

Four times weekly between railway-platform, Ball Road, and Alton.
 Weekly between Hokitika and Lower Kokatahi.
 Weekly between Hokitika and Upper Kokatahi.
 Twice weekly between Hokitika and Kanieri Forks.
 Weekly between Auckland, Clevedon, Maraetai, Hikurangi, and Otonga East.
 Twice weekly between Brunnerton and Blackball.
 Twice weekly between Gore and Waikaka Valley.

The frequency of the following services was increased :—

Daily, in the place of thrice weekly, between Devonport and Takapuna.
 Twice, in the place of once, weekly between Marton and Hunterville.
 Twice, in the place of once, daily between Christchurch and Prebbleton.
 Twice, in the place of once, daily between Dunedin, Stirling, and Waihola.
 Thrice, in the place of twice, weekly between Nelson and Owen Reefs.
 Thrice, in the place of twice, weekly between Christchurch and Rotherham.
 Thrice, in the place of twice, weekly between Christchurch and Waiau.

The service between Rees Gorge and Glenorchy has been abolished.

Oteramika is now served by rail instead of by road.

The service between Wanganui and Pipiriki has been reduced from weekly to fortnightly.

The route of the Waipukurau and Herbertville service has been altered so as to serve the office at Wimbledon.

The coach-service between Dargaville and Te Kopuru has been discontinued.

The contracts for the Inland mail-services expire at the end of this year.

MAIL STEAM SERVICES.

The negotiations for a twelve months' renewal of the San Francisco mail-service contract, from November next, have been concluded, the assent of the Government of New South Wales to the renewal, and that of the Imperial Post Office to extend the agreement providing for the free transport of the colonial mails between London and San Francisco, and for the division of the outward postages with the colonies, for the renewed term of contract, having, in the meantime, been secured.

The San Francisco mail-service contract will now terminate in November next year; that for the direct service in the following month.

Inquiries have been made as to the prospects of a Pacific Canadian mail-service. It has been ascertained that the Canadian Pacific Railway Company are desirous of establishing a Pacific service, and that the Canadian Government would be willing to support such a line. But as the suggested service is one intended to serve New Zealand with a branch line from Fiji, the Postmaster-General of Canada has been informed that no Pacific mail-service which did not provide for the main boats calling at New Zealand would receive the support of this colony.

At the time the San Francisco mail contract was entered into it was understood that the United States Post Office agreed to contribute, in excess of the postage-payments for the carriage of the United States mails, a sum of £4,000 a year towards the cost of the service. The tenth clause of the contract provided for the amount being divided equally between the contracting colonies and the contractors—for the contractors to collect the sum from the United States Post Office, and for the colonies to deduct their proportions from their subsidy payments. This has been done; but it is now ascertained that the £4,000 is only £800 a year in excess of the postage-payments. The contractors have, therefore, under the clause of the contract just quoted, a claim for refund of the amounts deducted by the colonies, less two-thirds of the sum of £800, which the colonies are authorised to retain in terms of the contract. After conferring with the Postmaster-General of New South Wales, it has been agreed that the contractors are entitled to a refund from each colony at the rate of £1,066 13s. 4d. per annum from the date the service began.

This has the effect of increasing New Zealand's share of the subsidy from £23,333 6s. 8d. to £24,400 per annum.

The explanation of this is that the telegram forwarded by this department to the Postmaster-General, Washington, in September, 1885, asking for a subsidy of £4,000 a year in addition to the postage-payments, was mutilated in transmission, and misinterpreted by the Washington office. The Postmaster-General, Washington, subsequently declined to increase the payment to the amount originally asked for by this office.

But in the event of the San Francisco service being renewed by the colonies for a term of years, the Postmaster-General of Washington has stated that the contribution from his office may probably be increased to \$30,000 (£6,000) yearly, but conditionally on the service being carried out by American companies, and that the United States be given "the full extent and measure of use of the vessels employed;" and "as full a right to demand the service of such vessels for the despatch of her mails as the Government of New Zealand or any of the colonies shall possess by the contract, and the same right to impose fines or deductions for failure or refusal to comply with any duty under the contract."

Another alteration has been made in the despatch of the San Francisco mails from London, the day having been changed from Wednesday to the following Saturday. This was prompted by a statement made to this office that arrangements had been completed for a fast railway mail-service, in four days eighteen hours, between New York and San Francisco, and that by securing the use of the swiftest vessels (timed to leave Queenstown on the Saturday) for the transport of our mails to New York, a saving of from four to five days in the through transit time might be secured. But the accelerated railway-service has proved altogether delusive, as it has been found that the transit of the mails from New York to San Francisco cannot at present be accomplished much under six days. It is, however, intended to adhere to the Saturday despatch from London, as it is believed a saving of one or two days should be possible, independently of the railway running.