

Radio-telephone service has also been available for calls to and from the Union Steam Ship Co.'s steamer "Awatea" since that vessel entered the Australia-New Zealand shipping service in September. The rate for calls to the "Awatea" is 3s. 4d. a minute, with a minimum charge of 10s. per call. Up to the 31st March no fewer than 718 calls had been exchanged with the vessel. Secrecy apparatus has been installed on the ship so that callers are assured of the same privacy in radio-telephone conversations as is available on the Australian and United Kingdom channels.

TELEPHONE-EXCHANGE SERVICES.

The outstanding feature of telephone development during the year was the attainment of a record number of subscribers in the Dominion, the total number at the end of the year being 138,140. The previous maximum development of 132,855 reached in December, 1930, was passed in September, and by the 31st March this number was exceeded by no fewer than 5,225. The rapid expansion of the telephone service during the past two years has been most gratifying.

The number of new connections made during the year was 16,896, the largest number added during any year in the Department's history. Allowing for relinquishments, the net gain in connections was 8,938, this also constituting a record.

At the end of the year the total number of departmental telephone-stations (public bureaux, public call offices, extension telephones, &c., as well as ordinary exchange connections) was 174,921. If to this number is added the number of private-line telephones connected with toll-stations and non-departmental exchanges (3,678), the telephones in service in New Zealand at the 31st March, 1937, numbered 178,599, representing an increase of 7·2 per cent. over the number in operation at the end of the previous year.

Seventy per cent. of the telephone-exchange connections in the Dominion are of residential status. The following statement shows the ratio of telephone subscribers to householders in the various postal districts:—

Postal District.	Number of Householders.	Number of Residential Subscribers.	Percentage of Householders with Telephones.
Gisborne	7,828	2,834	36·20
Hamilton	23,891	8,107	33·93
Blenheim	3,827	1,268	33·13
Wanganui	12,700	4,158	32·74
Palmerston North	16,459	5,345	32·47
New Plymouth	14,574	4,596	31·54
Nelson	7,760	2,410	31·05
Wellington	44,425	12,951	29·15
Thames	10,832	3,134	28·93
Napier	15,051	4,311	28·64
Timaru	10,113	2,656	26·26
Auckland	77,444	19,895	25·69
Invercargill	17,191	4,405	25·62
Dunedin	30,561	7,418	24·27
Christchurch	46,245	9,941	21·49
Oamaru	4,394	912	20·75
Greymouth	6,587	583	8·85
Westport	2,654	217	8·17
Totals	352,536	95,141	26·98

TELEPHONE-EXCHANGES OPENED AND CLOSED.

The number of telephone-exchanges in operation at the 31st March was 348. During the year exchanges were opened at Kaiwaka and Paparoa. The small exchanges at Crookston and Ohinewai were closed, provision being made for the subscribers to be served from nearby exchanges observing longer hours.

TELEPHONE SERVICE TO SCHOOL DENTAL CLINICS.

In view of the nature of the service rendered by school dental clinics it was decided to grant telephone service to clinics at the residential rate, as in the case of primary schools, hospitals, and charitable institutions. As school dental clinics are partially supported by public contributions, the concession granted will ease to a certain extent the pressure on the funds of local committees. The reduction took effect in May.

REDUCTION OF TELEPHONE CHARGES IN SUBURBAN DISTRICTS AT DUNEDIN.

With a view to making the base-rate area of the Dunedin exchange conform more closely to that at the other metropolitan centres, the boundaries of the Dunedin area were extended on the 1st February to include all of the area within a radius of three miles of the central telephone-exchange. The effect of this action was to extend the area in which the flat rate for service applies and consequently to reduce the length of line in respect of which extra-mileage charges are payable. The reduction in charges amounted to 10 per cent. of the total rental payable for service in the localities affected.