

OCEAN MAIL SERVICES.

The Auckland-Vancouver ocean-mail-contract service maintained by the "Niagara" and "Aorangi" was performed regularly during the year.

Consequent upon the inauguration in August of the service from Australia under the Empire air-mail scheme, the only mails despatched by the contract (Auckland-Vancouver) steamers and by the Matson Line (Auckland-San Pedro) vessels during the latter portion of the year were those for America and intermediate countries, and letter-mails only for the Continent of Europe. The marine post-offices, which had been in operation on the Vancouver contract steamers since 1924, were closed on the inauguration of the Empire air service.

During the year appreciable use was made of vessels sailing via Panama and via Cape Horn for the despatch of mails for Great Britain and the Continent of Europe. These routes are now being used for the despatch of all second-class mails for Great Britain and Europe, the use of the North American route for this purpose having ceased with the inauguration of the Empire air service.

The New Zealand Australia service was maintained during the year by the "Awatea" and "Wanganella," together with vessels of the Canadian Australasian Royal Mail Line, the K.P.M. Line, and the Matson Line. During a period in August and September the "Awatea" was replaced by the "Maunganui," and for two trips in November and December the "Wanganella" was replaced by the "Westralia."

A service between Bluff and Melbourne was maintained by the "Waitaki" during the period April-October and by the "Maunganui" during the remainder of the year.

Use was also made of cargo-vessels trading between New Zealand and Australia for the despatch of mails for Australia and also mails for onward despatch by the Empire air service.

A regular service to the Pacific Islands was maintained during the year.

AIR MAILES.

INLAND.

Extensions to the inland air services were made on the 15th March, when Messrs. Cook Strait Airways, Ltd., inaugurated a daily service between Nelson and Greymouth with calls at Westport in both directions, and on the 20th March, when Messrs. Union Airways of New Zealand, Ltd., inaugurated a thrice-weekly air service between Auckland and Gisborne with calls at Tauranga and Opotiki in both directions.

The service previously operating between Auckland and Dunedin via New Plymouth, Palmerston North, Blenheim, and Christchurch now operates between Palmerston North, Blenheim, and Christchurch only, while the Auckland-Wellington service has been extended to provide a through service daily in each direction between Auckland, Palmerston North, Wellington, Christchurch, and Dunedin, the second service Auckland-Wellington and return continuing. New Plymouth is now served one way on this second service and one way on the main service.

The steady increase in the number of letters conveyed on the inland air services has been maintained. Particulars of the number of letters carried during the last three years are shown hereunder:—

	1936-37.	1937-38.	1938-39.
June quarter	179,073	325,584	508,625
September quarter	215,202	381,019	558,642
December quarter	256,559	466,813	619,437
March quarter	283,807	515,225	665,723

Unfortunately, a serious accident occurred on the 10th May, when Union Airways' Lockheed "Kotare" crashed shortly after leaving Mangere Aerodrome (Auckland) and the two pilots were killed. Mails despatched from Auckland, comprising 180 letters and 3 parcels, were lost in the fire which broke out when the machine crashed.

EMPIRE AIR SERVICE.

An event of outstanding importance during the year was the extension at the end of July of the Empire air-mail scheme to include Australia and New Zealand. The first services under the scheme commenced from Great Britain on the 28th July and from Australia on the 9th August. New Zealand participated in the scheme from the outset on the basis originally suggested by Great Britain—that is, all letters posted in New Zealand for the Empire countries served by the Australia-England and England-South Africa air services are transported by air at the postage rate of 1½d. each ½ oz. Previously the air-mail postage on letters to Great Britain was 1s. 6d. each ½ oz. At the outset the air service operating between Bangkok and Hong Kong was not included in the general scheme, and accordingly correspondence from New Zealand for Hong Kong was forwarded from Australia to Singapore by air and thence to destination by sea. On the 5th September, however, the Empire scheme was extended to include this service, and since that date all correspondence for Hong Kong has been carried to its destination by air. The air service operating between Khartoum and Accra has not yet been included in the Empire scheme, and special rates are still payable on correspondence for Nigeria and the Gold Coast Colony which is required to be conveyed by air.