

The mail-services throughout the colony were again let by tender from the 1st January, 1897. With a view to securing more satisfactory services, it was decided to make the contract period three years instead of two as formerly, and expectations in this respect have been realised. While the normal increase had taken place in the number and cost of services between the 1st January, 1895, and the 31st December, 1896, the new services have been let at an actual reduction on the aggregate sum required for mail-carriage for the former term. The cost of the Wanganui River service, which up to the present has been subsidised almost entirely for trade and not postal purposes, has been paid by the Department of Lands and Survey, but for the current term half the subsidy will be borne by this department.

BUILDINGS.

The new offices at Kuaotunu, Macetown, Marton, Martinborough, and Waihi, and the rebuilding of the office at Hawera have been completed.

The following general repairs, additions, &c., were carried out during the year: Painting office, Alexandra South; general repairs, additions, &c., at Amberley; additions to fire-prevention appliances, alterations, &c., at Auckland; additions and repairs at Bealey; painting, &c., at Balclutha and Bull's; repairs and painting, Brunnerton; repairs and painting at Charleston and Collingwood; additions and repairs, and additional fire-prevention appliances at Christchurch; repairs, fire-prevention appliances, extra lighting, &c., Dunedin; repairs, painting, &c., at Gore and Greymouth; alterations and additions at Greytown; additions, painting, and alterations, Geraldine; painting office at Herbertville; fire-prevention service, additions to outbuildings, Invercargill; painting and repairs at Kamo; additions, concrete tank, &c., at Kawakawa; additions to post- and telegraph-offices, &c., Napier; erection of sound-proof room, Ngapara; fire-prevention appliances, &c., alterations and painting, Nelson; additions, repairs, and alterations, Ohaeawai; painting, Opotiki; additions and alterations, Port Chalmers; additions and alterations at Riverton; additions to office at Riversdale; repairs, painting, &c., at Ross and Russell; painting, &c., Sydenham; painting and repairs, Temuka; alterations, &c., Takaka; repairs, &c., Taupo and Waimate; painting, repairs, and additions, Waiwera; extensive additions and repairs to officers' quarters, Wakapuaka; fire-prevention appliances and repairs, General Post Office, Wellington; additions to Telephone Exchange, Wellington; repairs, painting, &c., Westport; repairs and painting at Whangarei.

OCEAN MAIL-SERVICES.

The renewal of the San Francisco mail-service, which expires in November next, is to be considered by Parliament during the coming session, as well as the question of establishing an alternative service *via* Canada.

The time has arrived for improving the San Francisco service, which, it is believed, can be done without much additional expense. The distance between Auckland and San Francisco *via* Apia and Honolulu is about 5,897 miles, and boats capable of maintaining an average speed of fifteen or fourteen knots, including stoppages, could perform the Pacific voyage in from seventeen to eighteen days. Allowing four and a half to five days for transit between San Francisco and New York, and six days between New York and Queenstown, it should be practicable to deliver our mails in the colony and in London in from twenty-eight to twenty-nine days.

A contract for a fast Atlantic service between Canada and the United Kingdom has been entered into between the Canadian Government and Messrs. Petersen, Tate, and Co. The annual subsidy (of which one-third is to be paid by the Imperial Government) is £154,500 for a term of ten years, and the vessels to be employed are to be of 10,000 tons register, with a speed of 21 knots. A fortnightly service is to be commenced within two years, and a weekly service within three years.

The new steamer "Moana," specially built for the San Francisco mail-service, replaced the "Monowai" on the voyage from Sydney in June last. The "Moana" is a vessel of 4,000 tons gross register and 4,000 indicated horse-power, having excellent accommodation for 180 saloon and 116 second-class passengers. She is fitted throughout with the most approved modern appliances, the engines being triple-expansion with forced draught. On her trial trip she made seventeen knots an hour with light draught. Her initial voyage in the service has been most successful, our mails having been delivered under eighteen days both ways, more than two days under contract time.

Permission was given to the contractors to substitute the "Zealandia" for the "Mariposa" for the round voyage leaving San Francisco on the 8th January last, in order that the latter vessel might be laid up for overhaul. It is regretted that the result was anything but satisfactory, as the voyage from San Francisco occupied 106 hours in excess of the contract time. On the return voyage the time was exceeded by 29 hours.

Up to the end of 1896 the subsidised steam-services between Auckland and the Pacific islands had been performed by the Union Steamship Company to Fiji, and Messrs. Donald and Edenborough to Rarotonga and Tahiti. The Union Company has acquired Messrs. Donald and Edenborough's interest in the Tahiti service, and since the 1st January last has performed the service with vessels better adapted for the trade. The Union Company, it may be mentioned, runs an unsubsidised service from Auckland to Russell; on to Nukualofa, Haapai, and Vavau, in the Friendly Islands; Apia, Samoa; Suva, in the Fiji group; and Sydney. Beginning on the same day from Sydney, a vessel follows the same route reversed, takes in Levuka (Fiji), and ends the voyage at Auckland, thus giving the islands two points of contact with a large and convenient trade. There is a separate alternating subsidised service from Auckland to Suva and Levuka, returning to the same port. It should be stated that Messrs. Donald and Edenborough carried out the Rarotonga-Tahiti service to the entire satisfaction of the department since its initiation in 1885.