

Napier—

Thrice to twice daily (inwards only): Napier—Ormondville.

Nelson—

From weekly to intermittently (about once monthly): Nelson—Okiwi Bay.

The following services were curtailed:—

Auckland—

Hikurangi—Kawakawa coach-service: Railway being extended from Hikurangi to Whakapara, weekly.

Dunedin—

Hyde—Naseby (and intermediate offices) and Hyde—Clyde (and intermediate offices): Railway extended from Hyde to Kokonga, whence coach now starts.

Wellington—

Eketahuna—Woodville coach-service (railway extended from Eketahuna to Pahiatua); Pahiatua—Woodville coach-service (railway extended from Pahiatua to Mangatainoka).

There is still, however, another coach-service twice daily between Pahiatua and Woodville, which on return delivers mail once at Pahiatua and once at Mangatainoka.

The following services were abolished:—

Auckland—

Waitapu—Whangape; Okupu—Whangaparapara.

Christchurch—

Lyttelton—Le Bon's Bay (unsubsidised sea-service); New Brighton—Burwood; Wools-ton—Bromley; South Malvern Post-office and Railway-station.

Dunedin—

Beaumont—Tallaburn; North Taieri Post-office and Railway-station; Owaka—Katea.

Napier—

Dannevirke—Mangatoro Valley.

Nelson—

Nelson—Okiwi Bay.

Thames—

Letter-delivery by subsidised carrier in Kuranui and Tararu (now performed by letter-carrier, permanent officer); Waitekauri, clearing letter-receiver (subsidised service); Waitekauri—Te Whariki.

Wellington—

Mauriceville—Ihuraia Valley—Wairere; Mangatainoka—Woodville; Waituna West—Pakihikura; Waituna West—Tapuae (place of both taken by Waituna West—Pakihikura—Tapuae service); Woodville—Pahiatua.

BUILDINGS.

The intention to make extensive additions to the Chief Post-office, Dunedin, could not be carried out during the year, owing to difficulties in securing the necessary space through certain adjuncts to the Supreme Court premises not being yet available. More suitable accommodation is urgently required, and steps should be taken as early as practicable to meet the requirements and convenience of the public and the department.

The accommodation of the Circulation Branch, Wellington, is now inadequate for the business, the growth of which in all branches during the last few years has been abnormal. Additional space both for the public and the staff is urgently needed, and proposals to secure this are under consideration.

The business at the Chief Post-office, Auckland, has also outgrown the accommodation, and other provision will shortly have to be made.

The new offices at Ashurst and Waitekauri have been completed.

The following general repairs, additions, &c., were carried out during the year: Renovating messengers' quarters, improving lighting and ventilation, Auckland; repairs, &c., Akaroa; improving strong-room and ventilation, Christchurch; alterations, Denniston; laying on gas and water, Dannevirke; removing post-office building, Feilding; repairs, &c., to Chief Postmaster's residence, Greymouth; gas-fittings, repairs, &c., to quarters, Hawera; repairs and renovations, Postmaster's residence, Havelock; additions to building and office-fittings, Inglewood; renovations, &c., Invercargill; additional rooms to Postmaster's quarters, Manaia; new fittings, Marton; additions, repairs, gas-fittings, &c., Onehunga; repairs to Postmaster's quarters, Ophir; renovations and repairs, Porangahau; general repairs, Raglan; fittings, &c., General Post Office building, Wellington; engine-shed, Telephone Exchange, Wellington; converting Courthouse building into post-office and lineman's residence, Waiata.

Additional accommodation is required at Wakapuaka to meet the requirements of the growing traffic.

OCEAN MAIL-SERVICES.

The renewal of the San Francisco mail-service, and the establishing of a service between New Zealand and Vancouver, alternating fortnightly with that *via* San Francisco, received the sanction of Parliament last session. The service by way of San Francisco was renewed for the twelve months to the 31st March, 1899, with the important alteration that the time occupied in the voyage between San Francisco and Auckland should not exceed nineteen days, in the place of twenty days as under the old contract. The basis of payment was also changed—printed matter as well as letters being paid for—and a minimum annual payment of £7,500 fixed. A clause was added to the resolutions