It gives me much pleasure to call the Postmaster-General's attention to the very exhaustive and complete nature of Mr. Buckley's report and to the value of the conclusions arrived at. If the Postmaster-General agrees with my view, I would suggest that special thanks be given to Mr. Buckley. In no other way than a personal visit to America and Europe could such valuable information have been obtained. With the rapid developments in telephone engineering, it would be profitable to the Department to send its most able officers occasionally to America or Europe, particularly to America, to report on developments from time to time.

3

The Hon. the Postmaster-General.

D. Robertson.

F.—11.

The CHIEF TELEGRAPH ENGINEER to the SECRETARY, General Post Office, Wellington.

(Memorandum.) General Post Office, Wellington, 22nd June, 1912. HEREUNDER are my recommendations and comments regarding the immediate action that should be taken in reference to the subjects referred to in the synopsis of Mr. Buckley's report.

(1.) Action in this direction has already been taken in framing the revised tariff and party-line system, which came into operation on the 1st of January last. A marked increase of applications for

connections is now taking place, especially at the country exchanges.

(2 and 4.) Full automatic has proved itself an undoubted success, and is being operated elsewhere with every satisfaction to the public and the operating companies concerned. Its economic and technical advantages are outlined in the report, and it seems destined to become the system of the

The four chief centres are all in need of a new outfit, but Wellington is the most pressing, and as it affords a suitable field for a close observation of the merits of the automatic system I recommend that full automatic be decided upon for Wellington, and that the firms referred to in paragraph 4 of the synopsis be supplied with full particulars of our requirements and be invited to tender for a

suitable equipment.

(3.) There are important economic and commercial benefits derived from having a homogeneous system of automatics over intercommunicating areas, such as all-night service and economic working of toll lines at night-time without the need of toll operators at any but the central exchanges. therefore recommend that, in addition to calling for quotations for central-battery plants at Hamilton, Masterton, Blenheim, and Oamaru, as already decided, a development study of these places be undertaken with a view to seeing if these areas lend themselves economically to automatic telephony, and, if this proves to be the case, that quotations be also invited from the firms already mentioned for full automatic equipments for these four pressing centres.

(5, 6, and 7.) Development studies of Dunedin, Christchurch, and Auckland should, as suggested, be undertaken as soon as the engineering staff is sufficiently organized to cope with the work.

(8.) The Department must be prepared to enable its officers to keep pace with the growing intricacy and advanced electrical problems involved in modern telephony and telegraphy, by providing such electrical testing-apparatus as may be required from time to time.

(9.) Approved.

(10.) Approved.
(11.) This policy of having storage batteries instead of the much less economical and reliable primary batteries for telegraph systems at the larger centres should now be approved, and recommendations will subsequently be made as soon as data relating to the position shows the expenditure and economy involved.

(12.) A good deal has been done in this direction since I took office, and further recommendations

will follow when suitably qualified entrants are available.

The alterations to the existing line plant at Wellington, estimated at £15,000, and the necessary buildings, estimated at £10,000 to £12,000, will subsequently have to be provided for, whatever system is adopted. I may here point out that the revenue derived from the telephone-exchange systems of the Dominion has increased from £21,552 in 1895 to £179,123 for last year. In addition to this, the revenue from toll communications, which is an adjunct of the exchange systems, was £64,811 for last year, an increase of 19.28 per cent. over the previous year. The income of the Wellington Exchange is now at the rate of about £29,000, and is increasing at some £2,000 per annum. At the present rate of increase the capacity of the switchboard now in use will be reached within two years. new outfit is not provided by the time the full capacity of the board has been reached we shall simply have to close down in so far as new business is concerned. As the manufacture and fitting up of a new switchboard with its millions of connections involves many months of constant labour, there is no time to waste. Similar conditions apply to Auckland, and in a somewhat lesser degree to Christchurch and Dunedin. It will therefore be necessary to order a plant for Wellington and Auckland this year, and for Christchurch and Dunedin next year, otherwise the Department will be in the position of having to refuse new business at those centres in a couple of years or so.

The Secretary, General Post Office, Wellington.

J. Orchiston.

The CHIEF ELECTRICIAN to the SECRETARY, General Post Office, Wellington.

General Post Office, Wellington, 18th June, 1912. (Memorandum). THE following is a synopsis of the recommendations contained in my general report made in connection with matters inquired into in the United States, Great Britain, and Europe during my recent mission abroad on behalf of the Department.

(1.) That the more extended use of the telephone generally should be promoted as far as possible The development of the telephone in centres of population in the Dominion as compared with that

in many other parts of the world is low.