

as a result of the Hawke's Bay visitation of the 3rd February, 1931. Since the close of the year the erection of a new building has been completed at Westport, occupation being taken on the 17th June, on the third anniversary of the West Coast earthquake. The reconditioning of the Napier building was completed and occupation taken on the 6th August, 1932, while the reconstruction of the Hastings building, the only building-construction work remaining in progress, is proceeding apace, the Department expecting to gain occupation early in October. In addition, the erection of a new post-office building has been completed at High Street (Christchurch), the improved accommodation being occupied on the 17th June, 1932.

The repair of earthquake damage to the Dannevirke, Waipukurau, Wairoa, and other Post-office buildings in the Hawke's Bay District has been completed.

As a precautionary measure, in case of earthquake, the clock-towers on the Cambridge and Wanganui Post-office buildings have been removed. Action is also being taken in other cases in which it is considered necessary to either strengthen or dismantle the clock-towers on departmental buildings.

INLAND AND OCEAN MAIL-SERVICES.

Except for occasional interruptions caused by floods and snow, inland mail-services have been maintained during the year with the customary regularity. A saving at the rate of £6,500 per annum was effected by the Department as a result of the reletting for a further term of three years from the 1st January of all South Island contract mail-services. Tenders were invited, as usual. The competition was keen.

The contract ocean mail-services operating between Auckland and Vancouver and between Wellington and San Francisco, and the non-contract services operating between Auckland and Sydney and Wellington and Sydney have been maintained without interruption during the year. The contracts for the Vancouver and San Francisco services expired on the 31st March, 1932, and have been renewed on the same conditions for a further period of twelve months.

The year has seen the re-entry into the New Zealand service, after a lapse of twenty-five years, of steamers of the Matson line operated by the Oceanic Steamship Co. of San Francisco, the vessels of the company commencing in July to make Auckland a port of call both ways on the route San Francisco-Sydney.

AIR MAILS.

The year was notable for the number of occasions on which mails were carried in the inland postal-service by air. The flights performed on the 12th and 13th November connected at Wellington and Auckland with the steamers which sailed on the 13th November to connect with the Australia-England Christmas air-mail flight commenced at Sydney on the 20th November. These were followed at varying intervals by eleven other flights over selected inland routes, the most important being four performed on Christmas Eve. Full particulars of the various flights are shown on page 13 of this report.

The flights on each occasion were made by arrangement with the New Zealand Air League. The air-mail fee charged by the Department, in addition to postage, was 3d. an ounce, and payment at this rate, less a deduction of 7½ per cent. to cover the cost of transport of mails to and from aerodromes, was made to the League.

The flights, as the first official air-mail flights over the routes concerned, were well supported, particularly by the stamp-collecting public. It is, however, not considered that there is any need or desire for regular air-mail services of the kind, in view of the speedy transport of mails by land and sea.

POSTAGE-STAMPS.

As mentioned in last year's report, competitive designs were invited for a series of pictorial stamps for the Dominion. Many designs were received, and after review exhaustively by a special Board set up for the purpose (the