

New buildings for the accommodation of the Post Office and Telegraph at North Dunedin will be erected forthwith on the site known as the Police Camp Reserve, corner of Great King and Albany Streets.

The office at Kapanga has been removed to the Government buildings; and alterations and additions to the offices at Charleston, Hamilton, and Russell have been made.

A building intended as a Post Office and Telegraph Station at Newton has also been decided upon, and will be immediately erected.

It has also been determined to erect new offices at the Lower Hutt, Halcombe, Normanby, Takapau, Balclutha, and Gore.

The offices at Marton, Feilding, Waimate, and Milton, are now being altered. It has also been decided to enlarge the offices at Ashburton, Wanganui, and Masterton.

INLAND MAIL SERVICES.

The following statement gives the usual information with respect to the Inland Mail Services for 1877, compared with the services for the previous year:—

Performed by coach and mail-cart	...	...	1877.	1876.
" horseback	...	...	82	89
" foot	...	...	187	168
" water	...	...	43	49
" railway	...	...	46	49
			31	23
Total number of inland mail services	...	...	389	378
Aggregate mileage	...	...	7,314	7,479
Total number of miles travelled	...	...	2,071,219	1,792,752
Cost to the department	...	...	£28,797 8s. 6d.	£27,797 11s. 9d.
Average cost per mile	...	...	3½d.	4½d.

The decrease in the cost per mile is due to the fact of a larger number of services being performed by rail than formerly.

11 additional services were established, while the aggregate length of the services decreased 165 miles, a fact to be attributed to railway extension. From the same cause the frequency of several of the services has been increased, and 278,647 represent the additional mileage travelled with the mails.

MAIL STEAM SERVICES.

It is satisfactory to state that the legal proceedings instituted in 1875 against Messrs. P. S. Forbes and H. H. Hall, and their sureties, are at an end. Mr. Cunningham, one of the sureties, paid the sum of £10,000, on the condition that the payment should be accepted as a full discharge to all parties rendered liable for penalties for breach of contract. The sum was paid in equal shares to the Agents-General for New South Wales and New Zealand.

The Parliament of New South Wales ratified the modifications of the terms of the San Francisco Service on the 8th May last, and an amended agreement, suitable to the altered nature of the service, will now be prepared and submitted to the Contractors for execution.

The altered service is at present being carried on in terms of a deed executed by the Contractors and their sureties. This deed expires on the 31st December next.

Mr. Macgregor, one of the sureties of the Pacific Mail Steamship Company, having suspended payment, it has been necessary to call upon the Contractors to submit the name of another bondsman.

An amended time-table for regulating the San Francisco Service was brought into force on the 1st January last. The time-table was framed so that the service should, as far as practicable, alternate with that *via* Galle and Suez. Accordingly, the despatch of the mails from the colonies and London was advanced seven days. The gain to this colony from the adoption of the amended time-table is not so great as secured by Sydney, which now enjoys, it may be said, the advantages of a fortnightly service with London. The mails for despatch *via* San Francisco and by the Brindisi route are now closed at London at intervals of from 13 to 15 days. It would have been impracticable to have framed a time-table which would have given all parts of New Zealand the advantages of a fortnightly service; but this much has been gained—viz., that, instead of the San Francisco and Suez mails closing at Wellington on the same day, there is now an interval of six days between the despatch of each mail, while the interval at Dunedin has been increased from six to 11 days. Ample time for replies from all parts of the colony is now secured, varying from 20 days for Auckland, to eight days for Southland, letters. The interval between the arrival of the homeward mails in London and the despatch of the return mail is nine days.

The San Francisco Service has been performed with commendable punctuality. This has been particularly the case with the homeward mails, which have, on an average, been delivered in London from Auckland in 40·83 days. The shortest delivery was made in the unprecedented time of 38 days. The longest time, however, occupied in the delivery of the mails was 48 days—the unusual length of transit arising from delays the mails suffered after leaving San Francisco.

It should be remarked that the steamers of the White Star, Cunard, and Inman lines are those now employed in the conveyance of the Australian mails across the Atlantic, the Imperial Post Office having agreed to employ only the very fastest steamers for the purposes of mail transit in connection with the San Francisco Service. This is now a fixed arrangement.

The mails from London have, on an average, been delivered in Auckland in 42 days. The quickest transit was 40 days, and the longest 45 days. But it should be stated, in explanation of the difference in the averages of the outward and homeward voyages, that the outward mails have not infrequently been delayed at San Francisco, owing to their arriving from New York in advance of the due dates, and the Contractors not being in a position to despatch their steamers prior to the advertised day. The detentions have varied from a few hours to nearly three days. These serious delays will be avoided in the future, as, in anticipation of the early arrival of the mails from New York, the