

390,081 in number and by £8,651 in revenue, increases of 9·3 and 3·09 per cent. respectively, as compared with a decrease in volume of 0·35 per cent. and an increase in revenue of 3·3 per cent. in the previous year. Notwithstanding the expanding use of the toll service, the Telegraph Branch must remain an indispensable part of the communications system.

Acceleration of telegraph traffic is a constant aim of the Department; and, with the object of speeding up transmission, the Morse systems at the larger telegraph-offices are being replaced by machine-printing apparatus. A reasonable working-speed for a Morse operator is twenty-five to thirty words per minute, but with machine-printing apparatus traffic can be despatched at the rate of sixty-six words per minute. A comprehensive programme has been laid down for the conversion of all the larger telegraph-offices from Morse to machine operation. The change-over was effected at a number of offices during the year. On completion of the programme the Morse system will be in use between only the smaller offices and their district centres, so that traffic will be concentrated on those district centres for disposal by modern machine-printing apparatus.

TELEPHONE-EXCHANGE SERVICES.

It is gratifying to record that month by month throughout the year there was a continued improvement in the number of telephone installations. The number of new connections exceeded the relinquishments by 5,255 (a net gain of 4·2 per cent.), compared with a net gain of 2,237 the previous year, and a net loss of 775 during 1933-34. The total number of subscribers at the 31st March was 129,202, which is only 2·7 per cent. below the highest number on record. At the present well-maintained rate of progress the maximum development of 132,855 reached in December, 1930, will shortly be overtaken.

At several telephone-exchanges the number of subscribers has already passed the pre-depression mark, the more important of these being Auckland, Christchurch, Invercargill, Nelson, New Plymouth, Oamaru, Stratford, and Whangarei.

Although the peak number of subscribers reached in 1930 has not yet been regained, it is pleasing to record that at the end of the year the grand total of telephone installations in the Dominion stood at the exceptionally high figure of 166,565, which is approximately two hundred in excess of the number recorded in 1930. The position in this respect is due largely to the marked increase in extension stations, which now total 30,598, compared with 26,698 in December, 1930, an increase of 3,900, and it clearly indicates that the advantages of auxiliary intercommunicating telephone equipment are realized by the business community.

The telephone service of the Dominion is now so extensive and the public have been educated to expect such a high standard of efficiency in the various services provided that the management of exchanges demands the attention of highly specialized officers. An improved system of local management, combined with frequent visits to all except the smallest exchanges by two inspecting supervisors skilled in telephone-exchange operating procedure, has effected a noticeable improvement in the standard of telephone service.

Several of the charges for various forms of telephone-exchange service were modified during the year, and the Sunday and holiday attendance at a large number of the smaller exchanges was increased. Particulars of these changes will be found on page 24.

The reconnection to the telephone-exchange system of persons who were formerly subscribers can be accomplished in a minimum of time, but in many instances demands for telephone service are being received from new areas which have not previously been fully reticulated. In these cases the necessary cabling, &c., is being proceeded with as quickly as is practicable.

At the principal exchanges, including the four centres, the time elapsing between the receipt of an application for telephone service and the connection of the subscriber is, on the average, 2·6 days. This calculation excludes long country lines which take a considerable time to erect. Every endeavour is made to connect all intending subscribers within the shortest possible time having regard to the materials and the skilled staff available.