

- 1st. A mail service to be maintained by the Orient Steam Navigation Company (Limited), to and from Sydney and England, *via* Melbourne, at least fortnightly, both ways, to alternate with that of the Peninsula and Oriental Steam Navigation Company.
- 2nd. The overland portion, to and from Melbourne, to be undertaken by the New South Wales Government.

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6th. No letters shall be received on board, except under this agreement.

7th. Payment to the Orient Company to be on the mail matter conveyed to and from New South Wales, at the following rates, namely:—

For letters, 12s. (twelve shillings) per lb.
 " packets, 1s. (one shilling) per lb.
 " newspapers, 6d. (sixpence) per lb.

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11th. Any moneys payable by other colonies using the service to be paid through the New South Wales Government.

12th. The time to be allowed for the performance of the voyage between Melbourne and London, and *vice versa*, to be 39 (thirty-nine) days.

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16th. The service shall commence with the company's steamer to leave Melbourne on 21st September next; and outwards, with the steamer leaving Plymouth on the 30th November—(that is, the mails leaving London on the 7th December)—the contract remaining in force till the 30th November, 1886.

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18th. The English Government having agreed to convey the mails to and from Suez on same terms as Victorian mails from Colombo, the Orient Company will receive and deliver the mails at Suez, unless otherwise authorized by the English Mail Agent at or for Suez.

The payments made by New Zealand to the Victorian Post Office for the transmission of its mails by the Peninsula and Oriental contract packets are: Letters, 25s. 4d. per lb.; packets, 1s. 6d. per lb.; and newspapers, 6d. per lb. The Orient service, as will be observed, costs 13s. 4d. less per lb. for letters, and 6d. less per lb. for packets. For the carriage of Brindisi mails between New Zealand and Australia, one penny per letter has also to be paid by the colony.

From the time the colony established the San Francisco service there has been an agreement with the London Post Office that only such correspondence for New Zealand as might be specially directed to be sent by way of Brindisi should be forwarded by that route, all other mail matter being despatched *via* San Francisco. But with the inauguration of a regular weekly Brindisi mail, the London Post Office thought fit to abolish the requirement for special superscription on letters intended for Brindisi mails, and decided to forward New Zealand correspondence by the first available opportunity, retaining for the San Francisco service only such letters, &c., as might be posted a week prior to the date for closing the New Zealand mails. The effect of this has been to divert much of the correspondence hitherto sent by the San Francisco service to the Brindisi route, and to entail a serious pecuniary loss to the colony, without any compensating gain being secured in point of accelerated delivery. Indeed, in several instances, there has been an actual loss of time in the delivery of letters by Brindisi mails improperly diverted from the San Francisco service. Intimation of the change was first ascertained from Press telegrams, and on learning that it applied beyond doubt to New Zealand correspondence, a protest was at once sent by cable, and further representations by mail. The effect of the decision of the London Post Office, so far as New Zealand is concerned, was clearly pointed out, and particular stress was placed on the fact that the diverting of correspondence to the Brindisi mails in no way diminishes the cost to the colony of the San Francisco service, but actually decreases the receipts in aid of the line; while, on the other hand, New Zealand's loss in respect of the Brindisi services is increased in proportion to the quantity of mail matter diverted from the colony's subsidized line, and forwarded in the Brindisi mails. Any arrangement which placed the colony in such a position it was urged should at once be cancelled; and it was further intimated that New Zealand would look to the Imperial Authorities to recoup the loss it had already sustained from the arbitrary action of the London Post Office. No definite reply has yet been received.

The number of days (maximum, minimum, and average) occupied in the delivery of mails between London and New Zealand, Sydney and Melbourne, by the services *via* San Francisco and Brindisi, in 1883, were as under:—

		San Francisco Service.		Brindisi Service.
London to Auckland	...	46—36 = 39·08	...	53—45 = 49·02
" Wellington	...	48—39 = 41·08	...	51—47 = 48·24
" Dunedin	...	50—40 = 42·42	...	52—45 = 46·24
" Sydney	...	51—41 = 44·00	...	42—38 = 39·76
" Melbourne	...	53—42 = 45·83	...	41—37 = 38·04
Auckland to London	...	43—36 = 38·85	Bluff	} 56—41 = 49·01
Wellington	...	45—38 = 40·92	to	
Dunedin	...	46—39 = 41·92	London	
Sydney	...	48—41 = 43·92	...	
Melbourne	...	49—42 = 45·08	...	45—39 = 41·21

The estimated receipts and payments in respect of the San Francisco and Brindisi services for the year 1883 were:—