

Exchange.	Number of Subscribers or Connections:	
	Mar. 31, 1898.	Mar. 31, 1899.
Bluff	23	22
Gore	48	54
Mataura	10	9
Otautau	...	15
Riversdale	11	12
Winton	9	8
Woodlands	7	5
Masterton	69	72
Napier	291	298
Hastings	27	40
Nelson	57	59
New Plymouth	150	165
Oamaru	103	118
Palmerston North	91	131
Thames	83	80
Timaru	73	78
Wanganui	173	205
Wellington	1,163	1,279
Totals	5,787	6,203

The connections may be classified as follows: Paying, 5,826; free, 129; bureaux, 248: total, 6,203.

The telephone-exchange receipts amounted to £39,718 7s. 7d., an increase of £3,296 0s. 11d. as compared with the subscriptions received during the previous year.

The working-expenses and 5 per cent. interest on capital cost for the year amounted to £40,606 4s. 3d.

Sixty bureaux were established during the year, and two were closed.

The following are the particulars of telegraph and telephone-wires, &c., in the colony on 31st March, 1899:—

	Telegraph.	Telephone.
Miles of line, 1st April, 1898	6,484	413
" 31st March, 1899	6,736	436
Miles of wire, 1st April, 1898	18,024	5,648
" 31st March, 1899	18,746	5,803
Increase during year—		
Miles of line	252	23
Miles of wire	723	155
Submarine cable, 1st April, 1898	242 knots	8 knots.
" 31st March, 1899	242 knots	8 knots.

TELEGRAPH CONSTRUCTION AND MAINTENANCE.

There has been a considerable demand for the extension of telephone lines during the year. Fifty-three lines were applied for of a total mileage of 642, to erect which would have required an expenditure of over £30,000. With the exception of a few short lines which promised to be self-supporting, and others erected for departmental purposes, offers were as far as possible made to grant communication on a guarantee against loss—generally for five years—being given by the Council of the county in which the proposed line was to run, or on a lump sum being paid in advance by the settlers. In twenty-two cases, however, applications were altogether declined.

In 1898 ten bonds were entered into by County Councils guaranteeing an annual sum of £169 5s., and £233 16s. was paid by way of commuted guarantee for five lines erected during the year. The total annual value of telephone guarantees at this date is £683 10s.

The following telegraph works have been carried out during the year in the several districts:—

AUCKLAND.

Construction.

The following new lines have been erected and completed:—

	Miles of Poles.	Miles of Wire.
Opitonui loop	1	2
Waihopo loop	...	0 $\frac{1}{2}$
Manukau Heads Signal-station	...	0 $\frac{1}{8}$
Saies	0 $\frac{1}{8}$	0 $\frac{1}{4}$
Upper Onehunga Bureau	0 $\frac{1}{2}$	3
Arch Hill Bureau	...	1 $\frac{1}{2}$
Aratapu-Aoroa	...	4
Waipapa line	...	9
Whakapara-Hukerenui	1	7
Auckland-Mahoenui	45 $\frac{1}{2}$	155 $\frac{1}{2}$
Katikati-Bowentown	1	4
Putaruru-Rotorua	33	33