Palmerston North New Plymouth, Palmerston North Napier, and Dunedin-Invercargill were withdrawn on the 1st January. Mails which previously were carried by the railway travelling post-offices concerned are now despatched in guards' vans of trains, or in special wagons if their bulk requires it.

The annual saving to the Department in railway haulage costs is in the vicinity of £20,000, in addition to which a saving in staff has been effected.

OVERSEAS MAILS.

The contracts for the Vancouver and San Francisco ocean mail-services were renewed from the 1st April for a further term of twelve months at reduced subsidies of £18,000 and £22,500 respectively.

There was no interruption in the regular performance of the services. The average times of transmission of mails during the year by these routes were as follow: Auckland to London (via Vancouver), 30.92 days; London to Auckland (via Vancouver), 30.3 days; Wellington to London (via San Francisco), 29 days; London to Wellington (via San Francisco), 31.3 days.

The contracts for the services are to be further renewed for a period of twelve months from the

1st April, 1932.

In July steamers of the Matson line, operated by the Oceanic Steamship Co. of San Francisco, recommenced calling at Auckland en route from San Francisco to Sydney and return, after a lapse of twenty-five years. The service maintained has been a three-weekly one operated by the steamers "Sonoma," "Sierra," and "Ventura." Except for the despatch of specially addressed correspondence to North America and Great Britain, very little use has been made of the service for mails from New Zealand in view of the fact that the New Zealand contract steamers to North America provide a regular fortnightly service.

The bulk of letter mails from the United Kingdom and Europe continues to be received via North America, although opportunity is also taken of favourable connections to forward mails via Panama and via Suez. Parcel and newspaper mails from the United Kingdom continue to be

received by direct boat via Panama and occasionally via Suez.

It was noticeable during the year in the case of steamers proceeding direct from New Zealand to England that a great number used the Cape Horn route in preference to the Panama route. This has resulted in a much improved mail service connection with South America, correspondence for which has required for some time to be forwarded on most occasions via New York.

Regular services were maintained with the Pacific Islands by the "Maui Pomare" (Samoa and Niue), the "Tofua" (Fiji, Tonga, and Samoa), the Matson steamers (Fiji, Samoa, and Hawaii), and by the Vancouver and San Francisco steamers calling at Fiji and Hawaii and at Rarotonga and

Tahiti respectively.

In July the Burns Philp passenger steamer "Morinda," which maintains a service between Sydney and Lord Howe and Norfolk Islands, commenced calling at Auckland, providing throughout the year a regular mail connection between Auckland and Norfolk and Lord Howe Islands.

OVERSEAS PARCEL-POST SERVICE.

From the 15th April, the maximum weight for parcels posted in New Zealand for delivery in Tonga was increased from 11 lb. to 22 lb.

From the 1st May arrangements were made for Customs and other charges on parcels exchanged between New Zealand and the Straits Settlements and between New Zealand and the Federated Malay States to be prepaid by the senders when so desired.

EXCHANGE OF INSURED LETTERS AND BOXES WITH COUNTRIES OVERSEAS.

On the 1st June a direct exchange of insured letters and boxes was established between New Zealand and the Straits Settlements, and through the intermediary of the Straits Settlements with British North Borneo, the Federated Malay States of Negri Sembilan, Pahang, Perak, and Selangor and the Unfederated Malay States of Johore, Kedah, and Kelantan. On the 1st September, a similar exchange was inaugurated with Germany and Italy, the British Post Office acting as intermediary in each case.

EXPORT OF GOLD BY POST.

Under the provisions of the Export Licenses Order of 1931, it has been necessary, since the 1st January, for a license from a Collector of Customs to be presented before gold in any shape or form is accepted for transmission overseas by post.

AIR MAILS.

During the year a number of special air-mail flights were carried out in the Dominion by arrangement with the New Zealand Air League. Disregarding occasions of national emergency, the flights were the first for over a decade to undertake the carriage of mails. In 1920 and 1921 several experimental air-mail services were operated principally between Auckland and the North and between Christchurch and Timaru. These services were not, however, used to a payable extent, and the patronage that was accorded them dropped quickly as soon as the novelty wore off. The experiments at the time, although demonstrating the use of aircraft for the carriage of mails, clearly indicated that, owing to the rapid transport of mails by land and sea, there was no real need for regular air-mail services within the Dominion. This is still the position.