

a very close connection for the steamer from Lyttelton, but only on a few occasions during the summer was there any failure. With the beginning of winter, however, the Union Steam Ship Company has found it necessary to withdraw one of the fast steamers from the Lyttelton-Wellington "ferry" service, and to substitute one of the slower steamers of the fleet. The New Plymouth - Onehunga "ferry" service will probably be reduced from daily to four times weekly as from the 1st July. This is much to be regretted. The new train-running made it necessary to provide a night mail staff at the Invercargill Post-office.

Following on the extension of railway communication to Omakau (Ophir) on the Otago Central line on the 1st September, 1904, daily mail communication by that route between Dunedin and Cromwell was established; and the services between Cromwell and Pembroke and Queenstown were improved.

Among improvements effected in mail-services during the year were the following:—

The delivery of parcels in Auckland City was arranged to be performed by contract. In consequence of an extension of the northern section of the North Island Main Trunk Railway, the subsidised mail-service between Taumarunui and Piriaka was abolished. At the southern end an extension to Taihape admitted of the withdrawal of the coach service between that place and Mangaweka. The mail frequency to Taihape was also increased to twice daily. An additional mail-service, providing a second daily mail, was established between Eltham and Kaponga. The coach service between New Plymouth and Opunake was increased in frequency from thrice weekly to daily; and that between Waiouru and Moawhango was altered by the substitution of Taihape for Moawhango as the southern terminus. On the renewal of the coach service between Springfield and Kumara, the running from Otira to Springfield was increased in frequency from twice to thrice weekly throughout the year, and in the opposite direction a similar increase was arranged for during the tourist season. The Culverden - Hanmer Springs coach service was accelerated. The service between Omarama and Pembroke during the summer, which enabled tourists visiting Mount Cook to travel direct between Lake Pukaki and the southern lakes without deviation to the East Coast, was satisfactorily performed during the summer of 1904-5.

The number of contracts for inland mails in operation in 1904 was 647.

There were in addition 502 services not under bond.

The length of inland postal routes by road (counted one way only) was 11,613 miles, and the total number of miles travelled 2,891,245, at an average cost of 3·54d. per mile. In 1903 the respective mileages were 10,569 miles and 2,725,716, at an average cost of 3·57d. per mile.

Ordinary railway-trains with mails travelled 3,573,156 miles.

The estimated sum payable to the Railway Department for the conveyance of mails by ordinary trains was £40,000.

OCEAN MAIL-SERVICES.

San Francisco Service.

The San Francisco service, which expires on the 9th November, 1906, has of late impaired its good name for regularity, especially in respect of the homeward voyages. The mails have too frequently been late in reaching London, the delays varying from one day to five days. These delays were not altogether due to the late arrival of the steamers at San Francisco. There have been many delays on the American railways and across the Atlantic from weather conditions and other causes. The contractors are using every effort to assure their steamers reaching San Francisco sufficiently early for the mails to be transferred to the trains for New York timed to leave at 10 a.m. Failure to connect with this train may mean missing the Saturday fast steamer from New York, and a corresponding late delivery in London. The Twentieth Century express, a very fast train running between Chicago and New York, is now availed of, and as the east-bound trains since the 1st May leave San Francisco at 11 a.m. instead of 10 a.m. it is hoped that the London delivery will be more regular than it has been for some time.

On the Union Steam Ship Company's San Francisco contract being cancelled in 1900, and the Oceanic Company taking up the service, there was advisedly no provision for the conveyance of Australian mails, the company being left to make its own arrangements with non-contracting colonies.

The Commonwealth applied their poundage rates of 2s. per pound for letters and post-cards, and 4s. 6d. per cwt. for other mail-matter, to the San Francisco service as from the 1st December, 1900, a very material reduction as compared with the rates of 12s. per pound for letters, 1s. 6d. for books, and 6d. for newspapers formerly paid. The contractors were so dissatisfied that they declined to accept such a minimum payment, and the matter in dispute is still the subject of correspondence. During the Postmaster-General's late visit to Australia he took occasion to confer with the Commonwealth Postmaster-General on the question, in the hope that the service would receive better treatment from the Commonwealth.

The service for the collection and distribution coastwise of the San Francisco mails has been performed satisfactorily.

Vancouver Service.

The contract for the Vancouver service expired in February last, and by temporary extensions is to be continued until August, 1906, at an increased subsidy of £6,000 a year, shared between Canada, the Commonwealth, and Fiji, in the proportion of £3,000, £2,700, and £300.