

new exchanges in country areas consumes large quantities of poles and wire, and many thousands of man-hours of skilled labour are required. Each new exchange is a major undertaking and makes large inroads into the available supplies of material and labour. Shortage of poles continues to be the main difficulty so far as the development of the rural telephone service is concerned both for new exchanges and for new lines at existing exchanges. Australia supplies the bulk of the poles used by the Post Office, but all sources of supply are exploited. Every effort is made to obtain increasing quantities of poles from New Zealand sources. These are principally silver-pine poles, but include also treated soft-woods and concrete poles.

In city and town areas served by automatic exchanges large numbers of new subscribers have been given service, mainly as a consequence of improvization in the way of installing temporary manual exchanges. These improvizations, while permitting the connection of urgently-needed telephones, have had the effect of adding to the congestion of already over-loaded switching-equipment. This results in delay in obtaining dialling and ringing tones at busy calling periods. However, it was thought better to accept some deterioration of the service rather than refuse altogether to connect any further new subscribers. The key to the problem is more automatic switching-equipment, and this matter continues to receive the closest attention. Already equipment for new exchanges and for extensions to existing exchanges is beginning to arrive in the country, but the task facing the Post Office is one of great magnitude. Before the work of installing the switching-equipment can commence many new buildings and extensions to existing premises will be required, while much labour and huge quantities of material will be absorbed in new reticulation work. It must be some years, therefore, before the growing waiting-list for telephone connections is completely liquidated.

During the year new automatic exchanges were received from overseas for Lower Hutt, Nelson, and New Plymouth, and additions were made to the automatic exchanges at Dannevirke, Hawera, Marton, South Dunedin, and Stratford. The new Lower Hutt automatic exchange to replace the present smaller system will be brought into operation about the end of August, 1949. The New Plymouth automatic exchange to replace the existing manual system is now being installed in rented premises and should be ready for operation in March, 1950. The building to house the Nelson automatic exchange is now being erected.

NUMBER OF SUBSCRIBERS

During the year the number of telephone subscribers increased from 222,504 to 238,292, or 7.1 per cent., compared with the previous year's increase of 6.2 per cent. (See also Table No. 6 in Appendix.)

The following table shows the annual increase in subscribers since the 1st April, 1946, and the number of waiting applicants for telephone service at the end of each year during that period:—

Year Ended 31st March,	Number of Subscribers' Stations.	Increase Over Previous Year.	Percentage Increase.	Number of Waiting Applicants.
1945	191,189	..	..	..
1946	197,513	6,324	3.3	27,600
1947	209,505	11,992	6.7	34,800
1948	222,504	12,999	6.2	41,292
1949	238,292	15,788	7.1	48,378

Total net gain in subscribers since 31st March, 1945, 47,103.