

Brisbane on the 23rd January, 1908. The contracting Governments have consented to the steamers calling at Fanning Island on every alternate southward trip, commencing with the R.M.S. "Moana," from Vancouver, on the 27th March last. As a consequence of the latter arrangement the post-offices at Honolulu and Vancouver have been requested to make up direct mails for Fanning Island, instead of forwarding correspondence *via* Sydney and Suva, as before. Mails from New Zealand are despatched by every outward Vancouver mail, and by the Pacific cable steamer "Iris" as opportunity offers.

Miscellaneous.

Direct mails are now made up in New Zealand for Shanghai and Japan. The mail for Shanghai, which is addressed to the British Post Office there, contains correspondence for places north of the Yangtze River. The mail for Japan contains all correspondence addressed to that country.

The British Post Office at Shanghai makes up closed mails for New Zealand.

A closed mail addressed to Buenos Aires is made up for despatch by all direct steamers. Such mail includes all correspondence addressed to the Argentine Republic and Patagonia.

The French Post Office intimated in November last that in future closed mails would be made up for Auckland: (1) By the Paris-to-Modane office, every Saturday (*via* Brindisi or Naples and by English mail-boats); (2) by the Paris (R.P.) office, on Saturday evening, every four weeks, as from the 23rd November, *via* Marseilles and by French mail-boats.

The s.s. "Warrimoo," with seven bags of mail-matter from Christchurch to Australia on board, grounded on Farewell Spit at 5.15 p.m. on the 15th September, 1907, and was towed off at 1.15 p.m. next day. She then proceeded to Port Chalmers for examination, but did not tranship the mails.

The "Turakina," for London, with letter-mails, parcel-mails, and empty receptacles from Auckland on the 26th September, 1907, put into Wellington on the 4th October, 1907, on fire. All mails were saved, and were reshipped by the "Corinthic" on the 10th October. Of the "empties," all boxes were destroyed, and only 176 of the bags were fit for further use.

A fire was discovered on the Shaw, Savill, and Albion Company's steamer "Ionic," at the Glasgow Wharf, Wellington, on the 20th May, 1908. The vessel was to leave for England on the following day. The small portion of mail which was on board at the time of the fire was undamaged.

RECEIPTS and PAYMENTS on Account of the SAN FRANCISCO, PENINSULAR AND ORIENTAL, and ORIENT MAIL-SERVICES for the Year 1907.

San Francisco Service.

DR.	£	s.	d.	£	s.	d.	£	s.	d.
Payments by weight—									
On mails from New Zealand (five voyages) ...	2,819	0	7						
On mails from Fiji ...	6	11	4						
				2,825	11	11			
Interprovincial service, mail agents, &c. ...				1,184	17	5			
Transit charges { San Francisco to New York ...				889	15	8			
{ New York to Queenstown ...				518	16	10			
							5,419	1	10
CR.									
Postages collected in the Dominion ...				2,361	5	3			
Contributions from Fiji... ..				6	11	4			
							2,367	16	7
Net cost to the Dominion							£3,051	5	3

293,937 letters and post-cards, 139,769 books, and 275,572 newspapers were received from, and 253,213 letters and post-cards, 27,636 books, and 29,988 newspapers were despatched to the United Kingdom *via* San Francisco.

The average time within which mails were delivered by the San Francisco service was: From Auckland to London, 33-60 days, as against 31-79 days in 1906; and from London to Auckland 37-67 days by the Oceanic Line and 41-25 days by the Weir Line, as compared with 33-47 days in the previous year. The shortest delivery was made in thirty days.

Peninsular and Oriental and Orient Lines (Federal Mail-service).

DR.	£	s.	d.	£	s.	d.
Payment to P. and O. and Orient lines* ...	4,915	10	2			
Transit charges across Australia ...	1,853	1	6			
Transit charges across Europe ...	1,434	4	7			
Gratuities to Australia ...	8,445	10	9			
Payments for Australian-New Zealand transit on behalf of United Kingdom and foreign offices ...	3,202	6	2			
				19,850	13	2
CR.						
Postages collected in the Dominion ...	11,948	2	8			
Postages, &c., from London and foreign offices ...	3,202	6	2			
				15,150	8	10
Net cost to the Dominion				£4,700	4	4

* Payment for Orient line at Postal Union rates on actual weight of correspondence conveyed. Payment for P. and O. line based on statistics taken from 1st to 28th July, 1906.