REDUCTION IN CHARGES FOR PRIVATE-LINE CIRCUITS.

With the extensive developments that have taken place during the last decade in the direction of telephone reticulation by means of underground cable it has been possible to reduce the charges for private-line circuits giving direct communication between places of business.

The principal alteration was the reduction in the charge for circuits in cables, the charge for metallic circuits being reduced from £6 10s. to £5 12s. per mile, and that for single-wire circuits from £4 10s. to £3 18s. per mile.

The alterations took effect on the 1st August, 1936.

PUBLIC CALL-OFFICES.

Forty-nine additional public call-offices (coin-in-the-slot telephones) were installed during the year and two were closed. At the 31st March forty-seven authorized installations were awaiting erection. The total number of slot telephones in operation at the close of the year was 917, the charge for calls from 877 of which was 1d., from six 2d., and from thirty-four 3d. The revenue for the year amounted to £51,026 7s. 7d., an increase of 12·3 per cent. over the previous year. The average return for each machine was £57 2s. 9d.

INCREASES IN SWITCHBOARD ACCOMMODATION AND INSTALLATION OF NEW EXCHANGES.

To provide for growth, the switching-equipment at the Dunedin Central automatic exchange was extended by 200 lines during the year, while at the Lower Hutt automatic exchange an additional 700 lines were made available for unrestricted service to Wellington. The equipment at a number of other automatic-telephone exchanges is under review with a view to providing the extensions necessitated by the recent and continued increase in telephone-exchange subscribers.

The installation of branching multiple switchboards at the Cambridge and Waimate exchanges was carried out during the year. Formerly these exchanges were equipped with 100-number switchboards, and the installation of the new equipment should result in speedier and more efficient handling of local and toll traffic, and should meet the requirements at these exchanges for some years to come.

Increased switchboard accommodation was provided at the Paihia, Rotorua, Te Awamutu, Upper Moutere, Sefton, Timaru, Alexandra, Roxburgh, Kaitangata, Kelso, Winton, Thornbury, and Bluff exchanges.

The reticulation of the North Auckland district for electric-power purposes by the North Auckland Electric-power Board was commenced during the year. In the Otamatea County a large number of the residents were served telephonically by private telephone-exchange systems located at Paparoa, Maungaturoto, Mareretu, and Kaiwaka, the private subscribers being connected to their exchanges by earthworking circuits which, with the advent of electric-power lines in the localities, would have become unworkable due to induction. After conferring with the Department, which offered every possible assistance, the settlers realized that the least expensive and the best course from their point of view was to connect up with the departmental telephone-exchange system. Immediately this was decided the Department took steps to put in hand the construction of departmental telephone-exchanges at Paparoa (also incorporating Mareretu) and Kaiwaka and the extension of the departmental exchange at Maungaturoto. The Paparoa exchange was opened on the 7th December with 178 main stations, and the Kaiwaka exchange seven days later with 82 main stations. These exchanges are still growing rapidly. The work of extending the Maungaturoto exchange is proceeding. It is anticipated that at least 150 additional subscribers will be connected to this exchange.

SUMMARY OF OPERATIONS.

The following is a summary of the more important operations during the year in the development and maintenance of telephone-exchange systems in the Dominion:—

The laying or erecting of 53 miles of lead-covered cable containing 1 \$\epsilon\$,528 miles of wire for subscribers' circuits.

The erection of 379 miles of pole-line and 3,473 miles of open aerial wire for telephone-exchange subscribers' stations.

The reconstruction or partial reconstruction of open aerial systems at a large number of telephone-exchanges.

The replacement of marline hangers for aerial telephone cable with galvanized-steel cable rings at a number of exchanges.

The opening of new magneto telephone-exchanges at Paparoa and Kaiwaka.

The provision of branching multiple-switchboard equipment at Cambridge and Waimate. The provision of increased switchboard accommodation at Paihia, Rotorua, Te Awamutu, Upper Moutere, Sefton, Timaru, Alexandra, Roxburgh, Kaitangata, Kelso, Winton, Thornbury, and Bluff.

The replacement of existing switchboards at Kohukohu, Huntly, Waipiro Bay, Awakino, Woodville, and Kumara.

The removal of the telephone-exchange equipment, &c., to new post-office buildings at Porangahau, Albury, and Thornbury.

The closing of the Ohinewai and Crookston telephone-exchanges and the connection of the subscribers to the Huntly and Heriot exchanges respectively.

The installation of machine-ringing apparatus at Alexandra, Balclutha, Heriot, Otautau, Mataura, and Bluff, and additional ringing-machines at Tauranga and Waimate.

The installation of standard type main distributing frames at Paihia, Kohukohu, Ruawai, Warkworth, Rawene, and Lawrence exchanges.