

The 6 p.m. passenger-train which formerly left San Francisco daily for New York has been taken off, and a fast mail-train substituted.

The time-table for the fast mail-train is as follows: Leave San Francisco, say, Monday, 6 p.m., arrive Chicago 10.30 a.m.; arrive New York Friday, 9.30 a.m. Leave New York, say, Monday, 3.15 a.m., due San Francisco Thursday, 12.28 p.m. This reduces the actual time from San Francisco to New York to 3 days 12 hours 30 minutes, and from New York to San Francisco to 3 days 12 hours 13 minutes.

Owing to the disastrous earthquake and fire which destroyed the City of San Francisco on the 18th April last, the San Francisco mail-service has been seriously disturbed. The "Sonoma," which was due to leave on the day after the earthquake, was kept back until the 31st May, after which date the time-table was resumed. Mails by the "Ventura" which left Auckland on the 13th April, and by the "Sierra" which left Auckland on the 4th May, received prompt despatch from San Francisco to New York. There was no outward steamer from Auckland on the 25th May, and the trip of the 15th June was also dropped. Mails from New Zealand were forwarded to America and London as opportunity offered by the Vancouver and direct steamers, and *via* Suez. The mails which should in ordinary course have come on by the "Sonoma" on the 19th April were diverted to Vancouver, and conveyed thence by the R.M.S. "Moana" on the 28th April. Under the exceptional circumstances, the Canadian and Commonwealth Governments generously consented to the "Moana's" calling at Auckland on her way to Australia, the result being that the mails reached Auckland on the 18th May, only eleven days later than they would have arrived had they come on by the "Sonoma." The "Moana" made excellent time throughout, her trip from Vancouver to Auckland, including the stoppage at Honolulu and Fiji, being 18 days 23 hours. In connection with the mails from London, it was only necessary to divert one lot to another route—namely, that which should have left London *via* San Francisco on the 28th April. These mails were sent *via* Brindisi on the 27th April, reaching New Zealand on the 4th, 5th, and 6th June, or about a week later than if they had come *via* San Francisco. On the whole, the colony is to be congratulated on the very slight inconvenience which resulted from the disturbance in the service. Credit is due to the Mail Agent attached to the "Sonoma," who, in the face of many difficulties, and on his own initiative, succeeded in transferring the mails from San Francisco to Vancouver. The Department is also indebted to the officers of the Railway Mail-service and Post-office of the United States and others for invaluable assistance.

The service for the collection and distribution coastwise of the San Francisco mails has been performed satisfactorily.

Vancouver Service.

The contract between the Federal Government and the Union Steam Ship Company has been extended until next year. The Commonwealth subsidy now totals £26,000 per annum. Canada has expressed its disapproval of Brisbane being replaced by a New Zealand port as the southern terminus of the service; but the whole question of the future of the service will, no doubt, be fully gone into before the expiry of the contract in 1907.

Suez Services.

A new contract between the Imperial Post Office and the Peninsular and Oriental Company was concluded on the 25th July, 1904, for a term of three years from the 1st February, 1905.

The Commonwealth Government entered into a contract with the Orient Company on the 25th April, 1905, for a fortnightly service between Naples and Adelaide, which, with the Peninsular and Oriental fortnightly service between Brindisi and Adelaide, provides a weekly exchange of mails between London and the Commonwealth. It runs for nearly three years from the 4th April, 1905, to the 31st January, 1908, and may be terminated on the Commonwealth giving notice before the 1st day of February, 1906. This notice, it is understood, was given on the 14th November, 1905.

During the short break between the termination of the late Peninsular and Oriental and Orient contract and the new one made with the Orient Company by the Commonwealth in April, 1905, the Commonwealth intimated that New Zealand could use the services at the reduced poundage rates of 2s. per pound of letters and 4s. per hundredweight of other matter. Since then it is understood that New Zealand may avail itself of the services on payment of Postal Union rates—3s. 1.7d. per pound of letters and 3.76d. per pound of other articles. The rates paid by New Zealand in 1904 were: Adelaide to Italy, letters and post-cards, 12s. per pound; books, 1s. 6d. per pound; newspapers, 6d. per pound. The amount paid for 1904 at the above rates was £3,649 19s. At the Postal Union rates the payments would not have exceeded £1,400.

RECEIPTS and PAYMENTS on Account of the SAN FRANCISCO, PENINSULAR and ORIENTAL, and ORIENT MAIL-SERVICES for the Year 1905.

San Francisco Service.

DR.	£	s.	d.	£	s.	d.	£	s.	d.
Payments by weight—									
On mails from New Zealand (eighteen voyages) ...	20,508	9	5						
On mails from Fiji ...		42	11	2					
				20,551	0	7			
Interprovincial service, mail agents, &c. ...				4,687	7	10			
Transit charges { San Francisco to New York ...				4,300	7	5			
{ New York to Queenstown ...				1,822	10	9			
							31,361	6	7
CR.									
Postages collected in the colony ...				16,463	9	10			
Contributions from Fiji ...					42	11			2
							16,506	1	0
Net cost to the colony ...							£14,855	5	7