

It is convenient to state at the present time that payment by New Zealand to the present contractors on outward correspondence is made by weight at the following rates: Letters, 10s. 5d. per lb.; book packets, &c., 1s. per lb.; and newspapers, 6d. per lb. The United Kingdom pays this department on correspondence to New Zealand, the Australian Colonies, and Fiji: For letters, 40·07d. per lb.; other articles, 2·86d. per lb., the whole of which is handed over to the Union Steam Ship Company. The United States Government makes a direct payment of about £28,125 per annum, less \$1,000 for each trip by the "Moana."

The basis of payment to the Oceanic Company under the recently signed ten-year contract with the United States has not yet been communicated officially, but it is understood to be about £50,000 a year.

The following is the resolution of the House of Representatives last session for the continuance of the San Francisco service:—

*Resolution passed by the House of Representatives, 24th October, 1899.*

*Resolved*, That this House authorises the Government to extend the San Francisco mail-service for twelve months from the 1st day of April, 1900, on the present terms and conditions, as set out in the contract agreements dated the 11th day of April, 1899, and the 20th day of July, 1899, and published in Parliamentary Paper F.—6, 1899, page 23. That this House also empowers the Government to enter into negotiations for a sixteen- and for a seventeen-days service once every four weeks, and also alternate services once every two weeks and once every three weeks, by vessels of not less than 4,000 tons, between Auckland and San Francisco, for a period of five (or seven) years, commencing about April, 1901: Provided that at least one British-owned steamer shall be employed in either service. The result of such negotiations to be submitted to the House for confirmation next session, and to have no effect until approved by the House.

It has not been practicable to arrange for a close and regular connection with the federal service at Sydney or Melbourne, but every opportunity is taken to provide as convenient a despatch as the running of the intercolonial steamers will permit.

Mails for the Vancouver service *via* Sydney and Brisbane continue to be forwarded as circumstances admit. From reports which have reached the department it would appear that the prompt delivery of the mails in London by this route is not yet assured.

RECEIPTS and PAYMENTS on Account of the SAN FRANCISCO, PENINSULAR and ORIENTAL, and ORIENT MAIL-SERVICES for the Year 1899.

*San Francisco Service.*

DR.	£	s.	d.	£	s.	d.	£	s.	d.
Payments by weight—									
On mails from New Zealand ... ..	12,145		8 11						
On mails from the United Kingdom ... ..	5,825		12 8						
On mails from the Australian Colonies, Fiji, &c. ... ..	5,634		4 10						
				23,605	6	5			
Interprovincial service, mail agents, &c. ... ..				4,660	9	6			
Transit charges { San Francisco to New York ... ..				4,300	7	5			
{ New York to Queenstown ... ..				1,831	16	8			
							34,398	0	0
CR.									
Postages collected in the colony ... ..				12,192	19	9			
Postages from London ... ..				5,825	12	8			
Contributions from non-contracting colonies ... ..				5,634	4	10			
							23,652	17	3
Net cost to the colony ... ..							£10,745	2	9

562,069 letters, 6,825 post-cards, 600,754 books, and 1,279,608 newspapers were received from, and 528,649 letters, 6,420 post-cards, 148,806 books, and 460,690 newspapers were despatched to, the United Kingdom *via* San Francisco. The average time within which mails were delivered by the San Francisco service was—From Auckland to London, 30·85 days, as against 31·77 days in 1898; and from London to Auckland, 31·54 days, as compared with 31·92 days in the previous year. The shortest delivery was made in 30 days.

*Peninsular and Oriental and Orient Lines (Federal Mail-service).*

DR.	£	s.	d.	£	s.	d.
Payments to P. and O. and Orient lines ... ..	3,051	14	9			
Transit charges across Australia ... ..	149	6	4			
Transit charges across Europe ... ..	391	11	4			
Gratuities (to and from Australia) ... ..	1,532	0	11			
				5,124	13	4
CR.						
Postages collected in the colony ... ..	2,664	8	9			
Postages from London and foreign offices ... ..	907	19	6			
				3,572	8	3
Net cost to the colony ... ..				£1,552	5	1

The number of letters, post-cards, books, and newspapers conveyed from and to the United Kingdom by the Peninsular and Oriental and Orient packets were: Received—402,641 letters, 4,890 post-cards, 255,052 books, and 1,027,470 newspapers; despatched—108,525 letters, 1,317 post-cards, 26,514 books, and 93,773 newspapers.