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Consequent on the electrification of the new railway route between Wellington and Paekakariki, it was necessary to divert the toll and telegraph pole-line in certain places between Porirua and Paekakariki in order to avoid inductive interference caused by the paralleling of the toll and telegraph circuits and the new

railway power circuits.

During the year teleprinter equipment for the dispatch of telegraph traffic was installed at Stratford, Hawera, Marton, and Dannevirke, and these offices are now provided with machine-printing channels to Wellington direct. In addition, the telegraph-offices at Ashburton and Gore were equipped with teleprinter apparatus, resulting in the provision of machine-printing channels between Christchurch and Ashburton and between Dunedin and Gore. An extra teleprinter outlet was also provided between Christchurch and Greymouth, and a teleprinter circuit was established between Christchurch and Dunedin.

The improvement referred to last year in the number of telephone installations has continued throughout the year, and the net gain in subscribers totalled 8,938, as against 5,255 for the previous year. It is gratifying to record that the peak number of subscribers reached in 1930 has now been exceeded, and that the grand total of telephone installations in the Dominion on the 31st March stands at the high figure of 178,599, which is 12,034 in excess of the previous year's figure and

approximately 12,234 in excess of the number recorded in 1930.

As a result of the reticulation by the North Auckland Electric-power Board of the North Auckland district for electric-power purposes, a considerable number of settlers who previously were served telephonically by private telephone-exchange systems decided to connect up with the departmental exchange system, and this has necessitated the construction of departmental telephone exchanges at Paparoa (also including Mareretu) and Kaiwaka and the extension of the departmental exchange at Maungaturoto. The Paparoa exchange was opened on the 7th December, 1936, with 178 main stations and the Kaiwaka exchange seven days later with eighty-two main stations. The work of extending the Maungaturoto exchange is proceeding, and it is expected that at least 150 additional subscribers will be connected to this exchange when the work is completed during the current year. In other areas also a considerable amount of construction work has been necessitated by the electric-power reticulation operations of various Electric-power Boards.

To provide for growth in the Dunedin exchange area, the switching-equipment at the Dunedin Central automatic exchange was extended by 200 individual lines during the year, and at the Lower Hutt automatic exchange an additional 700 lines were made available for unrestricted service to Wellington. Increased switchboard accommodation was provided also at a number of other exchanges, including Cambridge and Waimate, where branching multiple switchboards were installed. Automatic switching equipment for the new automatic telephone exchange to be installed at Napier was ordered during the year, and is due to arrive in the Dominion in July, 1937, by which date it is expected that the building now in course of erection will be completed. It is also proposed to provide automatic telephone equipment for installation at Gisborne and New Plymouth, and attention is now being given to the technical requirements of the equipment.

The following is a brief summary of the more important operations in regard to the development of telephone-exchange systems in the Dominion:—

The laying of 33 miles of underground cable ducts.

The laying or erecting of 53 miles of lead-covered cable containing 14,528 miles of wire for subscribers' circuits.

The installation of forty-five public-call offices and four pay-stations.

The opening of new magneto-telephone exchanges at Paparoa and Kaiwaka. The extension of the automatic switching equipment at the Dunedin Central automatic telephone exchange by 200 individual lines.

The rearrangement of the equipment at the Lower Hutt automatic telephone exchange to provide an additional 700 lines for unrestricted service to Wellington.

The installation of branching multiple switchboard equipment at the Cambridge and Waimate telephone exchanges.