Permission was granted the contractors for the San Francisco service to cancel the voyage due to commence at Wellington on the 15th May to allow the "Makura" to undergo overhaul. This vessel was due to leave Wellington for San Francisco on the 12th June in place of the "Maunganui," but owing to the inability of the contractors to obtain a staff for the commissariat department the sailing had to be postponed and finally cancelled. On account of the cancellation of the trip of the 15th May, use was made of the "Rangitata" and "Mahia," which left New Zealand on the 11th and 16th May respectively for Great Britain via Panama. Mails for North America and Great Britain were also forwarded by the "Storanger," which left New Zealand on the 12th May for San Pedro. Arrangements were made, in consequence of the cancellation of the trip of the 12th June, to despatch mails for Great Britain via Australia by the "Monowai," which was due to leave Wellington on the 15th June. Due, however, to the trouble experienced on the "Makura" extending to the "Monowai,"

the sailing of this vessel also was cancelled, and the mails for Australia and Great Britain were despatched by the "Monterey," which left Auckland for Sydney on the 15th June.

The New Zealand – Australia service was maintained by the "Wanganella," "Monowai," and "Marama." These vessels provided a service at least weekly either from Auckland or from Wellington. The vessels engaged on the Vancouver and San Francisco contract services and vessels of the Matson Co. also afforded additional facilities for the despatch of mails for Australia and beyond.

Use was also made of the "Waitaki" for the despatch of mails to Australia via Bluff.

At the end of October a passenger-service between Bluff and Melbourne was inaugurated by the Union Steam Ship Co.'s vessel "Maheno." Seven round voyages were completed between the 31st October, 1934, and the 19th March, 1935.

A service between Auckland and Suva was maintained by the "Waipahi" and between Auckland and Tonga by the "Port Whangarei." Use was also made of the "Maui Pomare" for despatches to Niue and Samoa.

AIR MAILS.

The London–Singapore air-mail service was extended to Australia in December, 1934, providing a weekly service to and from Great Britain. The service from Australia commences at Brisbane each Wednesday and terminates at London on the Monday twelve days later. Inward mails to Australia leave London on Saturday and reach Brisbane on the Thursday twelve days later. The time-table is so arranged that air mails despatched from New Zealand by the weekly intercolonial steamers leaving on Fridays connect with the outward service from Australia the following week, and that air mails for New Zealand connect with the New Zealand steamers leaving Sydney on Fridays. Under normal conditions this schedule provides New Zealand with a weekly seventeen-day service to and from Great Britain, resulting in a considerable saving in transit time over ordinary means of transport for mails exchanged not only with Great Britain but also with the Continent of Europe, Africa, and intermediate countries on the air-service route. The rate of postage on correspondence for Great Britain forwarded by the service was fixed at 1s. 6d. per half-ounce. The rates to other countries served by the service vary from 9d. to 1s. 9d. Additional charges ranging from 3d. to 2s. 7d. are payable on correspondence for which onward despatch by air to countries of destination is desired from intermediate countries or from England.

In addition to the air-mail flight between New Zealand and Australia on the 14th April, 1934, of which details were published in last year's report, a flight was undertaken between Ninety-mile Beach (Kaitaia) and Sydney on the 2nd July by the late Flight-Lieutenant C. T. P. Ulm in the monoplane "Faith in Australia." The mail comprised 9,891 letters (of which 1,024 were registered), of a weight of 150 lb. Included in the mail were 3,786 letters for onward despatch by an experimental air-mail flight between Australia and Papua and New Guinea. Letters for return to New Zealand numbered 3,473. The flying-time for the journey was 15 hours 36 minutes. An air-mail fee of 6d. per halfounce in addition to ordinary postage was charged on correspondence carried by the flight, and payment to the late Flight-Lieutenant Ulm was made at the rate of 4d. per half-ounce per article, the difference being retained by the Department to cover the cost of the special arrangements it was necessary to make in connection with the flight.

An event of importance was the establishment from the beginning of January last of the first regular subsidized inland air-mail service. The route is between Hokitika, Bruce Bay, Haast, and Okuru, and the contract has been let for a period of one year in order to determine whether a service by air is satisfactory in all respects for the districts concerned, which are among the most isolated in the Dominion. They were served formerly by a fortnightly pack-horse delivery which occupied several days. By air the distance one way is covered in approximately three hours, the return flight being completed in one day. Although the contract provides for a fortnightly service only, the contractors generally carry mails free on a flight made in the alternate weeks. Mail-matter of all classes, including parcels up to 14 lb. in weight, is carried and no special air-mail fee is charged. Since the inauguration of the service, the time-table has been regularly maintained with but two exceptions due to very bad weather conditions.

POSTAGE-STAMPS.

JUBILEE STAMPS.

Arrangements were made during the year with Messrs. Bradbury, Wilkinson, and Co., Ltd., England, for the engraving and for the printing, by the intaglio process, of a special set of stamps commemorative of the Silver Jubilee of the Accession to the Throne of His Majesty the King. The stamps are in values ½d., 1d., and 6d. The design, which is the same for each denomination, protrays Their Majesties the King and Queen as the principal subjects in a frame, designed by Mr. J. Berry, Wellington, identifying New Zealand with the issue. Jubilee stamps are also being provided for the Cook Islands, Niue, and the Mandated Territory of Western Samoa by overprinting suitably the 1d.. $2\frac{1}{2}$ d., and 6d. denominations of the current issues of those islands.