	183 5 0	56 15 0	240 0 0
Incidental Disbursements, including Travelling Charges - - - -	11 18 10	1 5 9	13 4 7
Works executed and Furniture supplied - - - -	250 5 10	- - -	250 5 10
Postage - - - -	214 5 4	9 4 2	223 9 6
TOTAL AMOUNT paid for charges of management, including furniture, books, stationery, and preliminary expenses - - - -	2,911 0 1	309 12 7	3,220 12 8
Fees received on the grant of certain Annuities - - - -	735 12 7	345 16 0	1,081 8 7

General Post Office,
March 1869.

GEO. CHETWYND,
Receiver and Accountant General.

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