

Notification has been received from the Union Royal Mail Line, the contractors for the Wellington—San Francisco mail service, that it is their intention to discontinue the service at the end of the present year.

When the San Francisco contract steamers are withdrawn the service to Great Britain and Europe via North America will be maintained by the vessels of the Canadian-Australasian Line and the Matson Line. Instead of the regular fortnightly despatches of the present San Francisco and Vancouver steamers, there will be intervals of eleven and seventeen days between mails. It is expected, however, that by using also the all-sea routes via Panama and Cape Horn an adequate service between New Zealand and Great Britain will be maintained.

A monthly service to the Cook Islands will be maintained by the m.v. "Matua," and a monthly service with Tahiti will be maintained by vessels of the Union Steam Ship Co., New Zealand mails making connection at Suva.

AIR MAILS.

INLAND SERVICES.

Prominent in the sphere of postal activity during the year was the inauguration of two inter-Island air-mail services, Palmerston North—Blenheim—Christchurch—Dunedin, and Nelson—Blenheim—Wellington, following the establishment of regular air passenger services on those routes. When the question of inland air-mail services came under consideration it was clear that, to justify their existence, the services would need to receive a generous measure of support from the business community in whose interests principally they were to be established, and that, to pave the way for this, a low rate of postage would require to be fixed. The postage-rate was fixed at 2d. per ounce, an increase of only 1d. per ounce on the ordinary inland-letter rate. On correspondence for overseas conveyed by air within the Dominion the rate was fixed at 1d. per ounce plus the overseas charges. These rates compare favourably with air-mail charges in most other countries.

In view of the experimental nature of the new air-mail services, it was decided to run them by way of trial for three months from the date of commencement, the 16th March, and then to review the position in the light of the results of the trial. It was estimated that, if all correspondence of which delivery would be expedited by air transit were sent by air-mail, 170,000 letters would be conveyed weekly by the two services. At the end of the trial period, however, the returns showed that only about 13,500 letters weekly had been handled. Disappointing as this result was, Government decided, in order to give the public time to appreciate fully the advantages to be gained by the use of air mails, to extend the period of trial to the end of August.

Arrangements were made from the 25th May for the conveyance of parcels by air at the ordinary inland parcel rates plus the fees required by the air transport companies.

LONDON—AUSTRALIA SERVICE.

The most important development in connection with the London—Australia service is the duplication in May last of the Singapore—Australia section, thus completing the duplication over the whole route.

It is interesting to note that there was a steady increase during the year in the volume of air-mail correspondence exchanged between England and New Zealand. Details of the increase to the end of March are shown at page 19. Since the close of the year the increase has continued.

The air-mail scheme formulated in October, 1934, by His Majesty's Government in Great Britain for the conveyance by air of all letter-mails between countries of the Empire, which scheme includes the proposal to extend the England—Australia service to New Zealand, is at present being considered in London by representatives of the Governments of Great Britain, Australia, and New Zealand.

TELEGRAPH SERVICE.

In New Zealand, as in many other countries, the position of the Telegraph Branch in recent years has caused the Administration much concern owing to the recurring annual loss on its operation. It is therefore gratifying to note that during the year the paid telegrams handled exceeded those of the preceding year by