The Department's policy is to offer service first to public utility bodies such as ambulances, fire brigades, &c., and later to cater for private users such as taxi-proprietors, &c.

The first such system in New Zealand catering for public requirements was opened at Auckland on the 23rd August, 1948, with the Auckland City Council Traffic Department as the first subscriber.

As no public utility bodies have applied for service at Wellington, a taxi firm has been admitted as the first subscriber.

A second channel at present catering for four private organizations was opened at Auckland on the 18th December, 1948.

At Auckland and Christchurch it has been found that coverage of the city and immediate environs can be provided by one base station located on an elevated site, but, due to the configuration of the cities of Wellington and Dunedin, it was necessary to establish in each city two stations which operate simultaneously.

Although the number of subscribers participating is not yet large, several firms are taking a keen interest in the scheme, and a number of demonstrations have been given. Already it is apparent that a wider service area than is at present provided will be required, and tests are being carried out with a view to securing suitable sites for additional stations.

The equipment installed in the existing base stations was adapted by the Post Office from surplus war equipment and is giving reasonably good service. The Post Office has, however, now designed entirely new equipment for the purpose, and is about to arrange with commercial manufacturers for the production of these sets. The basic technical arrangements being provided will be readily adaptable for the possible future provision of telephone service to vehicles in conjunction with the public telephone network.

GROWTH OF PRIVATE RADIO-COMMUNICATION SERVICES

Seven additional private radio-telephone stations have been licensed during the year in the names of associations representing owners of small marine craft, such as fishing and pleasure launches, to enable communication to be maintained with the vessels. Sixteen such stations are now in operation throughout New Zealand. Generally, the establishment of these stations is approved only in areas outside the range of the Post Office coast stations.

A total of 103 private radio-communication services, including those operated by Government Departments other than the Post Office, is now in operation.

AIR RADIO SERVICES

Prior to 1947 most air radio services throughout New Zealand were conducted by the Post Office, but in 1947, by agreement with the Air Department, all such services were transferred to the control of that Department, except those performed at stations where Post Office radio-communication services were being provided. Further transfers were effected during the year under review. On the 30th September the high-frequency direction-finding service conducted at Musick Radio (Auckland) was transferred to the Air Department's station at Waiuku, and between the 19th and 21st December various air radio services conducted at Wellington Radio were taken over by that Department.

The Post Office still performs air radio services at Musick Radio and Awarua Radio for overseas aircraft.