

with the outward Vancouver packet at Fiji by the contract steamer from Auckland. This was particularly fortunate, as the disturbance of the ordinary running of the intercolonial lines, caused by the search for the s.s. "Perthshire," which was disabled between Sydney and New Zealand, rendered the Suez route of little value for homeward correspondence. It is not yet decided whether the Vancouver steamers will continue to call at Fiji, but if they should the Suva connection will be continued meanwhile.

Before the Vancouver mail-service was established the homeward mails *via* San Francisco left Auckland five days before the arrival of the incoming steamer, giving all parts of the colony about three weeks for replies. To secure a regularly alternating fortnightly receipt and despatch by the United States and Canadian routes, the departure of the San Francisco mail from London was put forward a week, and the inward mail timed to reach Auckland between three and four days before the departure of the outward one. This caused some inconvenience to merchants in Wellington and the South, as letters from the United Kingdom and America could not be answered by the outgoing mail. On the shortening of the time by rail across the American Continent by five hours from the beginning of this year, the department determined to try the experiment of despatching the San Francisco steamer from Auckland on the Monday instead of the Saturday, in the hope of still being able to connect with the Wednesday fast steamer from New York to Southampton. During the three months the accelerated service has been in operation this has been secured. The time allowed, however, does not leave a margin for failure in making any of the several connections between the colony and New York. The change has reduced the course of post from Auckland to London from thirty-two to thirty days, and has enabled replies by return mail to be sent from places as far south as Dunedin. While the time-table is an acceptable one for mails to and from the colony and the United Kingdom, the alteration has led to complaints by merchants in the Eastern States of America that the interval of twelve days between the arrival and departure of the mail-steamer at and from San Francisco does not allow sufficient time for replies to letters from the colonies by return mail.

A new provisional agreement has also been made with the Union Steam Ship Company under which an improved coastal delivery of the inward San Francisco mails has been secured. The steamer is to leave the Manukau immediately the mails are shipped, weather and tide permitting. The detention at New Plymouth is not to exceed three hours, and a close connection is to be provided at Wellington for the South Island mails. The due day of departure from the Manukau with the inward mails is every fourth Tuesday. Should the mails arrive on Wednesday, they will be forwarded by one of the Northern Steamship Company's vessels to New Plymouth, thence by train to Wellington; but on all other days one of the Union Company's steamers will be available.

In respect to the outward mails, a steamer will leave Lyttelton every fourth Friday evening after the arrival of the express train from Dunedin; Wellington on Saturday afternoon or evening; New Plymouth on Sunday, and arrive at the Manukau early on Monday morning.

The subsidy is at the rate of £4,000 a year—an increase of £1,000. Demurrage for detention at the rate of £50 a day is also to be paid.

The question of a fortnightly instead of a four-weekly San Francisco service deserves the attention of Parliament this session—the continuance of the present service in any case will have to be considered. In the meantime, inquiries are being made of the London Post Office whether the fortnightly service would be favourably entertained, and what contribution might be expected from the Imperial Government.

It is understood that much larger steamers are to replace the "Alameda" and "Mariposa." The new vessels, which are being built at Philadelphia, U.S.A., will be of 6,000 tons gross register, and be capable of steaming seventeen knots an hour. The accommodation for passengers will, it is claimed, be equal to anything afloat. Should the steamers prove equal to expectations, a considerable increase in the passenger traffic across the Pacific will no doubt follow.

Further particulars relating to the ocean services will be found in the printed papers laid before Parliament.

RECEIPTS and PAYMENTS on Account of the SAN FRANCISCO, VANCOUVER, PENINSULAR and ORIENTAL, and ORIENT MAIL-SERVICES for the Year 1898.

San Francisco Service.

Dr.	£	s.	d.	£	s.	d.	£	s.	d.
Payments by weight—									
On mails from New Zealand	10,288	8	2						
On mails from the United Kingdom	5,415	8	9						
On mails from the Australian Colonies, Fiji, &c.	5,526	8	5						
				21,230	5	4			
Interprovincial service, mail agents, &c.				3,658	8	11			
Transit charges { San Francisco to New York				4,193	1	8			
{ New York to Queenstown				1,822	10	8			
							30,904	6	7
Cr.									
Postages collected in the colony				10,398	17	9			
Postages from London				5,415	8	9			
Contributions from non-contracting colonies				5,526	8	5			
							21,340	14	11
Net cost to the colony							£9,563	11	8