

To cope more adequately with the increased volume of traffic now being handled between Wellington and Auckland, it was decided to instal a three-channel carrier telephone system for direct operation between those cities. The new system, which was brought into commission at the beginning of this month, makes available continuously three high-grade direct circuits for the Wellington-Auckland traffic, while it is practical to provide a fourth channel as required. These additional facilities will enable a much improved service to be provided, particularly in the direction of reducing delays in giving effect to calls.

RADIO TELEGRAPH AND TELEPHONE SERVICES.

Year by year reference is made in my report to the advances taking place in radio communication and the necessity for continually improving the Department's radio stations in order to keep pace with developments. The year just closed has marked probably the most extensive constructional programme since the opening of the stations. As a result, the coast stations of the Dominion are fitted with modern equipment capable of giving a high standard of service.

Upon the inauguration of the overseas telephone service it was realized by the Department that it would be necessary to ensure complete privacy before all classes of telephone conversations over the channel could be undertaken with confidence. Conditions at the time of opening the service were not considered to warrant the provision of special secrecy apparatus, but, in view of the more general use by broadcast listeners of all-wave receivers enabling them to listen to conversations on short-wave channels, it has been decided to proceed with the installation of the necessary apparatus. The use of secrecy apparatus at both ends of the channel makes the outgoing and incoming conversations unintelligible while they are on the air, but restores them to their original form before they are passed on to the persons using the service. The Australian Administration is taking action collaterally, and it is expected that secret conversations will be available about the end of the year.

Although there has been a gradual increase in the use of the overseas radio-telephone service since its extension to New Zealand in 1930, the charges which it was necessary to impose had a restrictive effect on the number of calls. By arrangement between the Administrations concerned, however, a reduction of 25 per cent. in the charges was made from the 1st June last, the charge for a three-minute call to England now being £5 2s., and to Australia £2 5s. This reduction, following the special Jubilee reduction of 50 per cent. between the 6th and 31st May, has had the effect of stimulating overseas radio-telephone business.

The emergency radio stations installed at a number of towns throughout the Dominion continue to prove a valuable aid in maintaining communication during temporary interruptions to land lines. Due to various causes, such as storms, &c., it was necessary to utilize the emergency stations on a few occasions during the year.

BROADCASTING SERVICE.

The operations of the New Zealand Broadcasting Board during the year 1934 are set out in detail in the Board's third annual report, presented to the House separately.

Under the provisions of the Broadcasting Amendment Act, which became law in March last, the membership of the Broadcasting Board was increased from three to seven, the supervision of programmes was transferred to the Board, and the Advisory Council was abolished. During its existence the Advisory Council served a very useful purpose in assisting in the general administration of broadcasting. With an enlarged Board having greater power and wider responsibilities, however, the continuance of the Advisory Council was no longer necessary.

I am pleased to report that from the 1st April last it was possible to reduce the radio license fee from 30s. to 25s.

The rapid increase in the number of listeners continues. On the 31st March the number of licenses was 152,808, a record increase of 34,722 in a year. By the 31st August the number had further increased to over 171,000.