

under the new contracts were £41,031, as against £35,890 payable for the last year of the preceding triennium. Of the increase of £5,141, about two-thirds is represented by increase on tenders for existing services, and the remaining one-third for increased facilities, new services, &c. Every consideration was shown to the wants of settlers in dealing with the contracts, and services established or accelerated in many cases in which the revenue would not equal the expenditure for some time to come.

A new departure was taken in connection with the contracts for clearing the letter-boxes, meeting trains, shipping mails, &c., in the principal cities. Owing to an allegation that a contractor was paying his drivers considerably less than the recognised minimum wage for such work, a clause was inserted in the conditions of the new contracts requiring payment of not less than £2 5s. for each man for a week of forty-eight hours. In Auckland, Christchurch, Dunedin, and Napier this had the effect of increasing the cost; while in Wellington it was determined that the department should carry on the work with its own drivers and plant.

The steamer-service on Lake Taupo, referred to in last year's report, was commenced on the 20th November, and has been running with regularity since then. The service is performed by a steamer of about 30 tons register, having a speed of ten knots. She is built to carry fifty passengers, and is equipped to the satisfaction of the department.

The number of contracts for inland mails in operation in 1899 was 641.

There are in addition 366 services not under bond.

The length of inland postal routes by road (counted one way only) was 9,678 miles, and the total number of miles travelled 2,236,056, at an average cost of 3·27d. per mile. In 1898 the respective mileages were 9,457 and 2,168,451, and the average cost 3·26d. per mile.

Ordinary trains with mails travelled 2,733,228 miles.

The estimated sum payable to the Railway Department for the conveyance of mails by ordinary trains was £31,612.

INLAND MAIL-SERVICES.

The following services were established during the year:—

Auckland—

As required : Tokaanu Post-office and Wharf.

Daily : Northcote, delivery of correspondence by non-departmental carrier; Rotorua-Ohinemutu.

Twice weekly : Mangawai-Tara; Whangarimo Post-office and Railway-station.

Weekly : Birtle's Bridge-Huarau; Glen Murray-Woodleigh; Mangapeehi Post-office and Railway-station; Matakana-Whangaripo; Rotorua-Atiamuri-Wairakei-Taupo; Te Kao, landing and shipping mails (re-established); Whangapara, landing and shipping mails.

Twice monthly : Te Whaiti-Ruatahuna-Maungapohatu.

Blenheim—

Twice weekly : Kenepuru-St. Omer.

Weekly : Blenheim-Seddon; Seddon-Awatere; Wairau Valley-Top Valley.

Christchurch—

Twice daily : Springston Post-office and Railway-station.

Twice weekly : Oxford-East Oxford.

Weekly : Hundalee and junction on Waiau-Claverley Coach-road.

Dunedin—

Daily : Dunedin-Halfway Bush; Kokonga Railway-station-Kokonga Post-office-Kyeburn.

Thrice weekly : Owaka-Mokamoka.

Weekly : Papatowai-Kahuika.

Gisborne—

Twice weekly : Gisborne-Whatatutu.

Weekly : Port Awanui-Tikitiki.

Greymouth—

Twice weekly : Blackwater-Upper Blackwater.

Invercargill—

Daily : Invercargill-Waimahaka (train service); Waimahaka Railway-station-Fortrose.

Thrice weekly : Gore-Croydon Bush.

Twice weekly : Haldane-Slope Point; Hedgehope-Glencoe.

Napier—

Thrice daily : Dannevirke-Mangatera (clearing receiving-box).

Daily : Pukehou Post-office and Railway-station.

Thrice weekly : Dannevirke-Umutaoroa; Matahiwi Post-office and Railway-station.

Weekly : Waipatiki-Horoeka.

Nelson—

Irregular : Belgrove-Tophouse.

New Plymouth—

Daily : New Plymouth-Sentry Hill.

Twice weekly : Tariki Road-Ratapiko.

Oamaru—

Twice daily : Peebles Post-office and Railway-station.

Daily : Reidston Post-office and Railway-station.