

The dates on which the several exchanges were established, the number of subscribers at the date of opening, and the number on the 30th April last are given in the following statement:—

Auckland: Established on 24th October, 1881, with 26 subscribers; on 30th April, 1884, 194 subscribers.

Wellington: Established on 1st March, 1883, with 31 subscribers; on 30th April, 1884, 124 subscribers.

Christchurch: Established on 1st October, 1881, with 27 subscribers; on 30th April, 1884, 153 subscribers.

Dunedin: Established on 26th April, 1882, with 56 subscribers; on 30th April, 1884, 284 subscribers.

Invercargill: Established on 7th November, 1883, with 32 subscribers; on 30th April, 1884, 35 subscribers.

A total of 790 subscribers on the 30th April last. The number of subscribers on the 31st May, 1883, was 494, so that for the eleven months there was an increase of 296 subscribers. Auckland shows an increase of 54 subscribers; Wellington, 87; Christchurch, 33; and Dunedin, 87.

The telephone-exchange receipts on the 30th April last were at the rate of £8,745 a year.

The capital expended up to the 31st December last, in connection with establishing the five exchanges, was £14,716 17s. 6d., and the annual cost for maintenance, repairs, and working expenses is estimated at £3,525.

Additional telephone bureau offices were opened at Parnell, Onehunga, Avondale, and Newmarket, in the Auckland District; at the Bluff; and at Parliament Buildings, Wellington, during the sitting of Parliament.

Since the 1st January last a reduction of one-half the bureau ordinary charges was made in favour of telephone-exchange subscribers.

Five additional private wires were erected during the year, making the number of these wires maintained by the department 76. The revenue derived from private wires is £1,079 17s. 6d. a year.

The following gives the result of the operations carried out in the several districts during the year under the immediate direction of the Inspectors:—

AUCKLAND DISTRICT.

The various extensions effected during the year were as follow: Ohaeawai to Ngawha and Kaikohe, Auckland to Ponsonby, Helensville to Kaukapakapa, Pukekohe to Tuakau, Te Aroha to Waiorongomai, Paparoa to Maungaturoto, Kamo to Hikurangi, Auckland to Parnell, Coromandel to Whangapoua and Whitianga, Mercer to Rangiriri, Auckland to Avondale, Ohaeawai to Waimate North, Te Aroha to Waihou, Whangarei to Mangapai, Auckland to Onehunga Wharf, Auckland to Kyber and Newmarket, Waiwera to Puhoi: total, 41 miles of line and 123 of wire. The following lines were in course of erection at the end of the year: Hamilton to Raglan, and Waiwera to Tiritiri: total, 53 miles of line and wire.

The greater portion of the lines in this district have been overhauled during the year. The principal work has been examining and blocking the kauri poles. On some of the lines it has been necessary to renew nearly one-half of the kauri poles, although only erected ten years. The average life of a kauri pole at the ground level is about twelve years, while totara poles last twenty-five or thirty years.

The whole of the lines are now in good order, and will require no special claim for maintenance during the current year, excepting the Thames line on the mud flat, where nearly all the bridges have either been washed away, buried, or are in an advanced state of decay. The towers also show signs of decay. This line will be overhauled and strengthened, and repairs made to bridges, during the current year.

NAPIER DISTRICT.

During the year the following sections have been overhauled and repaired: Tenui to Napier, Maketu to Thames, Opotiki line, and line to Gisborne from Napier. These repairs include some 300 poles, several with totara blocks. More than half the poles requiring attention were kauri, and principally on the Gisborne line.

A telephone station has been opened at Petane. The Kaikora station has been removed to a different site, more convenient for railway purposes. A new office has been erected at Rotorua. Additions have been made to the Waipukurau office, where increased dwelling accommodation was required.

The main wires between Napier and the Spit have been carried on an independent line round Scinde Island. This became necessary to avoid interruption to telephone circuits.

With a view to probable telegraph extension, the country has been carefully explored and surveyed between Taupo and Cambridge.

The lines generally throughout the district have worked satisfactorily, and are in excellent order.

WELLINGTON DISTRICT.

The lines in this district have not during the year called for any special attention, all being in good order.

The cables still continue to give satisfactory results as regards insulation, as a reference to the table will show.

The telephone exchange system is gradually extending, and no doubt before long Wellington will take a leading position as regards the number of subscribers.