Canterbury Engineering District.—Public-telephone facilities in the Canterbury District were increased by the installation of additional public call offices at Christchurch (15), Timaru (4), Ashburton (1), and Temuka (1).

Otago Engineering District.—With the exception of three public call offices situated beyond the base-rate area, all public call offices in Dunedin were converted from manual to automatic operation. The automatically-operated stations are giving highly satisfactory service. Two new public call offices were installed at Dunedin and seven at Invercergill.

PAY STATIONS (COIN-IN-THE-SLOT TELEPHONES IN SHOPS).

The value to the public of the coin-in-the-slot telephone has been amply demonstrated. The full development of the service is, however, somewhat hampered by the limits placed upon the encroachment on footpath-space in busy streets. It is hoped to overcome this difficulty by placing coin-in-the-slot telephones in suitable shops. This type of service is in vogue in other countries, particularly the United States of America; and the telephones so installed are termed "pay stations." The installation of such telephones in shops enables service to be provided in areas where difficulty arises in placing telephone-cabinets on public footpaths. By way of trial, three pay stations have been installed in shops in Wellington, which are open in the evenings as well as in the daytime. If results justify the step, the system will be extended to other centres as circumstances warrant.

DEVELOPMENT OF PRIVATE-LINE SYSTEM.

Although applications continue to be received for licensing the erection of private telephone-lines, the tendency generally is for settlers to seek connection with departmental exchanges, and for existing private telephone-lines which are in need of reconstruction or which require to be converted to metallic, owing to the proximity of power lines, to be replaced by lines owned and maintained by the Department. This is due to the fact that when settlers consider the interest on the capital outlay, the depreciation and maintenance costs, and the difficulties in connection with the erection and maintenance of metallic circuits, they realize that in the case of a line to be reconstructed on a public road, payment to the Department of an annual rental of approximately £5 a mile for a metallic circuit is a better proposition than that of erecting the circuit themselves.

PRIVATE-LINE SYSTEMS FOR TAXICAB COMPANIES.

A number of the larger taxicab companies operating in the four centres have been provided with systems of departmentally-owned circuits whereby direct communication can be had with their central depots from a number of private stands, thus obviating the return of the cabs to the central depots for instructions. These private-line systems form an important part of the organization of taxicab companies with large fleets of cars operating over wide areas, as they admit of prospective fares obtaining a prompt response to calls made at the central depot.

TECHNICAL DEVELOPMENT OF TELEPHONE AND TELEGRAPH ENGINEERING.

The scope of work performed in the Department's laboratory has been further widened, with the result that the total amount of work performed during the year shows an increase of approximately 50 per cent. on that of the previous year. To cope with the increase, another senior officer was added to the staff, and a quantity of apparatus was procured by the Chief Telegraph Engineer while abroad. The present laboratory accommodation is quite inadequate, and the work is being carried on under great difficulties. The provision of a proper amount of space has become an urgent necessity, and the matter of obtaining more suitable quarters is under consideration.