

The contracts for the mail-services in the North Island were relet from the 1st January, 1931. A reduction in the annual subsidies of approximately £4,500 was effected, notwithstanding that a number of important improvements in services was arranged. One of the principal improvements was the establishing of a night mail-service by road between Napier and Gisborne. With this service Gisborne receives mails within twenty-four hours of their despatch from Wellington.

The South Island mail-service contracts will be relet from the 1st January, 1932.

An alteration in the railway service between Invercargill and Dunedin has made it necessary to establish a twice-weekly road mail-service between those two places to run during the time the daily express service by rail between Christchurch and Invercargill is reduced to thrice-weekly.

The Westport-Karamea and the Nelson-Lyell-Westport road services, which were affected by the West Coast earthquake of June, 1929, were restored to the old routes during the year.

During the year tenders were invited for the conveyance of mails by air once daily between Auckland, Wellington, Christchurch, and Dunedin, the payment stipulated being at the rate of 3d. an ounce, less a deduction of  $7\frac{1}{2}$  per cent. to cover post-office expenses. None of the tenders received were for the performance of the service on the stipulated terms, and therefore a service by air was not established.

The contract for the conveyance of mails between Bluff and Melbourne, which expired on the 28th January, was not renewed.

In August, the "Tahiti," a contract vessel in the Wellington-San Francisco service, foundered when 400 miles from Rarotonga, on the north-bound voyage. The mails were transferred to the "Ventura," and reached London on due date. It is a matter for congratulation that almost the whole of the letter mails on the ship were salvaged, as otherwise great inconvenience would have been caused, particularly to the commercial community; and those responsible on the ship are deserving of every credit for their splendid performance in face of considerable difficulty and danger.

Otherwise the contract services Wellington-San Francisco and Auckland-Vancouver were performed without interruption during the year. The contracts for these two services expired on the 31st March, 1931. A further extension of the contracts for twelve months has been arranged for at reduced subsidies of £18,000 for the Vancouver service and £22,500 for the San Francisco service.

#### "CHARITY" STAMP.

A "Charity" stamp was again placed on sale during the year. The gross proceeds from sales amounted to £1,730, compared with about £5,000 for the previous year. The stamp was of the same design as that for the previous year as unavoidable but unforeseen delay occurred in arranging for a new stamp. It is proposed to make a further appeal this year, and to use a stamp of new design.

#### PICTORIAL STAMPS.

It has been decided to issue a series of pictorial stamps for the Dominion of approximately fifteen denominations. Some time will elapse before the stamps are available. Competitive designs have been invited, and these will be adjudicated upon by a special Board, on which there will be representatives of art as well as of the Government Departments concerned.

The current series of postage stamps of New Zealand—the "King George" issue—was introduced in 1915.

#### COMMISSION ON PURCHASES OF STAMPS BY LICENSED VENDORS.

As an economy measure the payment of commission on purchases of stamps by licensed vendors was abolished from the 1st February, 1931. The saving is estimated at £3,000 per annum.