

The extension to Singapore is of no benefit to New Zealand owing to the absence of suitable connecting steamer services, but the through service to Australia, when in operation, will offer great possibilities. The time-table for the Australia-Singapore section has not yet been announced, but, with the speeding-up recently accomplished on the London-Singapore route, it is expected that Sydney will be reached from London in less than a fortnight, bringing mails to New Zealand in seventeen or eighteen days if a good connection is made at Sydney with vessels sailing for New Zealand. Further, it seems not improbable, in view of the several successful trans-Tasman flights which have been made, particularly in recent months, that before many years have passed the England-Australia service will be extended to New Zealand, thus providing a connection that should reduce to not more than fourteen days the transit time of mails exchanged between the Homeland and New Zealand, which is a little less than half the average time now taken in the transit of mails from New Zealand to England via North America.

The importance to New Zealand of the extension to Australia of the England-India air service has been recognized in a tangible way by Government. On the inauguration of the through service, and on the understanding that suitable connections will be maintained in Australia with steamers to and from New Zealand, a contribution of £5,000 per annum will be made by New Zealand in the proportion of three-fifths to the Government of Great Britain and two-fifths to the Government of Australia, the basis of division coinciding with the distance of the extensions (Karachi-Singapore and Singapore-Australia), for which each Administration will be responsible. Apart from the desirability of New Zealand being a partner in this entirely Empire enterprise from its inception on account of its potential value to the Dominion, the payment will ensure that New Zealand's requirements are given consideration when time-tables are being arranged. In addition, it is an earnest of the Dominion's approval of the steps taken to extend the Empire service and improve our communications with the Old Country.

Postal history has been made in recent months by the carriage of mails by air across the Tasman. On the 17th February, 1934, Flight-Lieutenant C. T. P. Ulm carried the first New Zealand-Australia air mail, flying from Muriwai Beach to Sydney, and on the 11th-12th April the first Australia-New Zealand air mail, flying from Sydney to New Plymouth. Other trans-Tasman air-mail flights have also been performed, including one undertaken from the Ninety-mile Beach to Sydney by Sir Charles Kingsford-Smith in the monoplane "Southern Cross." The trans-Tasman air crossings have been so frequent and have been made with such assurance and success as to suggest that the time is not far distant when a regular trans-Tasman air mail will be operating.

On the occasion of the first Australia-New Zealand air mail, speedy distribution of correspondence was effected by air to Auckland, Hastings, Wellington, and Christchurch. Full particulars of this arrangement and of the trans-Tasman flights are published on pages 14 and 15 of this report.

CHARGES FOR TELEGRAMS.

As from the 3rd April, 1934, inland telegraph charges have been readjusted, the uniform system of charging being departed from in favour of the zonal system, which may briefly be described as a system under which the charges are based upon a sliding scale, dependent upon the distance between the office of origin and the office of destination. Under this system the charges for ordinary telegrams of twelve words or less and for letter-telegrams of twenty-four words or less vary, according to distance, from a minimum of 6d. in the case of messages for local delivery to a maximum of 1s. 3d. for messages exchanged between the most distant points.

TELEPHONE-EXCHANGE SERVICES.

It is pleasing to observe that the downward trend in the telephone development of the Dominion has been arrested. The net loss in telephone-exchange subscribers for the year under review was only one-seventh of the loss for the preceding year, and this, coupled with the fact that the figures for the past few months have all shown gains in telephone-exchange subscribers, is an indication that the telephone