

alterations and repairs; Geraldine, renovating; Lyttelton, repairs; Oamaru, repairs; Dunedin North, repairs and renovating; Naseby, additions; Tapanui, repairs; Alexandra South, repairs.

2250 Offices are being erected at Palmerston North and Pembroke.

2250 The increase of business at Invercargill renders additional accommodation necessary, and the question of additions is under consideration.

#### INLAND MAIL SERVICES.

The following are the particulars of the several inland mail services in operation during the year:—

Performed by coach and mail-cart	...	...	...	...	176
" on horseback	...	...	...	...	280
" on foot	...	...	...	...	53
" by water	...	...	...	...	32
" by railway	...	...	...	...	68

Total number of services	...	...	...	...	609
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Aggregate mileage	...	...	...	...	9,440
Total number of miles travelled	...	...	...	...	3,653,720
Cost to the department	...	...	...	...	£26,104 5s. 4d.
Average cost per mile	...	...	...	...	1-71d.
The total cost in 1887 was	...	...	...	...	£27,003 7s. 11d.
And the cost per mile	...	...	...	...	1-71d.

There was a net increase of nine services; but the expenditure was £899 2s. 7d. less than in 1887.

The following services were established during the year:—

Weekly between Otonga and Whananaki.

Twice weekly between Picton, Grove, Mahakipawa, Cullensville, and Havelock.

Twice weekly between Muddy Creek and Wendonside.

The frequency of the following services was increased:—

Daily, instead of thrice weekly, between Morrinsville and Te Aroha.

Weekly, instead of fortnightly, between Ross and Okarito.

Thrice, in the place of twice, weekly to St. Bathans.

The service between Helensville and Dargaville has been reduced from thrice to twice weekly.

The service between Taupo and Tokaanu is now performed by steamer.

Service to Mataiwi is now thrice weekly instead of daily.

Mails for Hunterville and Porewa are now carried by train.

The result of the tendering for the inland mail services for the two years ending the 31st December, 1890, was a decrease of £2,354 a year in the cost, without any material curtailment of the public convenience.

#### MAIL STEAM SERVICES.

The general question of ocean mail-services was considered by the House of Representatives in August, 1888, when the following was agreed upon:—

(1.) That a two-weekly mail-service be continued between New Zealand and Great Britain, but that the subsidy to the San Francisco mail-service be discontinued on the expiration of the extended contract in November, 1889.

(2.) That the Government enter into negotiations with the Governments of New South Wales, Canada, and Great Britain, with the view of ascertaining what support would be given to establish a four-weekly Canadian-Pacific mail-service, under which the main boats will call at some New Zealand port for the delivery and receipt of mails; and that on receipt of such information that the same be submitted to the House for consideration.

(3.) That the Government call for tenders for a four-weekly and fortnightly alternative mail-service by direct steamers between New Zealand and Great Britain. The time occupied in transit of the mails to be not more than forty days from New Zealand to Plymouth, and forty-three days from Plymouth to New Zealand.

(4.) That no bonus be paid for the mails being delivered in less than contract time.

The House of Representatives had scarcely disposed of the question when advice was received that the United States agreed to increase its contribution to the San Francisco service to over \$40,000 yearly. Subsequent information placed the exact amount at \$46,000 (£9,200), an increase of \$26,000 (£5,200) on the sum then being paid. The contractors claim \$20,000, and to divide the balance between the contracting colonies and contractors.

It should be explained that this increased payment by the United States is not made in consequence of the decision of New Zealand not to renew the subsidy after November next, but is the result of repeated representations to the United States Post Office for a more liberal payment towards the cost of the service.

Negotiations have been entered into with the New South Wales Post Office, and also the Imperial and Canadian authorities, through the Agent-General, with the object of ascertaining the support likely to be given to a Canadian-Pacific Mail line, but up to the present nothing practical has resulted. From unofficial sources it is gathered that the Canadian Parliament is likely to vote £25,000 a year for a fortnightly mail-service between Vancouver, New Zealand, and Australia. Late Press cablegrams announce that a contract has been entered into between the Canadian Government and the Orient Steam Navigation Company for a nineteen-knot service between Plymouth and Halifax or Montreal—to commence in about twelve months' time. The subsidy is stated to be £100,000 a year.