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of the direction-finder for this locality, arrangements being now in hand to procure the necessary equipment for the establishment of a station at Cape Maria Van Diemen. New lenses have been fitted to the lighthouse at East Cape, and the material for the new automatic light at Matakaoa Point is all ready for erection.

At the Chatham Islands a small electrically lit beacon has been established for

the aid of the comparatively limited shipping visiting Waitangi.

A new departure has been made in facilitating communication between some of the isolated lighthouses, and civilization, by means of wireless installations, the first of these at Puysegur Point being now in process of erection. It is anticipated that this policy will increase the amenities of life for lightkeepers on some of the out-of-the-way stations, and in some cases eliminate the difficulties and expense involved in the upkeep of telephone lines or cables in difficult situations.

A number of minor works and improvements have been carried out at the various lights, including a new crane at Cape Brett, water-supply at Cape

Palliser, &c.

Harbour-works.

Various important proposals were put before the Department by various Harbour Boards during the course of the year, and in several cases, Napier and Gisborne in particular, extensive investigations and reports were made.

Maintenance works were carried out at the Westport Harbour, and quite a number of minor works carried out at the smaller ports controlled by the

Government.

A wharf and shed were erected on the Wairoa River, whilst snagging operations were carried out at the same place. The sandbar was removed, and the Waikato Stream was improved between the Awaroa Landing and the Waikato River. In the Mokau River the snagging operations which have been in hand for some time were continued.

TOURIST AND HEALTH RESORTS.

The principal works carried out during the year were the replacement at Rotorua of wooden with cast-iron water-mains: this work has now been completed. Electric light was installed at the Mount Cook Hermitage, and at the Lake House, Waikaremoana. Work was carried out at the ladies' swimming-bath at Helensville, tracks at Mount Egmont were widened, a new tennis-pavilion was erected at Rotorua, and additions to buildings at Waitomo and Te Anau were made.

Provision is being made this year for the continuation of the work in connection with the additions to the Waitomo Hostel, Lake House, Te Anau Hotel, the huts on

Milford Track, and improvements to the tourist resorts generally.

TELEGRAPH EXTENSION.

Since the period of depression following the Great War the expansion of the telephone and telegraph systems in New Zealand has been unprecedented, and year by year a greater amount of capital has been required to finance the development of these services. For the year ended 31st March, 1925, the capital expended in extending the telephone and telegraph systems amounted to £957,294. Although there is already one telephone for every thirteen persons in New Zealand, the potential demand for telephone service is still very great, and every expansion of the service gives rise to still further extensions. Twenty-one new exchanges were opened during the year, and to these and other exchanges throughout the Dominion over twelve thousand new connections were made; this being the greatest number of new stations connected during any year since the inception of the telephone-exchange system in New Zealand. In addition to this, the past year's operations included—

The conversion of 7,894 lines of the Auckland exchange system (comprising Wellesley Street, Ponsonby, Mount Eden, Remuera, and Onehunga exchanges) permanently to automatic working:

The prosecution of new automatic installations at Wellington Central, Dunedin, Devonport, and Takapuna; and the extension of the

automatic equipment at several other exchanges: