

Among other things, the Ocean Postage Subsidy Act, under which the tenders are to be invited, provides for four classes of steamships: First class, iron or steel, 8,000 tons and upwards, 20 knots, \$4 per mile; second class, iron or steel, 5,000 tons and upwards, 16 knots, \$2 per mile; third class, iron or steel, 2,500 tons and upwards, 14 knots, \$1 per mile; fourth class, iron, steel, or wood, 1,500 tons and upwards, 12 knots, 66 $\frac{2}{3}$ cents per mile for each outward voyage.

It is understood that tenders will be invited for the following alternative services, which, it will be seen, provide for the steamers calling at both Auckland and Wellington and Sydney and Melbourne:—

From San Francisco to Sydney, by way of Honolulu and Auckland, touching at Melbourne and Wellington, at option of contractor, on the return voyage—once in two weeks, 26 trips per year, in vessels of second class; time, 20 days. Also, same route, same number of trips, in vessels of third class, for the first three years, in 22 days; and of the second class, for remaining seven years of term, in 20 days. Or from San Francisco to Melbourne, by way of Honolulu and Wellington, touching at Sydney and Auckland on the return voyage, at option of the contractor—once in two weeks, 26 trips per year, in vessels of second class; time, 21 days. Also, same route, same number of trips, in vessels of third class, for the first three years in 23 days; and for the remaining seven years, in vessels of second class, in 21 days.

The San Francisco and Direct services generally were performed with regularity. The November homeward mails by the Direct contract service, however, were five days late in reaching London.

The “Monowai” (which has replaced the “Zealandia” in the San Francisco service), on her first return voyage fractured her thrust-shaft, on the 9th of February last, when two days out from San Francisco, and returned for repairs. She sailed again on the 20th. Her mails were delivered in Auckland 15 days late.

The average time within which mails were delivered by the San Francisco service was—From Auckland to London, 35 days, compared with 35·46 days in 1889; and from London to Auckland, 35·69, against 35·62 the previous year. The shortest delivery was made in 34 days.

By the Direct service the average time homeward was 41·69 days, against 40·33 days in 1889; and inward, 46·15 days, compared with 45·77 days in 1889. The shortest delivery homeward was in 45 days, and inward 39 days.

The maximum, minimum, and average number of days within which the mails were delivered at and from London and Auckland, Wellington, Dunedin, and Bluff during 1890 by the Peninsular and Oriental and Orient lines and by San Francisco and Direct contract services, were—

	San Francisco Service.			Direct Contract Service.			P. and O. Line.			Orient Line.		
London to Auckland ..	37	35	35·69	51	47	48·38	52	38	44·35	52	39	43·04
Auckland to London ..	38	34	35·00	50	41	44·00	49	39	44·40	48	39	43·68
London to Wellington ..	40	37	37·62	48	45	46·15	51	39	44·38	54	40	44·92
Wellington to London ..	40	36	37·00	48	39	41·69	48	42	46·00	46	41	44·20
London to Dunedin ..	41	38	39·00	49	45	47·00	50	39	43·21	53	39	44·48
Dunedin to London ..	41	37	38·00	48	39	42·15	48	43	45·36	48	40	44·63
London to Bluff ..	42	39	39·75	51	46	48·00	49	38	42·46	52	38	43·73
Bluff to London ..	42	38	38·75	49	40	43·08	47	42	44·61	47	39	43·88

RECEIPTS AND PAYMENTS on account of the San Francisco, Direct Contract, Peninsular and Oriental, and Orient Mail Services for the Year 1890.

San Francisco Service.

DR.	£	s.	d.	£	s.	d.
Subsidy and payment by weight ...	12,272	17	2			
Light-dues (charged on estimates) ...	535	10	0			
Interprovincial service, Mail Agents, &c. ...	3,403	16	11			
Half cost of transit from San Francisco to New York (two mails only) ...	307	8	7			
CR.				16,519	12	8
Postages from London ...	7,771	16	9			
Contributions from non-contracting colonies ...	1,169	8	5			
Postages collected in the colony ...	15,044	8	6			
				23,985	13	8
Net profit to the colony...				£7,466	1	0

In 1889 the net profit of the service was £2,912 14s. 5d.

302,271 letters, 242,026 books, and 765,903 newspapers were received from, and 387,216 letters, 68,629 books, and 376,171 newspapers despatched to, the United Kingdom *via* San Francisco.

Direct Contract, New Zealand Shipping Company.

DR.	£	s.	d.	£	s.	d.
Payments on weight of correspondence ...	10,031	8	9			
Bonus, &c. ...	3,241	0	0			
Light-dues (charged on estimates) ...	864	0	0			
Interprovincial service ...	3,000	0	0			
CR.				17,136	8	9
Postages from London, &c. ...	8,880	11	4			
Postages collected in the colony ...	5,280	19	0			
				14,161	10	4
Net cost to the colony ...				£2,974	18	5