

The installation of underground and aerial cables at a number of the smaller exchanges, and the extension of the existing cable systems at other places ;

The conversion to metallic circuit working of a number of the few remaining earthworking exchange systems ;

The reconstruction of the aerial-wire system at a number of exchanges ; and

The maintenance of 115,549 telephone stations at a comparatively high state of efficiency.

A feature of the operations during the coming year will be the installation in subscribers' premises in automatic areas of a new type of intercommunicating apparatus to replace the existing magneto private-branch-exchange equipment, which is incapable of operating into the automatic system without considerable modification. The present magneto private-branch-exchange system requires the constant attention of an operator in the main office to switch the incoming, outgoing, and local calls. Under the new system, however, the services of an operator may be dispensed with except for incoming calls ; the switching for the outgoing and local calls being effected by the pressing of a button by the caller.

PRIVATE TELEPHONE-LINES.

Although applications are still being made for licenses to erect private telephone-lines to connect with departmental exchange circuits at various distances from exchanges, development in this direction is virtually confined to remote localities that do not possess any potentialities for telephone-extension. With the reticulation of high-power lines throughout the country districts, necessitating the erection of telephone circuits on the metallic-circuit principle, settlers are finding it more profitable and much more satisfactory to require the Department to undertake the erection and maintenance of their telephone circuits. This is becoming increasingly evident by the number of private-telephone-line owners applying to have their private lines replaced by departmental circuits.

PUBLIC CALL OFFICES.

Public call offices (coin-in-the-slot telephones) continue to prove remunerative in business and densely populated residential areas, and it is proposed to instal additional ones where such facilities are necessary. During the year 9 new public call offices were established, bringing the total number in use up to 380. A new type of public-call-office telephone, for use in areas where the telephone system is wholly automatic, has recently been introduced. The initial supply of these telephones has been installed at Auckland. The new telephones, which are fitted with dials, are so arranged that the person making the call is not required to insert the penny until the called subscriber answers. Difficulties were at first experienced in satisfactorily adjusting the mechanism, but the telephones are now giving good service.

The revenue from public call offices during the year amounted to £24,647, being an increase of £959 over the previous year.

PRIVATE-LINE CIRCUITS BETWEEN PLACES OF BUSINESS.

The receipts for the year in respect of rental and maintenance fees for private-line circuits between places of business, &c., amounted to £6,765.

TELEPHONE STATISTICS.

The manner in which the exchanges are classified, the number of exchanges in each class, and the number of stations connected therewith on the 31st March last, are shown in the following table :—

	Class I. Exchanges or Net- works observing Continuous Attendance and having more than 3,500 Paying Subscribers' Main Stations con- nected therewith.	Class II. Exchanges or Net- works observing Continuous Attendance and having 1,001 to 3,500 Paying Subscribers' Main Stations con- nected therewith.	Class III. Exchanges or Net- works observing Continuous Attendance and having 201 to 1,000 Paying Subscribers' Main Stations con- nected therewith.	Class IV. Exchanges or Networks where the Attendance is restricted.	Dominion Totals.
Subscribers' main stations ..	31,090	19,344	19,089	24,848	94,371
Toll and service stations ..	553	419	723	2,187	3,882
Public call offices ..	286	58	34	2	380
Extension stations—					
P.B.X.	4,288	940	308	77	5,613
Ordinary	6,345	2,659	1,424	875	11,303
Telephone stations : Class totals ..	42,562	23,420	21,578	27,989	115,549
Number of exchanges in each class	4	11	42	283	340
Percentage of new connections made with each class of exchange during the year	25%	17%	20%	38%	..

In addition to the above there were 4,229 stations connected by private telephone-lines with departmental toll stations, and 319 stations connected with non-departmental rural exchanges, making a grand total of 120,097 telephone stations on the 31st March, 1925.