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at Hobsonville and Wigram in line with the projected expansion of the Royal New Zealand Air Force. Much preliminary work has been carried out and major improvements to the flying-fields and to technical and living accommodation at Hobsonville and Wigram Stations have been proceeded with.

During the early part of the year development work was proceeded with on the old basis, utilizing unemployed labour, but in July, 1936, a change-over to regular public-works conditions and procedure greatly accelerated the progress of the work. On most of the important works and all the more remote fields modern construction plant has been introduced, and some works are being undertaken by contractors, after calling public tenders. Much greater value for the money expended is now being received than has been the case in the past.

A total of £143,000 was expended on aerodrome construction from the employment-relief funds during the year, almost all of this expenditure being incurred during the early portion of the year. From the Consolidated Fund a sum of £218,000 was expended, of which £23,000 was spent in the development of the flying-fields on Royal New Zealand Air Force stations and £5.000 was forthcoming from the Civil Aviation vote. In addition, the Department designed, carried out, and supervised the construction of buildings, services, and facilities on the two existing Royal New Zealand Air Force stations, the funds for which were made available from the Defence votes.

TELEGRAPH EXTENSION.

The expenditure by the Post and Telegraph Department for the financial year in respect of the extension of telephone, telegraph, and radio facilities throughout the Dominion amounted to £232,512, as against £195,379 for the year ended the 31st March, 1936.

Further improvements in the long-distance toll service were effected during the year by the installation of a three-channel carrier-telephone system between Seddon and Christchurch and the provision of an extra telephone channel across Cook Strait over the No. 4 Lyall Bay—White's Bay single-core telegraph cable, the special equipment required for this additional cable circuit being made up locally. The provision of these additional channels has enabled the Post and Telegraph Department to rearrange its Inter-Island toll facilities to better advantage, and there are now four direct circuits between Wellington and Christchurch and two between Wellington and Blenheim.

Consequent on the installation of the three-channel carrier system between Seddon and Christchurch, a single-channel system was released from service, and this was reinstalled immediately between Nelson and Greymouth, thus providing a high-grade direct circuit between Nelson and the West Coast of the South Island.

With a view to facilitating a general rearrangement of toll facilities on the Auckland-Wellsford-Whangarei section in order to provide suitable outlets for the newly-established departmental exchanges at Paparoa and Kaiwaka and the enlarged exchange at Maungaturoto, one of the single-channel carrier systems previously in use between Wellington and Palmerston North was installed for use between Auckland and Whangarei.

The removal of the National Broadcasting Station 2YA to the new site at Titahi Bay necessitated the provision of two high-grade metallic circuits between the studio in Wellington and the new transmitting-station, and the Post and Telegraph Department's own requirements made it imperative to provide extra circuits over the same section of the main north route. As the pole-line over the main highway between Wellington and Porirua was already loaded to its full capacity and the reconstruction of this section to provide for the new circuits would have proved extremely difficult and uneconomic, a new pole-line carrying eight pairs of wires was crected over an alternative route between Melling and Pahautanui. This enabled certain of the traffic circuits to be diverted to the new pole-line and brought into Wellington via Lower Hutt. In addition to the circuits required by the National Broadcasting Service, much needed relief for departmental services was provided as well as a valuable alternative outlet from Wellington in the event of disruption of the main pole-line.