

ANNUAL REPORT OF THE POST AND TELEGRAPH DEPARTMENT FOR THE YEAR 1936-37.

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1937.
NEW ZEALAND.

POST AND TELEGRAPH DEPARTMENT

(REPORT OF THE) FOR THE YEAR 1936-37.

Presented to both Houses of the General Assembly by Command of His Excellency.

To His Excellency the Right Honourable Viscount Galway, P.C., G.C.M.G.,
D.S.O., O.B.E.

MAY IT PLEASE YOUR EXCELLENCY,—

I have the honour to submit to your Excellency, with the following comment, the Report of the Post and Telegraph Department for the year ended on the 31st March, 1937 :—

RECEIPTS AND PAYMENTS.

The revenue collected during the year exceeded that for the previous year by £335,762. The sum received was £3,886,098, compared with £3,550,336 for 1935-36. Increases in revenue were again recorded in respect of all phases of the Department's activities.

Payments for the year in respect of working-expenses (including interest on capital liability amounting to £566,000) totalled £3,622,425. The excess of receipts over payments was £263,673.

During the year there were paid to the Consolidated Fund the sum of £3,298 on account of Post Office profits and the sum of £40,000 in respect of the profits of the Post Office Savings-bank.

POST OFFICE SAVINGS-BANK.

Indicative of the improvement in the general standard of prosperity of the people, Post Office Savings-bank business during the last financial year expanded appreciably.

The deposits were £30,676,969, compared with £25,619,775 during the previous year. Interest credited to depositors amounted to £1,514,219.

The withdrawals totalled £27,042,003, compared with £23,533,596 in the preceding year.

The amount at credit of depositors at the 31st March reached the record total of £58,065,538, exceeding by £5,149,186 last year's total of £52,916,352, which was a previous record.

The number of accounts open at the 31st March was 880,857, which is 2,814 in excess of the previous highest total recorded at the end of 1930-31, and the average amount at credit of depositors was £65 18s. 5d.

Since the close of the year the total amount at the credit of depositors has further increased, deposits continuing to exceed withdrawals by a very satisfactory margin.

On the 31st March the School Savings-bank scheme was in operation in 388 schools, the number of accounts being 66,062, with a total amount of £28,255 at credit of depositors. During the year 19,239 new accounts were opened, and 152 additional schools joined the scheme. The deposits amounted to £22,178 and the withdrawals to £8,001.

STAFF.

Mainly on account of the beneficial changes made by Government, the year was an important one from the staff point of view. Salaries were restored to the 1931 level; a minimum wage was provided for male officers on reaching twenty-one years of age, resulting in considerably increased payment to many officers, including those whose advancement had been retarded during the depression period; authority was given for the regrading of the Service, which was three years overdue, to be proceeded with; the forty-hour week was introduced, Saturday work being dispensed with wherever possible; provision was made for officers to be represented on any tribunal appointed to inquire into and report on matters covered by the Staff Regulations; full political rights were granted to officers; annual leave was provided for the first time for temporary workmen after one year's continuous service; and the deductions from the annual leave of all officers on account of sick-leave taken in the preceding year were reduced.

It is scarcely necessary for me to add that, for their part, officers generally have continued to render consistently good service to the Department and the public.

EMPIRE CABLE COMMITTEE: VISIT OF DIRECTOR-GENERAL TO LONDON.

A Committee representative of Governments of the British Commonwealth was recently convened by His Majesty's Government in the United Kingdom to consider cable-rates within the Empire.

In view of the importance to New Zealand of the questions to be dealt with by the Committee, Government arranged, at the request of the British Government, for the Dominion to be represented by the Director-General of the Department, Mr. G. McNamara, C.B.E.

VISIT OF ENGINEERING OFFICERS TO AUSTRALIA.

Messrs. F. C. Gentry, B.Sc., Telegraph Engineer, and R. G. A. Bourne, B.Sc., Assistant Engineer, proceeded to Australia in February last for the purpose of studying telecommunication systems in use throughout the Commonwealth, particularly the installation and operation of multi-channel voice-frequency carrier telegraph systems and the application and operation of communication circuits over coaxial submarine cables. The two officers spent some five weeks in Australia, and the information gained as a result of their observations and investigations will be of material assistance to the Department in carrying out the large programme of developmental works that has been authorized in connection with the long-distance toll network and the telegraph system throughout the Dominion.

COMMERCIAL BRANCH.

A further appreciable increase in the amount of business handled by the Commercial Branch has been recorded, the revenue value of the transactions last year reaching the record figure of £66,634. Assistance in the planning of telephonic arrangements and guidance in respect of other phases of the Department's activities are given to the public by commercial officers; and in the telephone field there is noticeable an increasing desire on the part of business houses to extend or improve their equipment so as to ensure both to themselves and to their customers the maximum degree of telephonic efficiency.

BUILDINGS AND LAND.

Since my previous report was presented in August, 1936, the erection of new post-office buildings has been completed at Dunedin (chief post-office), Charleston, Rangiora, and Thornbury, a substantial addition has been made to the Cambridge post-office building, and extensive alterations have been made to the Moray Place (Dunedin) building. Official opening ceremonies were held at Cambridge, Dunedin, and Pahiātua (performed by myself on the 6th November, 1936, the 14th April, 1937, and the 14th May, 1937, respectively); at Rangiora and Waikari (by the

Right Hon. G. W. Forbes, M.P., on the 1st September, 1936, and the 17th May, 1937, respectively); at Thornbury (by the Hon. Adam Hamilton, M.P., on the 7th January, 1937); at Omakau (by Mr. W. A. Bodkin, M.P., on the 26th May, 1937); and at Maungaturoto (by Mr. J. G. Barclay, M.P., on the 19th July, 1937).

The citizens of Dunedin, who had waited long and patiently for a post-office that would be worthy of their city, attended the opening ceremony there in large numbers. In marked contrast to the inconvenience of having the post and telegraph offices in separate buildings some distance apart is the convenience the citizens now enjoy of being able to transact in one building not only their postal and telegraph business, but also their business with other Government Departments, most of which are accommodated in the new building.

Other buildings completed were residences for the Postmaster at Pahiatua and the caretaker at Wellington Radio; a large garage at Auckland; an automatic-telephone-exchange building at Napier; garage, store, and line buildings at Dargaville, Hawera, Kaikoura, New Plymouth, Takapuna, and Wakefield; and a repeater-station building at Lyall Bay, Wellington.

Minor additions and alterations were effected at a number of offices. Eleven buildings and eleven sites at various places were found to be no longer required and were disposed of, while seventeen sites (in two cases with buildings thereon) were acquired.

Post-office buildings are in course of erection at Belfast, Christchurch (No. 1 Block, Hereford Street), Kamo, Kerekeri Central, Kumeu, Mayfield, Thames (chief post-office), and Waimana. Large additions are being made to the Hamilton automatic-telephone-exchange building and the Te Awamutu post-office building, and smaller additions to the Epsom, Mount Eden, Ohai, Kilbirnie, Kingsland, Remuera, Waimate, and Walton post-office buildings. Line, store, and garage buildings are in course of erection at Gisborne, Levin, Rotorua, and Te Awamutu.

The first block of the new chief post-office building for Christchurch, which is to be completed in 1939, will comprise a five-story building at the rear of the present chief post-office, and will provide accommodation for that office while the present building is being demolished and replaced. The new chief post-office building proper, which will be a seven-story structure, will probably be commenced in 1939 and completed in 1940.

Tenders have been accepted for a large addition to the Oamaru chief post-office building and also for a new post-office building and a Postmaster's residence at Queenstown. Plans are in preparation for new chief post-office buildings at Hamilton, Invercargill, New Plymouth, and Wanganui; for post-office buildings at Avondale, Devonport, Grey Lynn, Linwood, Milton, Otorohanga, St. Albans, Sumner, Taupo, Tauranga, Te Kuiti, and a number of other places; for major additions to the chief post-office buildings at Auckland and Palmerston North, and for a large line-depot and office building at Wellington.

On account of pressure of work on the Public Works Department, my Department has been authorized to employ private architects for building work that the Public Works Department is unable to handle expeditiously, and also to undertake the maintenance of post-office buildings. Private architects were accordingly engaged to prepare plans and specifications for a number of new buildings, notably the Christchurch, Hamilton, and Wanganui chief post-office buildings, the Avondale, Devonport, Grey Lynn, Kumeu, Linwood, Milton, Queenstown, St. Albans, Sumner, and Tauranga post-office buildings, the Wellington line-depot and office building, and the addition to the Hamilton automatic-telephone-exchange building (in progress).

In connection with the Coronation of Their Majesties King George VI and Queen Elizabeth, arrangements were made for selected Government Buildings to be flood-lit and decorated for the occasion, and a number of post-office buildings were included.

POSTAL BUSINESS.

In the Postal Branch the increase in revenue which was noticeable in the figures for the last financial year (£162,664 in 1937, as compared with £94,889 for the previous year) is continuing, the increase for the first four months of this financial year as compared with the same months last year amounting to £115,146.

POSTAGE-STAMPS.

On the 1st October last a special series of postage-stamps was issued to commemorate the Conference of the Federation of Chambers of Commerce of the British Empire, which for the first time was held in this Dominion. The stamps, which were in five denominations— $\frac{1}{2}$ d., 1d., $2\frac{1}{2}$ d., 4d., and 6d.—portrayed various phases of the Dominion's industrial and commercial activities.

The 1936 Health Stamp Campaign inaugurated by Your Excellency in a broadcast address on the 1st November last was the most successful yet undertaken, the total net sum raised for the Health Camp Fund being £14,500, an increase of over £2,700 on the previous year's total. This splendid result, achieved in the comparatively short period 2nd November to 16th January, is striking evidence of the generosity of the public in this worthy cause and of the efficient organization provided by officers of the Department and the Health Stamp Committees in various parts of the Dominion.

To commemorate the Coronation of Their Majesties King George VI and Queen Elizabeth, a special series of postage-stamps in three denominations—1d., $2\frac{1}{2}$ d., and 6d.—was issued on the 13th May last, and will remain on sale until the end of the year. The stamps, which are similar in design to the Jubilee issue of 1935, bear the portraits of Their Majesties in a border of Maori pattern.

For Niue and the Cook Islands, the New Zealand Coronation stamps were suitably overprinted. Those for Niue were issued simultaneously with the New Zealand set and those for the Cook Islands on the 1st June.

OCEAN MAIL-SERVICES.

The Auckland-Vancouver contract mail service, operated by vessels of the Canadian-Australasian Royal Mail Line, continues to be performed with regularity, but the Wellington-San Francisco mail contract terminated at the end of last year on the discontinuance of the service by the Union Steam Ship Co. Since the termination of the San Francisco service increased use has been made of the all-sea route for the despatch of mails for Great Britain and Europe.

AIR MAILS.

INLAND SERVICES.

The steady increase in the volume of mail matter carried on the inland air services reflects the growing appreciation by the public of the advantages of air transit for correspondence. In May, 1936 (two months after the Cook Strait and Palmerston North-Dunedin air-mail services were inaugurated) the number of letters conveyed weekly was 13,500, and this number increased to 16,800 in August, to 21,000 in December, and to 25,000 in March. At the end of July the number of letters carried on inland air-mail services (including the Auckland-Wellington service which commenced on the 27th June last) averaged 30,000 weekly.

ENGLAND-AUSTRALIA SERVICE.

That the air service operating twice weekly in each direction between England and Australia offers an advantageous alternative despatch for correspondence exchanged between New Zealand and Great Britain and intermediate countries is indicated by the steady increase in the number of letters carried, details of which are shown on page 19.

In connection with the scheme put forward in October, 1934, by His Majesty's Government in the United Kingdom for the carriage by air of all letters exchanged between Empire countries on the England-Australia and England-South Africa air routes, a conference of delegates representing the Governments of Great Britain, Australia, and New Zealand was held at Wellington in September, 1936, to discuss the question of extending the service to New Zealand. The representatives of the three countries were:—

Great Britain: Mr. F. G. L. Bertram, C.B.E., and Mr. P. Liesching, C.M.G.

Australia: Sir Archdale Parkhill, K.C.M.G., M.P., Mr. M. L. Shepherd, C.M.G., I.S.O., Mr. H. P. Brown, C.M.G., M.B.E., Captain E. C. Johnston, D.F.C., and Mr. M. B. Harry.

New Zealand: The Hon. P. Fraser (Chairman of Conference), the Hon. W. Nash, the Hon. R. Semple, and the Hon. F. Jones.

The Conference discussed fully the many questions involved in the proposed trans-Tasman link, and adopted resolutions covering the control and operation of the service which the delegates undertook to place before their respective Governments for ratification.

The matter was further discussed at the Imperial Conference, and it is hoped that a twice-weekly service England-Australia - New Zealand will commence during the year 1938.

PROPOSED PACIFIC SERVICE.

Pan-American Airways, the company which entered into an agreement with the late Government in respect of a proposed Pacific air service to operate between San Francisco and Auckland via Honolulu, Kingman Reef, and Pago Pago, undertook a survey flight over the route in March last. The flight was undertaken by a flying-boat of type similar to that used by the company on the San Francisco - Hong Kong air route.

TELEGRAPH SERVICE.

There was a further increase in telegraph business during the financial year. The number of paid telegrams lodged for transmission was 5,117,498, an increase of 551,488, or 12·08 per cent., over the number handled the previous year, and the revenue for the year amounted to £313,070, an increase of £24,295, or 8·44 per cent. This buoyancy has continued in the months already past of this financial year.

It is interesting to note that the latest available world statistics (for the year ended 31st March, 1934) disclose that on a population basis New Zealand occupies a pre-eminent position in the use of the telegraph service, with an average of 2·5 telegrams annually per head of the population. Since 1934 the use of the telegraph service in New Zealand has increased steadily, the average number of telegrams sent per head of population being 2·9 in 1935 and 3·25 in 1936.

Speed and accuracy are essential requirements of an efficient telegraph service, and it is the constant aim of the Department to raise the standard of the service by effecting whatever improvements are economically practicable. The comprehensive programme for the installation of printing telegraph machines to replace the hand-operated Morse systems at the larger offices, which was referred to in last year's report, has now been completed, except for the installation at one centre, where the work has been postponed pending the completion of a new building. The printing-machines installed represent the latest development in telegraph communication systems. They are capable of handling traffic at more than double the speed of the Morse systems which they displace, and their introduction has, therefore, effected a decided improvement in the speed and reliability of the service throughout the Dominion. Besides accelerating the despatch of traffic at normal times, the machines are of very great benefit during abnormal traffic periods. This applies in particular to the Christmas season, when the extraordinarily heavy volume of traffic is now disposed of with much greater celerity and appreciably less effort than hitherto.

TELEPHONE-EXCHANGE SERVICES.

The increase in the number of subscribers during the year was the largest yet recorded in the telephone history of the Dominion, which goes back to the year 1881, when the first exchanges were established. At the 31st March last the subscribers had reached the record total of 138,140, an increase of 7 per cent. over the number of connections at the end of the previous year and of 4 per cent. over the maximum number of 132,855 reached prior to the depression. During the year the total number of new connections was 16,896, exceeding by 3,528 the number reached in 1926, when the telephone service showed its previous greatest expansion. Allowing for relinquishments, the net gain last year was 8,938 subscribers, which constitutes another record in the history of the New Zealand telephone system. At all principal exchanges, with the exception of Wanganui, Palmerston North, Gisborne, Timaru, and Masterton, the number of subscribers connected has now passed the pre-depression peak.

The latest available world statistics, showing the position as at the 31st March, 1936, indicate that, with a telephone density of 10·59 per hundred of population, New Zealand occupies a high place in comparison with other parts of the world. The only countries with a higher density are the United States of America (13·69 per cent.), Canada (11 per cent.), and Denmark (10·64 per cent.). A further interesting fact in connection with the New Zealand telephone system is that 70 per cent. of the connections are of residential status, which indicates that the service is provided upon a basis which makes it available to the average resident of the Dominion.

Special attention continues to be given to the management of telephone-exchanges. In three of the four metropolitan centres, Telephone Managers have been appointed to control the operating and accounting work and the commercial activities associated with the telephone service, and it is proposed to make a similar arrangement at the fourth centre (Dunedin) as soon as practicable. At a number of the smaller provincial centres the management of the telephone-exchange has been made the particular responsibility of an executive officer able to devote an appreciable portion of his daily duty to the activities of the branch.

The initial supply of equipment for the new automatic-telephone exchange to be installed at Napier is due to arrive in the Dominion in October, and, as the building is already completed, the installation work will be proceeded with as soon as sufficient apparatus arrives to ensure continuity of work.

A specification is now being prepared for automatic-telephone equipment for installation at Gisborne, and tenders for the necessary apparatus will be called as soon as the specification is completed.

It is also proposed to install an automatic-telephone exchange in the new chief post-office building at New Plymouth, and attention is at present being given to the technical requirements of the equipment.

Extensive engineering investigations have been made in respect of the Auckland and Christchurch metropolitan automatic-exchange areas, and plans have been finalized for the ordering of the necessary equipment to bring the automatic-telephone service in these areas into line with present-day traffic developments. In so far as Auckland is concerned, new exchanges at St. Heliers, Mount Albert, and Avondale will be involved, together with extensive additions to and rearrangements of plant at the existing exchanges. In Christchurch new exchanges are to be installed at Mount Pleasant and New Brighton, and additional equipment is to be installed in the St. Albans exchange building. The Mount Pleasant Exchange will incorporate the telephone areas of Sumner, Redcliffs, Lyttelton, and Heathcote.

TOLL SERVICE.

It is pleasing to note that toll traffic continues to expand at a steady rate. The total number of calls effected during the year was 13,143,171, an increase over the previous year's traffic of 1,707,117, or 14·9 per cent. The revenue increased by £62,718, or 12·5 per cent. Over the last two years the increase in toll traffic has been as follows :—

Year ended.	Number of Calls.	Value.
		£
31st March, 1935	.. 9,862,627	448,562
31st March, 1936	.. 11,436,054	499,825
31st March, 1937	.. 13,143,171	562,543

In my last report reference was made to the fact that, in order to meet the ever-increasing demands for improved toll facilities, fourteen three-channel carrier telephone systems had been ordered to replace existing single-channel systems on the more important toll routes throughout the Dominion. Subsequent investigation disclosed the necessity of obtaining seven additional three-channel systems to cope with the traffic on major sections of the trunk-line system which had not

been provided for in the original orders. The twenty-one systems will be installed between the following centres :—

Auckland-Whangarei	..	..	..	Two systems.
Auckland-Tauranga	..	..	..	One system.
Auckland-Rotorua	..	..	..	One system.
Auckland-Hamilton	..	..	..	One system.
Auckland-Napier	..	..	..	One system.
Auckland-New Plymouth	..	..	..	One system.
Napier-Gisborne	..	..	..	One system.
Wellington-Napier	..	..	..	Two systems.
Wellington-New Plymouth	..	..	..	One system.
Wellington-Wanganui	..	..	..	One system.
Wellington-Palmerston North	..	..	..	One system.
Wellington-Seddon	..	..	..	Two systems.
Seddon-Christchurch	..	..	..	Two systems.
Christchurch-Greymouth	..	..	..	One system.
Christchurch-Dunedin	..	..	..	Two systems.
Dunedin-Invercargill	..	..	..	One system.

The equipment for one of the Auckland-Whangarei systems is now being installed, and it is expected that this system will be ready for operation in September. A further system which has just been received from the manufacturers is about to be installed between Wellington and Christchurch, and it is anticipated that all of the twenty-one systems will be in operation by July, 1938. When brought into commission these additional systems will effect a very marked improvement in the speed and quality of the long-distance toll service throughout the Dominion.

To provide modern facilities to deal with the growth of toll traffic in the Auckland-Waikato - East Coast districts centring on Hamilton, a new toll switchboard has been ordered for installation at that centre to replace the existing toll switchboard. The new board will make provision for the employment of fourteen toll operators simultaneously, and will incorporate the latest standards for handling toll traffic.

INTER - ISLAND TELEGRAPH AND TELEPHONE COMMUNICATION CHANNELS.

The new single-core, coaxial type cable designed for high-frequency carrier-current operation, which was ordered for use between the North and South Islands, arrived from England in May of this year, and arrangements were made with Cable and Wireless, Ltd., London, for the laying of the cable to be undertaken by the cable steamer "Recorder." The cable-laying operations were completed on the 23rd June. In order to afford immediate relief of the congestion on the inter-Island toll circuits, a three-channel carrier system is being installed between Wellington and Christchurch by utilizing the new cable as the Cook Strait connecting-link. The installation of this three-channel system will enable the Department to provide three additional telephone channels between Wellington and Christchurch and one additional telephone circuit between Wellington and Blenheim. It is expected that these additional facilities will be available before the end of October, 1937. Later in the year, when the specially designed carrier system for the new cable has been received and installed, a total of six additional toll channels instead of three will become available for use between Wellington and Christchurch over the new cable. As the toll business expands it will be practicable to extend the inter-Island facilities over the new cable from time to time by the installation of additional carrier terminal equipment up to the stage at which the cable will be carrying twenty-three telephone channels and as many as thirty-six two-way machine-printing telegraph channels, which represents the ultimate capacity of the new coaxial cable.

OVERSEAS RADIO - TELEPHONE SERVICE.

The overseas radio-telephone service is increasing in popularity, and it is apparent that the service is fast emerging from the novelty and luxury stage. For the year ended the 31st March last, the total number of calls was 1,406, an increase of 79 per cent. over the number handled the previous year.

The service was extended to the t.s.s. "Awatea" when that vessel entered the New Zealand - Australia service in September, 1936, the rate for calls being fixed at 3s. 4d. a minute, with a minimum charge of 10s. Including calls exchanged with the "Awatea," the total number of radio-telephone calls handled during the financial year was 2,124, an increase of 172 per cent. Calls averaged 257 a month, this monthly average being higher than the total number for any financial year prior to the 31st March, 1934.

During the year secrecy equipment was installed by the Australian Post Office at the Sydney terminal of the Wellington-Sydney radio telephone channel. The installation of this apparatus has enabled the Department to make full use of the corresponding Wellington equipment, thus ensuring that secrecy is available for all overseas conversations, including those with the "Awatea." This marks a definite improvement in the service, which can now be used by the public for the discussion of business and personal matters without fear that conversations will be heard by radio listeners using short-wave broadcast receiving-sets.

AERADIO SERVICES.

The temporary radio services provided by the Department by means of aeradio-stations at Christchurch, Dunedin, Blenheim, Wellington, and Palmerston North for communication with aeroplanes operated by Union Airways of New Zealand, Ltd., and Cook Strait Airways, Ltd., have now been placed on a permanent basis by the establishment, in most instances, of permanent radio-stations located at the aerodromes. The air services inaugurated between Nelson and Hokitika, and between Auckland, New Plymouth, Palmerston North, and Wellington have necessitated the establishment of further stations. At present aeradio-stations are established at the following places:—

Christchurch (City). (Still temporary.)

Dunedin (Taieri Aerodrome).

Blenheim (Woodbourne Aerodrome).

Palmerston North (Milson Aerodrome).

Hokitika (Aerodrome).

Greymouth (Aerodrome).

Auckland (Mangere Aerodrome).

New Plymouth (Bell Block Aerodrome).

A temporary radio-station owned by Cook Strait Airways, Ltd., has been licensed for operation at Nelson pending the completion of the Government station at the Tahunanui Aerodrome, Nelson, where the permanent equipment is now in course of installation.

AERADIO STANDING COMMITTEE.

During the year an Engineer from my Department has been associated with officers of the Air, Public Works, and Scientific and Industrial Research Departments in planning a scheme for the provision of adequate radio facilities for civilian aircraft in New Zealand. After they had submitted their initial report, the officers concerned were constituted by Cabinet the "Aeradio Standing Committee" and were charged, under me as Minister of Defence, with the implementing of their recommendations, which will involve the installation of radio-stations and direction-finding equipment at the key aerodromes throughout the Dominion.

BROADCASTING SERVICE.

The number of licensed radio listeners at the 31st March was 241,308, a record gain of 49,043 over the total at the end of the previous year. During the last three years the number of receiving licenses has more than doubled, a fact which emphasizes in striking manner the popularity of the service. Receiving-sets are now installed in 68 per cent. of the households of the Dominion, but it would appear that saturation-point has not yet been reached. By the 31st July the number of licenses in the Dominion had increased to 252,286.

Free receiving-licenses are now issued to public hospitals and certain charitable institutions for radio sets installed in the institutions for the benefit of patients generally. A similar privilege has been extended to schools and colleges in respect of sets installed in class-rooms for educational purposes.

DETAILED REPORT.

A detailed report of the Department's activities during the year ended on the 31st March, 1937, follows.

I have the honour to be,
Your Excellency's most obedient servant,
F. JONES.

General Post Office, Wellington, C. 1,
1st August, 1937.

COMPARATIVE RETURN OF PERSONS EMPLOYED IN THE DEPARTMENT.

Details of the personnel of the Department on the 1st April, 1937, compared with the position on the same date last year, are as under:—

					1st April, 1936.	1st April, 1937.
Permanent Staff—						
Administration	..	..	..	..	10	10
First Division	..	..	..	..	3,813	4,042
Second Division	..	..	..	..	4,745	5,353
Message-boys	..	..	..	..	730	807
					9,298	10,212
Temporary Staff	..	..	..	..	132	229
Casual Staff	..	..	..	..	164	350
					9,594	10,791
Non-permanent Staff—						
Country Postmasters and Telephonists	..	..	..	..	1,669	1,668
Postmasters who are Railway officers	..	..	..	..	85	84
					11,348	12,543

HEALTH OF PERMANENT STAFF.

The following table shows, in comparison with the figures for the preceding year, the average number of days on which officers were absent on sick leave during the year:—

				Number on Staff.	Average Absence per Sick Officer.	Average Absence for each Officer employed.
Year ended 31st March, 1937—						
Men	..	..	..	9,470	11.48	4.57
Women	..	..	..	742	10.97	5.88
Year ended 31st March, 1936—						
Men	..	..	..	8,659	9.52	3.78
Women	..	..	..	639	11.2	6.81

Twenty officers died during the year. One death was the result of an accident on duty.

PERSONAL.

Mr. G. McNamara, C.B.E., Director-General of the Department, left New Zealand on the 23rd March, 1937, to attend a conference at London in connection with Imperial Communications. During his absence Mr. F. J. Shanks, Deputy Director-General, is in charge of the Department. Mr. Shanks is being relieved by Mr. J. G. Young, Deputy Chief Inspector.

MINIMUM WAGE FOR MALE OFFICERS OF ADULT AGE.

During the years of depression the advancement of junior officers was unavoidably retarded, with the result that many of them on reaching adult age were still in receipt of a comparatively low rate of remuneration. Government appreciated the unfortunate position of these officers, and on the 1st November effected an adjustment of salaries on the basis of age and length of service, the minimum amount payable to an officer at twenty-one years of age being £155 per annum. For each year of service this sum is increased by £10 up to £200 per annum, which is the amount paid at the end of the fifth year. The amounts in excess of scale salary are paid by way of allowance.

FORTY-HOUR WEEK.

The forty-hour week has been applied to all branches of the Department, and the change-over effected without any curtailment of facilities to the public.

Owing to the nature of the services rendered by the Department it is not practicable to eliminate Saturday work altogether, but, wherever possible, arrangements have been made for officers to enjoy the benefits of a five-day working-week. The introduction of the forty-hour week necessitated an increase of approximately three hundred in the numerical strength of the staff.

RESTORATION OF SALARIES.

From the 1st July, 1936, the salaries and wages of all officers and full-time employees were restored to the 1931 level.

REGRADEING OF SERVICE.

The regrading of the Service, which has been held over since the 1st April, 1934, has been fixed by Order in Council to take effect as from the 1st April, 1937.

AMENDMENTS TO THE STAFF REGULATIONS.

On the 23rd December amendments to the Staff Regulations dealing with annual leave and sick leave were made to provide for more liberal treatment of employees. The amendments make provision for the granting of one week's annual leave to temporary workmen after one year's continuous service and two weeks' leave on completion of two years' continuous service. Previously temporary workmen did not receive annual leave until they had completed two years' service.

A change was made also in the basis on which deductions are made from the annual leave of all officers on account of sick-leave and special leave taken in the preceding year, the principal advantage

to officers being that the deduction in respect of sick-leave is reduced from one day for each day's absence on full pay in excess of twelve to one day for every thirty days of absence. The effect of the alteration is that many officers who on the former basis would have been deprived of all annual leave in the year following their absence are now ensured of at least part of that leave.

POLITICAL DISABILITIES REMOVAL ACT, 1936.

The provisions of the Political Disabilities Removal Act, 1936, which was passed by Parliament last session, apply to officers of the Post and Telegraph Department in common with other public servants. The Act confers on officers full political rights, and provides that any officer who desires to become a candidate for a seat in the House of Representatives shall be granted special leave for the purposes of his candidature. If elected, he shall be deemed to have vacated his office in the Department.

The Act repeals section 59 of the Finance Act, 1932, which provided for the dismissal of any officer found guilty of conduct embarrassing to Government in its administration of the affairs of the State.

POST AND TELEGRAPH AMENDMENT ACT, 1936.

Prior to the passing of the Post and Telegraph Amendment Act in October every appointment to a position in the Department graded higher than the First Division was made by the Governor-General, and all other permanent appointments were made by the Public Service Commissioner on the recommendation of the Post and Telegraph Promotion Board. Appointments other than those made by the Governor-General are now made by the Director-General on the recommendation of the Post and Telegraph Promotion Board. The Act also provides for the appointment of a special Tribunal to inquire into and report to the Minister upon matters in connection with regulations made or proposed to be made. The Tribunal is to consist of representatives of the Minister and of the officers, together with an independent Chairman.

PROMOTION BOARD.

Consequent upon the appointment of Mr. H. M. Patrick to the position of Chief Postmaster, Oamaru, Mr. M. W. W. Cummins, Supervisor, Parcels Branch, Wellington, was appointed to act as Service representative on the Promotion Board for the remainder of the term covered by Mr. Patrick's period of office. The triennial election of the elective member took place in January, when Mr. Cummins was elected unopposed. Mr. Patrick had been a member of the Board since the 15th February, 1928.

APPEAL BOARD.

The Post and Telegraph Appeal Board, under the chairmanship of Mr. E. D. Mosley, Stipendiary Magistrate, Wellington, sat on one occasion during the year. Appeals totalling 116 received from seventy-seven officers were adjudicated upon, with the following results: Allowed, 1; withdrawn, 30; does not lie, 1; disallowed, 84.

On the recommendation of the Board six officers were given improved status. Mr. H. P. Donald, the departmental representative on the Board since June, 1924, resigned his office in February. He was succeeded by Mr. R. I. Allan, late Inspector, General Post Office.

SICK BENEFIT FUND.

The Sick Benefit Fund, which was established on the 1st December, 1935, is now functioning as a regular part of the organization of the Department, and during the year relief was given to approximately one hundred sick officers. It is usual for payments to be made only to those officers who are absent without departmental pay, but with the approach of the festive season in December payments for that month were increased to the equivalent of full departmental pay, officers absent sick on half departmental pay benefiting as well as those who were absent without pay.

TELEGRAPH TRAINING-SCHOOLS.

For some time past there has been a strong demand for juniors qualified in Morse telegraphy and, in order that additional operators might be available to meet the requirements of the future, training-schools were opened at Auckland and Christchurch on the 11th January. Twenty suitable juniors were drafted to the Auckland school and sixteen to the Christchurch school. The training is now well in hand and good progress is being made. It is the Department's intention to continue the schools until the staff of junior telegraph operators is sufficiently augmented.

TELEPHONE-EXCHANGES: APPOINTMENT OF MANAGERS AND CHANGE OF CONTROL AT MAIN CENTRES.

The increasing volume of work, including long-distance and overseas toll traffic, handled in the telephone-exchanges has added considerably to the complexity and the importance of the management factor at the principal centres, and early in the year it was decided to strengthen the organization at each of the main telephone-exchanges by the appointment of a Manager to exercise complete control over the traffic side of exchange operations. Towards the end of the year the reorganization was carried a step further by placing the telephone accounting and commercial sections under the control of a Telephone Manager. At the same time the Telephone Manager was made responsible to the Chief Postmaster instead of to the District Engineer. The result of this change is that all the operations of the telephone-exchanges, with the exception of the purely engineering functions, are now under unified control. The more complete co-ordination of the traffic, accounting, and commercial operations made possible by the reorganization is a forward move which has in view the object of maintaining the telephone arm of the service at the highest level of efficiency in the face of changing commercial and operating conditions. At present the arrangement is operating at Auckland, Christchurch, and Wellington, and it will shortly be extended to Dunedin.

CHANGE OF DESIGNATION.

From the 1st March the designation of the Engineers in charge of the Auckland, Christchurch, Dunedin, and Wellington Engineering Districts was changed to District Engineer.

EXAMINATIONS.

Officers who were candidates for departmental examinations during the year numbered 2,873, of whom 1,840 were either wholly or partially successful.

SUGGESTIONS BOARD.

Officers continue to avail themselves freely of the opportunity of making suggestions designed to improve the working of the Department. Suggestions to the number of 280 were received during the year, and 28 awards for meritorious proposals, involving a total sum of £75 10s., were made. Since the Suggestions Board was established ten years ago over 3,300 suggestions covering all phases of the Department's activities have been received.

COMMERCIAL BRANCH.

The revenue value of the business accruing to the Department through the operations of the Commercial Branch during the year amounted to £66,634, representing an increase of £6,629 (9·9 per cent.) on the figures for the preceding year. Of the total amount, £45,865 represents telephone business and £20,769 advertising and miscellaneous services. This is the highest annual revenue recorded by the Branch since its inception seven years ago. In addition, business of a revenue value of £12,040 (telephone, £11,636; advertising and miscellaneous, £404) was obtained by officers operating temporarily as commercial agents at places other than the four main centres. Indicative of the general improvement in conditions were 1,400 orders secured during the year for inter-communicating extension-telephone positions (private automatic exchange and interphone) compared with 561 for the preceding year and 119 for the year ended the 31st March, 1931, the first year of operation of the Branch.

Publicity measures were continued during the year both by newspaper advertising and by the distribution of folders, leaflets, &c.

STORES BRANCH.

The following statement shows the value of stores received and issued in the Auckland, Christchurch, Dunedin, and Wellington store-keeping districts during the year, and the value of stocks held at the end of the year. For the purpose of comparison, the particulars for the previous year are shown also :—

	1936-37.			1935-36.		
	Receipts.*	Issues.*	Stock on hand, 31st March, 1937.	Receipts.*	Issues.*	Stock on hand, 31st March, 1936.
	£	£	£	£	£	£
Auckland ..	192,910	185,260	103,308	132,898	148,525	95,658
Christchurch ..	72,533	77,945	61,468	57,294	61,520	66,880
Dunedin ..	47,385	47,346	41,534	33,631	40,380	41,495
Wellington ..	349,836	350,508	248,528	276,713	284,137	249,200
Dominion totals ..	662,664	661,059	454,838	500,536	534,562	453,233

* Excluding transfers within store-keeping districts.

The total value of orders placed during the year was £805,624. Of this amount, £238,092 represented the cost of stores for supply from within the Dominion, including £35,615 for stores purchased under contracts arranged by the Stores Control Board. The total value of orders placed during the previous year was £344,387.

Particulars of purchases arranged by the Post and Telegraph Department on account of other Departments under the Stores Control Board Regulations are set out hereunder, the figures for the previous year being shown also :—

Year ended	Requisitions.	Items.	Value of Items purchased.		
			On Indent.	Locally.	Total.
			£	£	£
31st March, 1937 ..	4,363	19,182	16,332	171,073	187,5
31st March, 1936 ..	3,713	16,871	20,800	96,645	117,445

During the year the purchase of 454 motor-vehicles for other Departments and 234 motor-vehicles for the Post and Telegraph Department was arranged. The figures for the previous year were 214 and 87 respectively.

SALE OF OBSOLETE AND UNSERVICEABLE MATERIAL.

Several auction sales of obsolete and unserviceable material, including worn-out motor-vehicles from various Departments, were held during the year. The total value of property disposed of was £5,365 17s. 6d. This sum includes the value of scrap copper and other metals.

MARINE INSURANCE FUND.

The insurable value of stores from countries within the Empire and the United States of America covered under the New Zealand Government Marine Insurance Fund was £201,496.

WORKSHOPS.

Owing to the intricate and specialized nature of much of the work that requires to be undertaken in connection with the maintenance of the Department's telegraph, telephone, and wireless equipment, and to the need for ensuring that there is no delay in the servicing of the large fleet of motor-vehicles in commission for the transport of men and material to and from works, the cartage of mails, &c., it is essential to maintain at various places up-to-date workshops as part of the Department's organization. These workshops are also availed of to some extent by other Government Departments, principally for motor-repair work. It was necessary to increase the staff and the accommodation at a number of workshops during the year and to install additional plant.

The total value of the work performed in the various workshops during the year amounted to £132,993, of which £10,884 represents the value of services rendered to other Government Departments.

BUILDINGS AND LAND.

The following works were completed during the year: New post-office buildings at Albury, Charleston, Porangahau, Rangiora and Thornbury; a major addition to the post-office building at Cambridge; an additional story to the newer portion of the General Post Office building, Wellington; a building for carrier-current equipment at Kaikoura; residences for the Postmaster, Pahiatua, and the caretaker, Wellington Radio; combined garage, store, and line buildings at Dargaville, Hawera, Kaikoura, and Takapuna; a store and line building at Wyndham; a large garage at Auckland and a small garage at Te Puke.

The accommodation at the following places was improved:—

Hampden (addition to quarters).
 Mataura (addition to quarters).
 Newton (alterations to post-office).
 Norsewood (addition to quarters).
 Ohingaiti (addition to quarters).
 Pembroke (addition to quarters).
 Remuera (addition to post-office).
 Te Kauwhata (addition to quarters).
 Te Uku (provision of quarters).
 Upper Moutere (addition to quarters).
 Waimate (alterations to post-office).
 Wellington (alterations to mail-room; additions and alterations to garage, store, and workshop buildings).

Buildings no longer required at the following places were disposed of:—

Akitio (post-office).	Longburn (residence).
Blackburn (post-office).	Ngutuweru (post-office).
Charleston (old post-office).	Otekura (post-office).
Coromandel (residence).	Riverton (old post-office).
Katea (post-office).	Ruatoria (old post-office).
Kiwitea (post-office).	

The former post-office building at Rangiora was demolished to make way for the new building. The old post-office building at Albury was removed to Fairlie for use as a garage.

Sites no longer required at the following places were relinquished or disposed of: Coromandel (2), Hampden, Kaiteratahi (2), Kiwitea, Linwood (portion for street purposes), Mangatoki, Nelson (portion), Pipiriki, Riverton (portion), Roslyn (portion), Ruatoria, Taupaki, Te Awamutu (portion), Wellington (Mahanga Bay).

Sites were acquired at Avondale (one for a post-office and one for an automatic-telephone exchange), Heathcote (for an automatic-telephone exchange), Hinakura, Kaipara Flats (for extension of the post-office site), Kaiwaka (also building), Kerikeri Central, Kumeu, Maungaturoto, Mount Albert (for an automatic-telephone exchange), New Brighton (for an automatic-telephone exchange), Sumner, Tauranga, Te Kuiti (for extension of the post-office site), Waipiro Bay (also building), Wakefield (for extension of the post-office site), Whangarei (garage, &c.).

The following buildings were in course of erection at the end of the year:—

Awarua Radio (residence for Superintendent).
 Belfast (post-office and quarters).
 Dunedin (chief post-office).
 Greymouth (power and battery building).
 Hamilton (automatic-telephone exchange addition).
 Maungaturoto (post-office).

Mayfield (post-office and quarters).
 Napier (automatic-telephone exchange).
 New Plymouth (garage, store, line, and workshop buildings).
 Omakau (post-office and residence).
 Oturehua (residences (2)).
 Pahiatua (post-office).
 Rotorua (garage, store, and line building ; battery and power building, &c.).
 Te Awamutu (garage, store, and line building).
 Thames (chief post-office).
 Waikari (post-office and residence).
 Waimana (post-office and quarters).
 Wakefield (garage and line building).
 Wellington (Lyall Bay) (cable-repeater building).

Additions and alterations to the post-office buildings at Epsom, Kilbirnie, Mount Eden, Rahotu, Te Awamutu, and Kingsland were in progress, as also were extensive alterations to the Moray Place post-office building.

A fire occurred in the Dunedin workshops on the night of the 25th May. The outbreak was confined to the south end of the building, but considerable damage was done.

On account of pressure of work in the Public Works Department, the Post and Telegraph Department was authorized to employ private architects for building-work that the Public Works Department was unable to handle expeditiously, and also to undertake the maintenance of its own buildings independently of the Public Works Department. Private architects were accordingly engaged in connection with the Hamilton automatic-telephone exchange addition, the Oturehua residences, and the Moray Place alterations. The new arrangement has necessitated the appointment to the Department's staff of an architect and draughtsmen, as it is desirable that the plans in the preliminary stages be prepared by an officer with architectural qualifications and a knowledge of the Department's requirements. In connection with the maintenance of buildings an Overseer has been appointed to inspect buildings and report upon their condition.

DEPARTMENTAL MOTOR-VEHICLES.

New motor-vehicles brought into service during the year numbered 157, of which 143 were of English and 14 of Canadian manufacture. All the vehicles, with the exception of twenty-one cars, were assembled in New Zealand. The provision of so many new vehicles was necessary on account of the poor condition of many cars and trucks which were continued in use during the depression years, and also in order to provide transport in connection with many new telegraph and telephone construction works.

A new type of half-ton truck is being developed for use in country districts by faultmen engaged in the maintenance of telegraph and telephone lines. This vehicle has an enclosed driver's cab of modern design, but the body consists of a steel tray covered with a strong canvas hood on an angle-iron framework. The ladder is carried overhead instead of on the driver's side as with the older vehicles used by faultmen.

The vehicles in commission at the end of the year numbered 698, comprising 497 trucks and vans and 201 motor-cars. The number of vehicles withdrawn from service was 37. The fleet, including several vehicles held for sale, shows an increase of 120. The number of miles travelled by the fleet during the year was 5,257,720, an increase of 514,086.

BICYCLES.

Details of bicycles in service at the end of the year are as follows :—

- 658 machines owned by individual officers, for the use of which allowances are paid ;
- 181 machines purchased by the Department and supplied free of cost to officers, who are required under agreement to maintain the machines and to utilize them in the Department's service for a fixed period based on the average official riding-time ;
- 513 machines owned by the Department and held for use by officers as required.

The bicycles supplied to officers under agreement and those purchased for official purposes are obtained from a New Zealand firm, which assembles the machines to the Department's specifications.

EXTENDED USE OF MECHANICAL OFFICE APPLIANCES.

By purchasing for the more important offices new and up-to-date mechanical office equipment it has been possible with the replaced appliances to extend the use of typewriters and, to a lesser extent, adding-machines to offices not previously so equipped. Typewriters are now in use at 155 offices. The employment of girl shorthand-writers has also been extended to an additional number of sub-offices.

ISSUE OF PROTECTIVE CLOTHING TO MEMBERS OF LINE CONSTRUCTION AND MAINTENANCE STAFF.

During the year it was decided to revert to the practice in force some years ago of supplying linemen, faultmen, &c., regularly employed on outside construction and maintenance work with a personal issue of waterproof clothing. The usual issue comprises sou'wester, jacket, and trousers. In addition, supplies of gum boots are now held at line-stations for use in emergencies.

POST OFFICE.

INLAND PARCEL-POST: REDUCED RATES.

A review of the first year's working of the inland parcel-post under the cheaper rates introduced in 1936 confirms the expectation that the reduced rates would attract a large amount of additional business. The estimated number of parcels posted during the year was 3,810,000, compared with 1,665,000 in the preceding year and 354,000 in excess of the previous peak posting in 1925.

As the new parcel rates were cheaper than packet rates for articles between $1\frac{1}{2}$ lb. and 5 lb. in weight, the maximum weight for packets was reduced from 5 lb. to $1\frac{1}{2}$ lb. In effect this meant that, from the date the new rates took effect, all articles over $1\frac{1}{2}$ lb. in weight automatically came within the category of parcels.

TALKING-BOOK RECORDS FOR USE OF BLIND: FREE TRANSMISSION BY POST.

Arrangements were made in May for parcels of talking-book records not exceeding 7 lb. in weight posted by or addressed to the New Zealand Institute for the Blind, Auckland, or posted by or addressed to branches of the Institute at other centres, to be accepted for inland transmission free of postage. The records are enclosed in special containers provided for the purpose by the Institute.

BOOKLET OF RATES AND CHARGES.

The booklet "Principal Rates and Charges" issued by the Department in May was distributed to the public free of charge at all post-offices in the Dominion. Reports received from offices indicate that the issue of the booklet was greatly appreciated by the public generally and by the business and farming communities in particular.

INLAND MAIL-SERVICES.

As the result of the inauguration by the Railways Department of rail-car services on certain lines, the exchange of letter-mails between a number of offices has been expedited. A service between Christchurch and Hokitika commenced on the 5th August, and services between Wellington, Upper Hutt, Masterton, and Woodville on the 7th September.

The contracts for the mail-services in the Gisborne, Napier, New Plymouth, Wanganui, Palmerston North, and Wellington postal districts expired on the 31st December last, and were relet for a further term of three years from the 1st January. It was possible to improve some services either by extension or by an increase in frequency.

The contract services in general continue to operate regularly and efficiently. Due to improved conditions, there was a marked increase in requests for more frequent services.

An indication of the popularity of the rural-delivery system may be gained from the fact that there were at the end of the year 26,790 rural box-holders. This is the highest number yet recorded, and represents an increase of 1,925 compared with the preceding year.

On a number of occasions during the year mails were delayed slightly through floods, slips, &c. In each case effective steps were taken to avoid undue inconvenience to the settlers, alternative methods of transport being employed where practicable and necessary.

At 6.20 a.m. on Sunday, the 30th August, the Main Trunk express which left Auckland at 3 p.m. the previous day ran into a landslide about a quarter of a mile south of Paraparaumu, derailing the engine and causing damage to the first carriage in particular. The postal-van was not damaged, but it was necessary to transfer the mails to Wellington by departmental motor-lorries. The through train service was interrupted until after 5 p.m. on the 31st August, on which day it was necessary to transfer mails at the point of derailment, three lorries with the necessary officers being sent to Paraparaumu for the purpose.

On the night of the 29th June, the mail-truck operating between Taneatua Railway-station and Gisborne was destroyed by fire near Opotiki, and a portion of the mail was lost.

OCEAN MAIL-SERVICES

The Auckland-Vancouver ocean-mail-contact service maintained by the "Aorangi" and the "Niagara" was performed regularly during the year. The average transit times of mails by this service were as follows:—

Auckland to London	..	..	..	..	..	..	28.1 days.
London to Auckland	..	..	..	..	..	..	30.9 days.

The Wellington-San Francisco ocean-mail-contact service was discontinued on the arrival at Wellington of the "Maunganui" on the 9th November and of the "Makura" on the 8th December. The service had been maintained with regularity.

Owing to the withdrawal of the Wellington-San Francisco steamers and to vessels of the Matson Line being held up at San Francisco by labour trouble, it was necessary on occasions during December and January to forward mails for the United States of America and Canada via Panama and ports on the east coast of North America. In some instances the mails were transhipped at Balboa.

Appreciable use is made of the all-sea route via the Panama Canal for the conveyance of mail-matter to Great Britain and Europe, this applying particularly since the withdrawal of the San Francisco contract steamers. The bulk of the second-class mails for Great Britain and Europe is now sent by this route, and whenever an advantage is to be gained letter-mails are also forwarded. With the placing in service of faster vessels, the Panama route now forms a satisfactory alternative to the North American overland services for the forwarding of ordinary mails.

The New Zealand – Australia service was maintained from April to September by the “Wanganella,” the “Marama,” and the “Monowai,” together with the vessels of the Union Royal Mail Line, the Canadian-Australasian Royal Mail Line, and the Matson Line. On the 15th September, the “Awatea,” specially built by the Union Steam Ship Co. for the New Zealand – Australia service, left Wellington for Sydney, replacing the “Monowai.” On the termination of the Wellington – San Francisco contract service towards the end of the year the vessels of the Union Royal Mail Line were withdrawn from the New Zealand – Australia service also, but the high speed of the “Awatea” enabled this vessel, together with the “Wanganella” and the trans-Pacific liners, to maintain a frequent service in each direction. A service between Bluff and Melbourne was maintained during the year by the “Waitaki,” and the “Marama” also operated on this route between October and March.

The service between New Zealand and Suva was maintained by the “Niagara,” the “Aorangi,” and the “Matua,” and the service between New Zealand and Tonga in the early part of the year by the “Port Whangarei” and in the latter part by the “Matua.” Since the withdrawal of the Wellington – San Francisco steamers, a monthly service between New Zealand and Rarotonga has been maintained by the “Matua.” The service between New Zealand and Western Samoa has been performed by the “Maui Pomare,” the “Matua,” and the vessels of the Matson Line calling at Pago Pago. A monthly service to Niue was also maintained by the “Maui Pomare.”

Since the Wellington – San Francisco contract service was discontinued a monthly service to Tahiti has been maintained via Suva.

AIR MAILS.

INLAND.

In addition to the air-mail services established in March, 1936, between Palmerston North and Dunedin and between Nelson, Blenheim, and Wellington the despatch of air mails was commenced on the 7th December on the service operated by East Coast Airways, Ltd., twice daily between Gisborne and Napier, and on the 23rd February on the thrice-weekly service inaugurated on that date by Cook Strait Airways, Ltd., between Nelson, Greymouth, and Hokitika.

The progressive increase in the number of letters conveyed on the inland air services during the year is shown hereunder:—

June quarter	..	..	..	..	..	..	179,073
September quarter	..	..	..	..	..	..	215,202
December quarter	..	..	..	..	..	..	256,559
March quarter	..	..	..	..	..	..	283,807

On the air parcel-post service inaugurated on the 25th May, 4,274 parcels were conveyed up to the end of the year.

The air-mail contract service between Hokitika, Bruce Bay, Haast, and Okuru was maintained during the year almost without interruption.

AUSTRALIA-LONDON SERVICE.

The Australia-Singapore section of the Australia-London air-mail service was duplicated in May and a twice-weekly service in each direction is now operating over the whole route between Australia and London.

A further acceleration in the service was effected in February by the elimination of surface transport on the Brindisi-Paris section over which the air mails were previously conveyed by train.

On a number of occasions during the year the normal time of seventeen days between New Zealand and Great Britain was exceeded owing to delays which occurred through unforeseen circumstances. The average time taken by mails despatched to Great Britain was slightly over eighteen days.

New Zealand mails for Great Britain were delayed when the flying boat “Scipio” crashed in the sea near Crete on the 21st August. The mails were recovered, but suffered some damage from seawater.

Of the twelve bags of New Zealand mail despatched from Great Britain on the 23rd September two were destroyed when the aeroplane “Athena” caught fire at Delhi on the 29th September. Although a considerable number of the letters contained in the salvaged bags were damaged by fire, it was possible in the majority of cases to effect delivery to the addressees.

The number of letters forwarded from New Zealand for despatch by the Australia-London service has increased considerably, as the following comparative table shows:—

	Number of Letters.	
	1935-36.	1936-37.
June quarter	35,031	49,933
September quarter	30,459	48,455
December quarter	36,520	75,369
March quarter	35,894	70,780

POSTAGE-STAMPS.

PICTORIAL STAMPS.

During the year all denominations of the New Zealand pictorial stamps were issued on paper bearing the multiple watermark.

Supplies of the 9d. denomination are now printed at the Government Printing Office, Wellington, by the lithographic offset process.

New plates were used to print supplies of the $\frac{1}{2}$ d., 1d., and 2 $\frac{1}{2}$ d. stamps.

POSTAL STATIONERY.

The stamp booklet was replaced during the year by a smaller booklet containing stamps of the 1d. pictorial series printed from a new plate. Advertisements of Government Departments appear in this booklet.

CHANGE OF PAPER FOR LOCAL PRINTINGS.

A change from Cowan to Wiggins-Teape paper was made during the year for the production of surface-printed stamps.

"OFFICIAL" STAMPS.

The 1 $\frac{1}{2}$ d. and 4d. denominations of the pictorial stamps printed on multiple-watermarked paper were issued overprinted "Official" in July and August respectively.

HEALTH STAMP.

For the 1936 "Health" stamp a special stamp of the usual denomination, 2d. (1d. for postage and 1d. for the Health Fund) was issued. The dominant feature of the stamp, which was designed by Mr. J. Berry, Wellington, and engraved and printed at the Stamp-printing Branch of the Commonwealth Bank at Melbourne, was the countenance of a young girl framed by a lifebuoy bearing the slogan "Safeguard Health." In the background there was a typical health-camp scene, and at the top sprays of flowering Kowhai flanked the name "New Zealand."

Following the issue of the stamps on 2nd November, another highly successful campaign to obtain funds for Children's Health Camps was conducted by officers of the Department in co-operation with Health Stamp committees in various parts of the Dominion. The stamps were withdrawn from sale on the 16th January, and the final results of the campaign were as follows: Number of stamps sold, 1,449,980; donations, £8,718 8s. 4d.; net amount payable to Health Stamp committees, £14,499 8s. 2d.

ANZAC STAMPS.

The twenty-first anniversary of Anzac Day was commemorated by the issue, from the 27th April to the 20th June, of a special postage-stamp in the denominations of $\frac{1}{2}$ d. and 1d. The stamps were sold at 1d. and 2d., respectively, and half of the proceeds was transferred to the New Zealand Returned Soldiers' Association for the relief of distress among ex-soldiers. The stamps depicted a typical New Zealand soldier against a perspective of Anzac Cove, Gallipoli. Sales of the stamps were as follows: $\frac{1}{2}$ d. plus $\frac{1}{2}$ d., 1,840,810; 1d. plus 1d., 1,179,218.

CHAMBER OF COMMERCE STAMPS.

The Conference of the Federation of Chambers of Commerce of the British Empire, held for the first time in New Zealand in October, 1936, was commemorated by the issue on the 1st October of a special series of postage stamps of five denominations— $\frac{1}{2}$ d., 1d., 2 $\frac{1}{2}$ d., 4d., and 6d. The designs were prepared by Mr. L. C. Mitchell, Wellington, and engraved (by the intaglio line process) and printed at the Stamp-printing Branch of the Commonwealth Bank at Melbourne.

Each of the designs was descriptive of some phase of the Dominion's industrial and commercial activities, wool being represented by the $\frac{1}{2}$ d. (green), dairy produce by the 1d. (red), meat by the 2 $\frac{1}{2}$ d. (blue), fruit by the 4d. (mauve), and shipping by the 6d. (red-brown).

The Conference was held from the 1st to the 7th October at the Wellington Town Hall, where a post and telegraph office was maintained for the convenience of delegates. A special date-stamp, with appropriate wording, was provided for use at the office.

Owing to the unprecedented demand for the stamps, stocks of the 2 $\frac{1}{2}$ d., 4d., and 6d. denominations were depleted earlier than was anticipated—the 2 $\frac{1}{2}$ d. and 4d. on the 6th October and the 6d. on the 7th October—notwithstanding that stocks greatly in excess of normal requirements were obtained. As the stamps were printed in Australia it was not possible to obtain additional supplies before the date of withdrawal, the 31st October.

The number of stamps issued was as follows: $\frac{1}{2}$ d., 3,504,096; 1d., 5,976,096; 2 $\frac{1}{2}$ d., 357,696; 4d., 364,896; 6d., 441,696.

COOK ISLANDS STAMPS.

The New Zealand stamps of the denominations 2s. and 3s. (King George) and 2s. 6d., 5s., 10s., and £1 (coat-of-arms) over-printed "Rarotonga" were withdrawn from sale on the 14th July, 1936, and replaced on the 15th July by the same types and denominations overprinted "Cook Islands." The name on the complete series, $\frac{1}{2}$ d. to £5, is now uniform.

STAMP-VENDING MACHINES.

The demand for stamp-vending machines has increased appreciably in recent years, the total number of machines in use now being 262. The number of new installations during the year was 42.

Rolls containing penny stamps to the value of £4 are now available, in addition to the £2 rolls, for use in machines placed at busy points.

INSPECTION.

During the year 1,553 visits of inspection to post-offices were made by Inspectors of the Department. An audit of the values was undertaken on 993 occasions, and in no instance was a serious discrepancy disclosed.

BURGLARY OF POST-OFFICE PREMISES, ETC.

The number of burglaries at post-offices during the year showed a decrease and the average amount stolen was small. The majority of the burglaries occurred at small post-offices conducted in buildings that are not the property of the Department.

DEAD LETTER OFFICE.

	1936.	1935.
Letters returned to senders in New Zealand	430,268*	603,192†
Other articles returned to senders in New Zealand ..	393,255	284,259
Letters returned to other Administrations	52,432‡	38,344§
Other articles returned to other Administrations ..	66,427	43,256
Letters destroyed (senders unknown and contents of no value)	23,383	24,823
Letters intercepted addressed to persons and firms on prohibited list	532	2,431

The proportion of undeliverable letters to the total number of letters delivered was 0·34 per cent.

POSTAL PACKETS REPORTED MISSING.

Complaints to the number of 6,358 were received during the year 1936 in connection with the reported non-delivery of postal packets. The investigations made into the individual cases resulted in 3,446 (more than half) of the articles reported as missing being accounted for satisfactorily. These cases may be summarized as follows :—

Sender responsible for delay	1,205
Addressee responsible for delay	1,144
Post Office responsible for delay	315
No delay, or responsibility not fixed	782

The manner of disposal of 2,912 postal packets reported as missing could not be determined. This figure represents 0·00243 per cent. of the total number of articles posted during the year.

MONEY-ORDERS.

An appreciable increase in money-order business was recorded during the year, 733,966 orders, of a value of £3,794,648, being issued. This represents an increase compared with the previous year of 60,909 in number and £420,619 in value.

POSTAL NOTES.

Postal-note business increased slightly. The sales were 3,833,288 postal notes, of a value of £1,378,387, compared with 3,827,417, of a value of £1,293,955, during the previous year.

The commission totalled £34,325 13s. 2d., an increase of £1,179 16s. 7d. on the commission earned in 1935–36.

BRITISH POSTAL-ORDERS.

British postal-order transactions also increased, 86,778 orders, of a value of £40,212 2s. 11d., being sold, as against 77,422, of a value of £36,318 14s., for the previous year. The number of orders paid was 29,761, of a value of £15,091 6s., compared with 29,210 orders, of a value of £14,800 18s. 6d., paid during the previous year.

SAVINGS-BANK.

Deposits lodged in the Post Office Savings-bank during the year amounted to £30,676,969, and the withdrawals to £27,042,003, an excess of deposits of £3,634,966. The interest credited to depositors was £1,514,219, and the amount at the credit of depositors at the end of the year reached the record total of £58,065,538.

Savings-bank ledger offices were established at Paeroa on the 1st June and at Gardens, Dunedin, on the 12th September.

* Including 15,153 registered. † Increase due mainly to heavy postings of electoral notices prior to general election. The total included 104,734 registered. ‡ Including 423 registered. § Including 394 registered. || Decrease due to reduction in amount of advertising matter received in Dominion from overseas lotteries, &c.

SCHOOL SAVINGS BRANCH.

Good progress was made during the year with the school savings-bank scheme, which was introduced in 1934 to encourage the practice of thrift among children. At the end of the year the scheme was in operation in 388 schools, the number of accounts was 66,062 and the total amount at credit £28,255. During the year 19,239 new accounts were opened and 152 additional schools joined the scheme. The deposits amounted to £22,178 and the withdrawals to £8,001. Interest to the amount of £299 7s. 2d. was credited to depositors. On leaving school, 1,753 scholars transferred their accounts to the Post Office Savings-bank.

The special deposit of 1s. credited by the Department to each account when the deposits reach 19s. was continued during the year, and the concession was appreciated by the children and their parents.

Donations ranging from 10s. to £2 10s., according to the size of the school, were again granted to School Committees for expenditure on school libraries or other approved forms of school activity.

The Department again wishes to express appreciation of the valuable assistance rendered by teachers in the operation of the scheme.

POST OFFICE INVESTMENT CERTIFICATES.

The total sales of Post Office investment certificates for the year amounted to £73,430.

WORK PERFORMED FOR OTHER DEPARTMENTS.

The volume of work performed by the Department on behalf of other Government Departments continues to expand. The total sum handled in this respect during the year amounted to approximately £50,000,000, an increase of about £4,000,000 on the previous year's total.

REGISTRATION OF MOTOR-VEHICLES AND ASSOCIATED WORK.

Motor-vehicles licensed at the 31st March last numbered 254,017, or 27,243 (12·01 per cent.) in excess of those licensed at the corresponding date in 1936. During the year 25,796 cars were registered. The previous highest yearly total (for 1929-30) was 20,802.

Registrations of commercial vehicles were also well in advance of previous figures, the total for the year being 8,999, compared with 6,445 in the preceding year, which was the previous highest total.

The number of notifications of change of ownership totalled 129,486, the increase over last year's figures being 28,039, or 27·6 per cent. Applications for duplicate certificates of registration, of which there were approximately 12,000, were well in excess of the number issued in any previous year. The total amount of motor-registration fees collected was £488,743, an increase of £39,822 compared with the previous year's figures.

Detailed statistics concerning the work undertaken by the Post and Telegraph Department in connection with the registration and licensing of motor-vehicles appear in the report of the Transport Department.

Premiums payable under the Motor-vehicles Insurance (Third-party Risks) Act, 1928, are collected on behalf of the forty-two insurance companies authorized to underwrite the business. The gross amount of premiums collected during the year was £264,190, an increase of £27,609 over the amount handled during the preceding twelve months.

Claims to the number of 52,342 for refunds of duty on motor-spirits consumed otherwise than as fuel for licensed motor-vehicles were dealt with during the year. The total amount refunded was £176,390. Compared with the figures for the previous year, the claims decreased by 3,105, but the amount refunded increased by £12,506.

Mileage-tax is collected in respect of most motor-vehicles which are not propelled exclusively by motor-spirits and for certain other types of vehicles for which the special tax is the only form of taxation payable. During the year the tax was collected in respect of 198 vehicles, compared with 142 in the previous year. The gross amount collected was £5,053, as against £2,360.

Another phase of the Department's activities is the issuing of temporary goods licenses in terms of the Transport Licensing Act. Such licenses are obtainable at most post-offices. Certain selected Deputy Registrars also issue temporary passenger-service licenses.

EMPLOYMENT WORK.

The control of the collection of employment taxes was transferred from the Post and Telegraph Department to the Commissioner of Taxes on the 1st June, 1936, but the registration levy, wages-tax, and a large proportion of the employment charge on income are still paid through the Post Office. The Department also makes the payments to those persons receiving sustenance.

Postmasters continue to act as certifying officers for the Employment Branch of the Labour Department.

The employment receipts and payments for the year amounted to £6,532,367, made up as follows:—

	£	s.	d.
(a) Collection of registration levy	437,509	13	3
(b) Collection of employment charge	888,455	10	10
(c) Sales of employment stamps	1,240,890	14	9
(d) Wages-tax collected in cash	968,126	10	9
(e) Wages and sustenance payments	2,997,384	12	7

TELEGRAPH AND TOLL SERVICES.

TELEGRAPH SERVICES.

Telegraph business continues to increase at a steady rate, although the volume of traffic is still below the highest point reached in 1920.

During the year the number of telegrams lodged for transmission was 5,117,498, an increase of 551,488, or 12·08 per cent., over the number handled the previous year. The revenue derived from the messages was £313,070, an increase of £24,295, or 8·41 per cent. The average number of telegrams sent per head of population of the Dominion was 3·25.

INLAND CHRISTMAS AND NEW YEAR GREETINGS TELEGRAM SERVICE.

There was a marked increase in the number of inland Christmas and New Year greetings telegrams handled. These special telegrams, which were accepted between the 14th December and the 6th January, increased by 25 per cent. in both volume and revenue compared with similar traffic during the previous season.

The following figures indicate the growth of greetings traffic in recent years :—

Christmas and New Year Period.			Number of Greetings Telegrams lodged.	Revenue.
				£
1933-34	..	..	161,089	4,027
1934-35	..	..	228,367	5,709
1935-36	..	..	272,525	6,813
1936-37	..	..	341,624	8,540

BIRTHDAY AND CONGRATULATORY TELEGRAMS.

The system of birthday and congratulatory telegrams introduced in September, 1935, is becoming increasingly popular. Returns indicate that, on an average, 12,000 such telegrams are handled monthly at permanent offices alone. No additional charge is made for these messages, which are delivered to the addressees on specially designed ornamental forms enclosed in envelopes to match.

TELEGRAPHIC WEATHER REPORTS.

Owing to the development of commercial aviation in the Dominion there was during the year a further increase in the work required of the Department in the preparation and despatch of weather reports to the Dominion Meteorological Office in Wellington, the number of weather reports dealt with daily increasing from 131 to 154. The number has more than doubled in the last two years. Departmental officers now act as observers at thirty places in the Dominion, this work being performed by the Department gratuitously.

OPENING OF ADDITIONAL MACHINE-PRINTING CIRCUITS.

In pursuance of the policy of the Department to extend the use of machine-printing apparatus with a view to expediting the handling of telegraph traffic, teleprinter installations were completed and brought into operation during the year between the following places: Wellington-Hawera, Wellington-Stratford, Wellington-Dannevirke, Wellington-Marton, Christchurch-Ashburton, and Dunedin-Gore. In addition, an extra teleprinter outlet was provided between Christchurch and Greymouth, and a teleprinter circuit was established between Christchurch and Dunedin.

TELEGRAPH BATTERIES AND POWER SUPPLY.

The universal battery system for the supply of electric current for telegraph circuits was installed during the year at Whangarei, Stratford, Hawera, Marton, Dannevirke, and Invercargill. As a result of these installations many large- and medium-sized batteries of primary cells have been dispensed with at the offices named and at a number of smaller out-stations, and this change-over will result in considerable economy in maintenance costs.

CONCESSIONS IN OVERSEAS TELEGRAM SERVICE.

During the period 14th December to the 6th January, inclusive, reduced rates were applicable to Christmas and New Year greetings telegrams addressed to Empire countries. The special rates were as under :—

To Australia	..	1s. 6d. for ten words ; 2d. each additional word.
To Canada, Fiji, and certain Pacific Islands ..	..	2s. 6d. for ten words ; 3d. each additional word.
To Great Britain and other Empire points ..	..	4s. for ten words ; 5d. each additional word.

During the Easter period, 22nd to 29th March, letter-telegrams of a social nature were exchanged between New Zealand and the United Kingdom at the reduced rate of 5s. 7d. for ten words and 6½d. for each additional word.

REDUCTION IN RADIO-TELEGRAM RATES TO SHIPS AT SEA.

From the 1st January the New Zealand coast-station charge on radio-telegrams to ships was reduced in those cases in which the shipowners co-operated by reducing the ship-station charge. As a result, the following reductions have been effected in the charges to the public for radio-telegrams to ships at sea :—

	Original Word Rate.	New Word Rate.
(1) To and from vessels engaged in the Wellington-Lyttelton and Wellington-Picton passenger services	2½d. a word ..	2d. a word.
(2) To and from vessels owned or registered in New Zealand, or trading exclusively between New Zealand ports (except those included in (1) above)	6d. a word ..	4d. a word.
(3) To and from most other overseas vessels*	11d. a word ..	8d. a word.

* The rate for radio-telegrams to and from Australian-registered vessels remains at 6d. a word, the ship-station charge in respect of such vessels not having been reduced.

ABOLITION OF POSTE RADIO-TELEGRAM SERVICE, AND SUBSTITUTION OF SHIP LETTER-TELEGRAM SERVICE.

On the 1st September a letter-telegram service *from* ships at sea was introduced. Ship letter-telegrams are transmitted to New Zealand coast radio-stations and are delivered by post on the morning following the date of lodgment on the ship.

The charge for ship letter-telegrams is 2s. 6d. for ten words and 3d. for each additional word in respect of vessels to which the ordinary telegram rate is 4d. or 6d. a word, and 5s. for twenty words and 3d. for each additional word in respect of vessels to which the ordinary rate is more than 6d. a word.

Coincident with the inauguration of the ship letter-telegram service, the poste radio-telegram service was withdrawn and the posting in New Zealand of "ocean letters" and "poste radio messages" was discontinued.

ADDITIONAL PRESS TELEGRAM FACILITIES ON SUNDAYS.

Arrangements have been made for the acceptance on Sundays between 11 p.m. and 11.15 p.m. of press telegrams relating to events that happen after the normal closing-hour of telegraph-offices on Sunday evenings. Such messages are restricted in length. The rate for press messages of the kind—previously 2s. for 100 words or fraction thereof—has been altered to 1s. 6d. for 50 words or 2s. for 51 to 100 words.

PRESS TELEGRAM SERVICE BETWEEN TONGA AND NEW ZEALAND.

A press telegram service was inaugurated between Tonga and New Zealand on the 16th May, the charge being 3d. a word, with a minimum charge of 5s. As there is no newspaper in Tonga, the service is available at present for messages lodged at Tonga only.

OPENING OF PUBLIC RADIO-STATIONS IN PACIFIC ISLANDS.

Commercial radio telegraph stations were opened at Atafu (Union Islands) and Manihiki (Cook Islands) on the 29th September, 1936, and 10th March, 1937, respectively. Atafu communicates with Apia, and Manihiki with Rarotonga.

TELEPHONE TOLL SERVICE.

With the increasing number of telephone-exchange subscribers and increased business activity generally the use of the toll service during the year naturally showed a substantial advance over previous figures. The total number of calls for the year was 13,143,171, an increase over the previous year's traffic of 1,707,117, or 14.9 per cent. The toll revenue for the year amounted to £562,543, an increase of £62,718, or 12.5 per cent.

The marked increase in toll traffic in recent years is illustrated by the following figures :—

Year ended	Number.	Value. £
31st March, 1907	985,900	21,213
31st March, 1917	5,040,672	136,540
31st March, 1927	9,329,017	372,612
31st March, 1935	9,862,627	448,562
31st March, 1936	11,436,054	499,825
31st March, 1937	13,143,171	562,543

The great majority of toll calls are of the ordinary or "station-to-station" classification, but the additional forms of toll service introduced in 1934 and 1935 are being availed of to an increasing extent, approximately 75,000 "person-to-person," 60,000 "Collect," 12,000 "Appointment," and 4,000 "Fixed-time" calls being handled during the year.

CARRIER - CURRENT TELEPHONE SYSTEMS.

During the year a three-channel carrier-telephone system was installed between Seddon and Christchurch. The provision of this system necessitated the erection of a fireproof building at Kaikoura to house the power-plant and carrier-amplifying apparatus required for the establishment of a toll-repeater station at that point. In future, repeaters or amplifiers will be installed at Kaikoura for association with all through circuits whether they be of the voice-frequency or the high-frequency carrier type. Special equipment was made up locally and installed for operation over No. 4 Lyall Bay - White's Bay single-core telegraph cable, thus providing an extra telephone outlet across Cook Strait. The setting-up of this additional telephone channel, together with the installation of the Seddon-Christchurch three-channel carrier system, has enabled the 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. This represents the best arrangement practicable until the laying of the new Cook Strait telephone cable has been completed.

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

One of the single-channel carrier telephone systems previously in use between Wellington and Palmerston North was transferred for use between Auckland and Whangarei. The object of this transfer was to facilitate a general rearrangement of toll facilities on the Auckland-Wellsford-Whangarei section in order that suitable outlets might be provided for the newly established departmental exchanges at Paparoa and Kaiwaka and the enlarged exchange at Maungaturoto.

MAINTENANCE OF TELEGRAPH AND TELEPHONE COMMUNICATION SERVICES.

The storms experienced during the year were not so serious as those which caused such a large amount of damage to the Department's plant during the previous twelve months. There is no doubt that the high standard of construction employed by the Department is responsible in no small degree for the almost unbroken continuity of service enjoyed by the users of the telegraph and telephone systems.

A gale which commenced on the night of the 1st May and which in some districts was accompanied by an electrical disturbance and in other districts by a heavy snowfall was the most severe storm during the year from the point of view of interruption to services. In the South Island the damage was confined to the West Coast and Mid-Canterbury districts; but in the North Island the effects of the visitation were more general, total disconnections of the main circuits occurring in the Marton, New Plymouth, Taupo, and North Auckland localities. The weather in the South Island moderated during the early hours of the morning, thus enabling communication to be restored before midday. The North Island, however, was not so fortunate, as the gale continued during the following day, hampering the restoration work. Traffic between Auckland and Wellington was subjected to a delay of several hours, but by evening the position was satisfactory.

On the 8th and 9th October the Canterbury and West Coast - Nelson districts experienced an electrical disturbance, together with heavy rain and a northerly gale. Fuses blown by discharges of lightning and fallen trees and slips from hillsides caused disconnection of circuits on the Christchurch-West Coast and Nelson - West Coast routes. Telegraphic traffic was disposed of by means of the emergency radio-stations, but toll traffic was delayed until the circuits were repaired. Temporary repairs were effected on all routes by the 10th October.

On the 11th December the Te Teko district and on the 10th February the Hinds district were visited by severe electrical storms. On each occasion the telephone exchange serving the locality was rendered almost inoperative for a short period. Lightning arresters, however, prevented serious damage to the equipment and to private property, and blown fuses were the only source of trouble.

During the Christmas - New Year period heavy rainfall, combined with high temperatures, was experienced at Auckland, and the combination of dampness and heat caused excessive atmospheric humidity. As a consequence, telephone equipment became damp, and the resultant low insulation was responsible for impaired telephone service. As each case was reported the damp equipment was replaced with a minimum of delay.

EXTENSIONS OF TELEGRAPH AND TOLL SYSTEMS.

The removal of 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. In addition, departmental requirements made imperative the provision of more circuits over the same section of the main north route. As the Department's 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 required would have been extremely difficult and also uneconomic, a new pole-line carrying eight pairs of wires was erected over an alternative route between Melling and Pahautanui. This enabled certain of the traffic circuits on the main route to be diverted to the new pole-line and brought into Wellington via Lower Hutt, thus making available on the main route the circuits required by the National Broadcasting Service and at the same time providing much-needed relief for departmental services over that route. The new pole-line will also provide a valuable alternative outlet from Wellington in the event of disruption of the main pole-line.

Consequent on the electrification of the railway over the new route between Wellington and Paekakariki, it was necessary to divert this Department's 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.

The offices between which improved facilities have been provided by the erection of new lines and/or the rearrangement of existing lines are set out hereunder :—

Broadwood - Kohukohu, Kaikohe - Whangarei, Otiria - Motatau, Whangarei - Auckland, Whangarei-Dargaville, Kaihu-Dargaville, Dargaville-Auckland, Dargaville-Paparoa, Tinopai-Paparoa, Paparoa-Wellsford, Maungaturoto-Wellsford, Kaiwaka-Wellsford, Wellsford-Auckland, Kaiwaka-Mangawai, Milford - Wairangi Bay - Campbell's Bay, Auckland - Waiheke Island, Papakura-Clevedon, Auckland-Hamilton, Te Aroha-Hamilton, Waihi - Waihi Beach, Tauranga - Te Puke, Tauranga-Whakatane, Whakatane-Rotorua, Hamilton-Matamata, Morrinsville-Matamata, Tikitiki-Tokomaru Bay, Napier-Hastings, Waipukurau-Takapau, Waitotara-Makakaho, Palmerston North-Feilding, Paraparaumu-Wellington, Wellington-Eastbourne, Picton-Whاتمango, Picton-Havelock, Nelson-Wakefield, Richmond-Wakefield, Brightwater-Wakefield, Wakefield-Korere, Murchison-Reefton, Reefton-Greymouth, Greymouth-Otira, Hokitika-Ross, Kaikoura-Waiau, Culverden - Hammer Springs, Christchurch-Darfield, Waimate-Oamaru, Maerewhenua - Livingstone, Kurow - Otematata, Omakau - Matakanui, Cromwell-Nevis, Edendale-Wyndham, Otautau-Nightcaps, Bluff - Stewart Island.

In addition to the foregoing, 113 miles of toll and telegraph pole-line were reconstructed during the year. This work involved the replacement of 375 miles of wire.

Other improvements to the plant and equipment used in connection with the toll and telegraph services include the following :—

The provision of a separate switchboard at Wellington for the handling of overseas toll traffic and traffic to the "Awatea."

Increased facilities for the direct dialling of toll communications between Avondale and Auckland, Palmerston North and Wellington, Napier and Hastings, Waimate and Oamaru.

Additional facilities for the handling of toll calls at Hamilton, Te Awamutu, Tauranga, New Plymouth, Blenheim, Nelson, Christchurch, Timaru, and Invercargill.

Improved facilities for the telephoning of telegrams at Auckland and Masterton.

POLES AND WIRES.

During the year 47 miles of pole-line and 813 miles of wire (including wire in submarine cable) were erected for telegraph and telephone (toll) purposes, while 82 miles of pole-line and 407 miles of wire were dismantled or, in localities where no longer required by the Department, sold to settlers for use as private telephone-lines.

The lengths of pole-line and wire (including wire in submarine cable) in use for telegraph and telephone toll purposes on the 31st March, 1936 and 1937, respectively, were as follow :—

Pole-line and Wire.	Year ended 31st March,	
	1936.	1937.
Miles of pole-line	12,129*	12,094
Miles of wire	65,206*	65,612

* Revised figures.

COOK STRAIT CABLES.

In last year's report it was stated that the Cable-steamer "Recorder" would be chartered to undertake repairs to No. 5 Lyall Bay - White's Bay and No. 1 Oterangi Bay - White's Bay single-core telegraph cables as soon as the vessel could be made available for the work. The "Recorder," after spending some days loading cable at Auckland and Wellington, left the latter port on the 27th May to commence work on the No. 5 cable, repairs to which were completed on the 5th June. Operations were then commenced on No. 1 cable, over which communication was re-established on the 7th June. After discharging the serviceable picked-up cable into the shore tanks at Wellington the "Recorder" sailed for Auckland on the 9th June, the charter having extended over a period of twenty-four days.

Each of these repairs necessitated the laying of a length of two miles and a half of heavy shore-end cable in shallow water. This portion of the work was undertaken with the aid of two small vessels—namely, the Government steamer "Janie Seddon" and the auxiliary scow "Kohi."

A fault which developed in the trench section of the Wellington-Seddon 4-core telephone cable in May caused some minor interference with the operation of the circuits. Electrical tests from the Lyall Bay cable-hut indicated that the fault was approximately two yards from the Seddon office, at which point the defect was found, and repairs were effected before the cable services had become seriously affected.

FOVEAUX STRAIT CABLE.

The submarine cable between Stewart Island and the mainland remained in good working-order throughout the year. A short-wave radio-telegraph link between Half-moon Bay (Stewart Island) and Awarua Radio is being maintained as an emergency channel of communication.

RADIO-TELEGRAPH AND RADIO-TELEPHONE SERVICES.

WELLINGTON-RADIO.

There has been a marked increase in the volume of traffic handled at Wellington-Radio, where the plant and operating facilities were extended and improved last year.

Certain replacements having become necessary in the modulating equipment associated with the short-wave radio-telephone transmitter installed for use on the overseas radio-telephone service, consideration was given to redesigning the apparatus or, alternatively, replacing it by equipment of modern performance with a view to obtaining improved operation and more economical maintenance. As a result a complete new modulating assembly has been installed, with satisfactory results from the point of view of economy both in power consumption and in the cost of replacement parts required from time to time.

It has become necessary to review the position regarding the adequacy of the existing single-aerial tower which is used for supporting a number of transmitting-aerials for various services, and consideration is now being given to proposals for the rearrangement of the aerial systems with a view to relieving the present tower of a portion of its load and, at the same time, providing more efficient aerials for the several short-wave and long-wave services which now devolve upon this station.

Two new aerial systems have been erected at the Mount Crawford receiving-station, with beneficial results in the reception of radio-telephone speech from overseas.

AWARUA-RADIO.

The medium-wave and short-wave transmitters referred to in last year's report have proved useful in handling long-distance and local traffic. A small addition to the apparatus makes provision for modulated continuous-wave transmissions from both transmitters. This has effected some improvement in the service when certain types of interference are experienced at the receiving-station, and on the medium-wave transmitter better results are obtained by vessels in connection with direction-finding. Some improvement has been effected in the receiving-apparatus at this station, and the results obtained have been useful in indicating the most suitable types of receiving-equipment for installation at Awarua-Radio, where the excellent receiving-conditions justify the use of high-grade equipment having special operating characteristics. The further improvement of short-wave receiving-plant at Awarua-Radio is under consideration.

FREQUENCY-MEASURING EQUIPMENT.

With the increase in the number of broadcasting-stations, particularly in Australia, it is necessary that the transmitters of all such stations be maintained on their correct frequencies. In this connection the high-precision frequency-measuring equipment provided by the Department for the purpose of checking the operating frequencies of New Zealand broadcasting-stations has proved of considerable value.

INSTALLATION OF RADIO-STATIONS IN NORTHERN COOK ISLANDS GROUP.

Radio apparatus for installation at the Islands of Manihiki, Penrhyn, and Pukapuka (in the Northern Cook group) is now being provided. The communication system will consist of low-power stations at Penrhyn and Pukapuka in communication with a central station at Manihiki, where more powerful apparatus will be installed for direct communication with Rarotonga. The station at Manihiki has already been opened, and the apparatus has been despatched to Penrhyn and Pukapuka.

SHIP-TO-SHORE AND OTHER PRIVATE RADIO-TELEPHONE SERVICES.

For some years past privately owned radio-telephone stations have been satisfactorily operated at Gisborne and Wanganui for the purpose of providing communication between the port and ships lying in the roadstead. Recently approval was given for a similar service to be established and maintained by the Napier Harbour Board.

A license was issued during the year to a whaling company at Picton for the installation of a radio-station at Whekenui (in the Marlborough Sounds), from which point communication may be established by radio-telephone with the whale-chasing vessels operating in Cook Strait. The service has now been in operation for some months.

Licenses were also issued for two aeradio services—one at Nelson operating temporarily in conjunction with Cook Strait Airways, Ltd., and one at Auckland operated by Pan-American Airways, Inc. The latter station is authorized to communicate with the company's base at Pago Pago regarding meteorological and other matters in connection with the company's proposed trans-Pacific air service.

Interest has been displayed by several Power Boards throughout New Zealand in the possibility of using radio-telephony as a means of rapid communication between their central offices and the various mobile units operating in outlying areas where prompt telephone communication is not available, and the Department has decided to license such installations. The equipment will be installed and operated entirely by the Power Boards concerned and will not be connected in any way with the departmental telephone system. Experiments have been or are being carried out by several Power Boards, some of which have indicated that they are proceeding with radio-telephone installations. In view of the fact that wave-lengths suitable for use in this type of service in New Zealand are limited, it is the policy of the Department to grant licenses of the kind only in connection with services operated by public utilities controlled by Government or by local government bodies.

OVERSEAS RADIO-TELEPHONE SERVICE.

In common with other activities of the Department, the overseas radio-telephone traffic is expanding at a substantial rate. The number of radio-telephone calls handled during the year between New Zealand and Australia and between New Zealand and the United Kingdom was 1,406, an increase of 616 calls, or 79 per cent., over the number handled during the previous year. No doubt the fact that secrecy equipment is now available for use with all calls is responsible to an appreciable extent for the increased use of the service.

On the 25th January a system of "contract" or "subscription" calls was introduced between New Zealand and Australia, and on the 5th April it was extended to the New Zealand—United Kingdom service. The new system, which provides for the booking of regular calls at stated times from persons who are willing to contract for three or more calls per week, covering an aggregate of fifteen minutes weekly, for a period of not less than one month, enables regular users of the overseas radio-telephone service to obtain appreciable reductions in charges. The rates for "subscription" calls are 12s. 6d. a minute for calls to and from Australia, and £1 4s. a minute for calls to and from the United Kingdom.

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.

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 14,528 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, Otatau, 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.

The extension of the automatic switching-equipment at Dunedin by 200 lines.

The rearrangement of the equipment at Lower Hutt to provide an additional 700 numbers for unrestricted service to Wellington.

The conversion of a number of rural subscribers' lines at Oamaru from magneto to semi-automatic operation.

The provision of facilities for the release of automatic calls by either the called or the calling subscriber at Whangarei and Marton.

The provision of additional numbers for P.B.X. operation at Hamilton, Wellington Central, Courtenay Place, and Dunedin automatic exchanges by the conversion of existing equipment.

The installation of a wire chief's emergency-control desk at the Wellington Central exchange and the provision of an additional wire chief's desk for ordinary requirements.

The replacement of the 48 volt exchange battery at Hamilton.

The replacement and conversion to end-cell voltage control of the secondary battery and the installation of a motor-generator set for fully-floated battery charging at Ponsonby.

The replatal of the central exchange secondary battery at Auckland.

The installation of tubular heaters to control atmospheric humidity in the switchrooms at Hawera and Dannevirke automatic-telephone exchanges.

The installation of timing-devices in a large number of public call offices at automatic-telephone exchanges.

The cabling and wiring of the new Chief Post-office building at Dunedin.

The length of various items of telephone-exchange plant in existence on the 31st March, 1936 and 1937, respectively, was as follows :—

—	Pole-line.	Single Duct Line.	Cable.			Wire.				
			Under-ground.	Aerial.	Sub-marine.	In Under-ground Cable.	In Aerial Cable.	Sub-marine.	Open Aerial.	Under all Headings.
	Miles.	Chains.	Chains.	Chains.	Chains.	Miles.	Miles.	Miles.	Miles.	Miles.
In existence on 31st March, 1936	15,529	46,204*	99,914	37,210	1,266	400,597*	46,157	1,920*	109,229	557,903*
Erected during year	379	2,625	3,850	395	..	14,169	359	..	3,473	18,001
Dismantled during year	44	5	862	782	17	4,207	1,288	4	800	6,299
In existence on 31st March, 1937	15,864	48,824	102,902	36,823	1,249	410,559	45,228	1,916	111,902†	569,605

* Revised figures. † Includes 154 miles of earthworking circuit.

The percentages of the total wire-mileage in underground, aerial, and submarine cables and open aerial wire respectively for the year ended 31st March, 1937, are as under :—

Telephone-exchange wire in underground cables	..	..	72.2 per cent.
Telephone-exchange wire in aerial cables	..	..	7.9 „
Telephone-exchange wire in submarine cables	..	..	0.3 „
Telephone-exchange open aerial wire	..	..	19.6 „

TELEPHONE STATISTICS.

A comparison of statistics in respect of the telephone system is made in the following table, which shows annually since 1928 the number of exchanges, the total wire-mileage, the revenue, and the total number of telephone-stations, together with the number of telephones for each 1,000 of population of the Dominion :—

Year.	Number of Exchanges.	Miles of Wire.	Revenue.	Number of Telephone-stations.	
				Total.	Per 1,000 Population.
			£		
1928	344	463,356	1,057,177	144,552*	99.40
1929	351	495,470	1,135,795	152,541*	103.72
1930	349	513,096	1,206,714	161,323*	108.37
1931	349	528,568	1,238,649	161,739*	107.04†
1932	349	556,735	1,218,072	160,779*	105.45
1933	349	559,890	1,169,512	155,560*	101.21
1934	349	560,509	1,164,711	155,059*	100.18
1935	349	548,186†	1,190,773	159,170*	102.06
1936	348	557,834	1,252,964	166,565*	105.85
1937	348	569,605	1,338,958	178,599*	112.52

* Includes approximately 4,000 non-exchange stations.
to Hawke's Bay earthquake.

† Revised figures.

† Decrease owing to temporary loss of subscribers due

The manner in which the exchanges are classified, the number of exchanges in each class, and the number of stations connected therewith on the 31st March, 1937, are shown in the following table :—

	Class I. Exchanges or Net- works observing Continuous Attendance and having more than 3,500 Paying Subscribers' Main Stations con- nected therewith.	Class II. Exchanges or Net- works observing Continuous Attendance and having 1,001 to 3,500 Paying Subscribers' Main Stations con- nected therewith.	Class III. Exchanges or Net- works observing Continuous Attendance and having 201 to 1,000 Paying Subscribers' Main Stations con- nected therewith.	Class IV. Exchanges or Networks where the Attendance is restricted.	Dominion Totals.
Subscribers' main stations ..	50,102	26,515	30,956	28,280	135,853
Toll and service stations ..	941	583	987	1,802	4,313
Public call offices	705	138	66	8	917
Extension stations—					
P.B.X.	13,824	3,255	1,031	129	18,239
Ordinary	8,110	3,795	2,540	1,154	15,599
Telephone-stations: Class totals	73,682	34,286	35,580	31,373	174,921
Number of exchanges in each class	4	14	61	269	348

In addition to the stations shown in the preceding table, there were 3,678 stations connected by private telephone-lines directly or indirectly with departmental toll stations, making a grand total of 178,599 telephone-stations on the 31st March, 1937.

The following table shows the number of telephone-stations in the North and South Islands on the 31st March, 1936 and 1937, respectively :—

	Number of Telephone-stations on 31st March,						
	1936.			1937.			Percentage Increase.
	Main Stations.	Extension Stations.	Total.	Main Stations.	Extension Stations.	Total.	
North Island ..	94,233	21,798	116,031	101,684	24,382	126,066	8.6
South Island ..	37,839	8,800	46,639	39,399	9,456	48,855	4.7
Totals ..	132,072	30,598	162,670	141,083	33,838	174,921	7.8

The number of telephone-stations (main and extension) connected with each of the fifteen principal exchanges on the 31st March, 1937, was—Auckland, 25,535; Wellington, 23,986; Christchurch, 14,308; Dunedin, 9,382; Wanganui, 3,645; Palmerston North, 3,560; Hamilton, 3,505; Invercargill, 3,300; Hastings, 2,893; Gisborne, 2,883; New Plymouth, 2,475; Timaru, 2,228; Napier, 2,275; Masterton, 2,112; Nelson, 1,989.

The number of party and rural lines on the 31st March, 1937, was 13,537, to which were connected 50,942 main stations—an increase of 437 and 3,070 respectively on the figures for the previous year.

The following table shows, for each class of exchange, the respective percentages of business and residential stations, also the respective percentages of individual and party-line stations, on the 31st March, 1937 :—

Percentage of	Class I Exchanges.	Class II Exchanges.	Class III Exchanges.	Class IV Exchanges.	Dominion Percentages.
Business stations	37	32	27	19	30
Residential stations	63	68	73	81	70
	100	100	100	100	100
Individual-line stations	86	74	48	30	63
Party- and rural-line stations ..	14	26	52	70	37
	100	100	100	100	100

BROADCASTING SERVICE.

Under the Broadcasting Act, 1936, which came into operation on the 1st July, the Broadcasting Board was abolished and a National Broadcasting Service established under a Minister of Broadcasting. The licensing of the use of wireless apparatus, however, continues to come within the provisions of the Post and Telegraph Act, so that the issue of the several classes of licenses available under the Radio Regulations remains the function of the Department. The investigation of interference with broadcast reception is also a matter that continues to be dealt with by the Department.

PRIVATE BROADCASTING-STATIONS.

The number of private broadcasting stations in operation at the 31st March was twenty-one. This is a reduction of one in the number operating at the end of last year, Station 1ZB, Auckland, having been taken over by Government for use as a commercial (advertising) station.

RECEIVING-STATION LICENSES.

Receiving-station licenses continue to increase at a remarkable rate. The number of license-holders at the 31st March was 241,308, an increase of 49,043, or 25·5 per cent., over the number of license-holders at the corresponding date of the previous year. The gain in licenses during the year was the largest increase yet recorded in any licensing year.

The following table indicates the progressive growth in the number of licenses since the inception of an organized broadcasting service:—

Number of licenses at—							
31st March, 1924 ..	..	..	..	..	..	..	2,830
31st March, 1929 ..	..	..	..	..	..	..	44,810
31st March, 1934 ..	..	..	..	..	..	..	118,086
31st March, 1935 ..	..	..	..	..	..	..	152,808
31st March, 1936 ..	..	..	..	..	..	..	192,265
31st March, 1937 ..	..	..	..	..	..	..	241,308

It is interesting to note that the number of licenses per hundred of population at the 31st March, 1937, was 15·2, and that receiving-sets are now installed in 68·4 per cent. of the households in the Dominion.

As from the 1st August the privilege of free radio-receiving licenses was extended to public hospitals, benevolent and orphan asylums, and charitable institutions in respect of radio sets installed in such institutions for the benefit of patients generally. The same privilege has also been granted to schools and colleges in respect of radio sets installed in class-rooms for educational purposes. Including licenses issued to blind persons who are the heads of households, the total number of free licenses at the 31st March was 564.

The number of prosecutions for the operation of unlicensed receiving-sets during the year was 945, the total amount of fines inflicted being £560 13s. 10d.

RADIO-DEALERS' LICENSES.

At the 31st March the number of radio-dealers' licenses was 1,315, an increase of 135 over the number in operation at the end of the previous year.

PRIVATE EXPERIMENTAL STATIONS.

A slight decrease is recorded in the number of private experimental stations (amateur transmitting-stations). The number at the 31st March last was 996, as compared with 1,009 for the previous year.

INTERFERENCE WITH BROADCAST RECEPTION.

The elimination of electrical interference with the reception of broadcasting programmes continues to engage the services of a number of officers. In order to facilitate the application of remedial measures the personnel employed on this class of work was increased during the year and additional motor vehicles for the use of these officers were provided.

As a result of experience gained over a period of years it has been found practicable to design improved equipment for the purpose of tracing sources of interference, and the construction of several units of improved apparatus has been undertaken. It is anticipated that the use of this new type of equipment will greatly facilitate the expeditious location of causes of interference.

The Department's policy of impressing upon importers of interfering electrical equipment the need for arranging for suppression devices to be fitted as standard equipment to such machines before their despatch from the manufacturers' works was actively pursued during the year, with the result that much of the equipment now arriving from overseas is "interference-free."

The total number of complaints received and investigated during the year was approximately 3,300.

APPENDIX.

Table No. 1.

RECEIPTS AND PAYMENTS FOR THE YEARS 1881-82, 1891-92, 1901-2, 1911-12, 1921-22, AND FOLLOWING YEARS.

Year.	Balance forward.	Receipts.	Payments for Working-expenses.	Balance of Receipts over Working-expenses Payments.	Other Disbursements.			Payment to Consolidated Fund.	Balance.
					Depreciation Fund Investment, including Expenditure on Renewals, and Replacements of Assets.	Contributions to Post and Telegraph Officers' Sick-benefit Fund.	Interest on Capital Liability.		
1881-1882	..	234,529	233,291	1,238	..	..	..	..	*
1891-1892	..	320,058	268,343	51,715	..	..	..	..	*
1901-1902	..	488,573	465,756	22,817	..	..	..	..	*
1911-1912	..	1,087,710	988,911	98,799	..	..	..	..	*
1921-1922	..	2,811,535	2,451,571	359,964	..	..	..	..	†
1922-1923	..	2,687,768	2,114,994	572,774	..	..	..	..	†
1923-1924	..	2,688,954	2,120,584	568,370	..	..	..	..	†
1924-1925	..	2,889,450	2,416,257	473,193	..	..	..	..	†
1925-1926	..	3,100,396	2,409,556	690,840	..	..	..	..	†
1926-1927	..	3,220,666	2,346,274	874,392	..	..	..	..	†
1927-1928	..	3,329,511	2,299,571	1,029,940	..	..	..	..	†
1928-1929	..	3,445,545	2,445,068	1,000,477	550,000	..	428,000	..	22,477‡
1929-1930	22,477	3,641,620	2,560,199	1,081,421	570,000	..	481,000	..	52,898
1930-1931	52,898	3,707,420	2,642,400	1,065,020	558,248	..	504,000	..	55,670
1931-1932	55,670	3,715,230	2,164,538	1,550,692	80,029	..	550,000	941,616§	34,717
1932-1933	34,717	3,293,932	2,019,302	1,274,630	272,818	..	546,000	456,000*	34,529
1933-1934	34,529	3,200,414	2,058,861	1,141,553	431,739	..	553,000	154,388*	36,955
1934-1935	36,955	3,342,978	2,216,691	1,126,287	566,864	..	546,000	13,000*	37,378
1935-1936	37,378	3,550,336	2,478,667	1,071,669	520,617	1,600	541,000	5,000	40,830
1936-1937	40,830	3,886,098	2,868,486	1,017,612	442,274	5,665	566,000	3,298	41,205

* Revenue paid to Consolidated Fund. † Revenue paid to Consolidated Fund and utilized in payment of working-expenses, interest on loan capital, and reduction of capital liability. ‡ Post Office Account separated from Consolidated Fund, 1st April, 1928. § Section 4, Finance Act, 1931 (No. 2), Depreciation rates revised and adjustment made in amount paid to Consolidated Fund. || Section 26, Finance Act, 1935 (No. 2).

Table No. 2.

TABLE SHOWING THE NUMBER AND AMOUNT OF MONEY-ORDERS ISSUED AND OF MONEY-ORDERS PAYABLE IN NEW ZEALAND SINCE THE YEAR 1863.

Issued in the Dominion.

Year.	Com- mission received.	Where payable.								Total.	
		In the Dominion.		United Kingdom.*		Australia and other British Possessions.		Foreign Countries.†			
		No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1863	£ 1,057	2,201	£ 9,614	4,740	£ 21,944	4,645	£ 24,145	..	..	11,586	£ 55,703
1873	3,562	34,288	142,642	11,913	48,548	6,150	28,068	..	..	52,351	219,258
1883	9,023	132,232	402,559	26,211	91,634	14,113	46,940	..	..	172,556	541,133
1893	10,249	146,133	576,359	29,616	86,545	35,208	88,025	..	..	210,957	750,929
1903	15,882	273,535	1,108,067	63,309	157,790	59,468	150,368	..	..	396,312	1,416,225
1913	16,872	516,536	2,821,624	100,634	336,992	73,575	199,158	..	..	690,745	3,357,774
1923	28,357	545,605	3,849,423	54,461	223,143	68,044	284,778	16,869	32,815	684,979	4,390,159
1924	28,542	580,569	4,113,813	57,175	232,436	75,743	312,624	18,024	34,056	731,511	4,692,929
1925	28,843	610,972	4,406,461	64,777	259,439	72,519	278,050	18,421	33,280	766,689	4,977,230
1926	24,746	635,078	4,453,878	67,570	273,758	70,774	270,065	19,688	35,426	793,110	5,033,127
1927	24,775	639,889	4,416,182	69,764	276,747	73,021	265,752	20,807	36,409	803,481	4,995,090
1928	24,884	642,136	4,406,187	69,366	266,072	73,786	267,411	22,597	37,852	807,885	4,977,522
1929	25,673	664,049	4,609,226	70,540	274,672	76,230	263,929	24,539	39,726	835,358	5,187,553
1930	35,603	669,484	4,497,547	61,611	251,730	80,303	283,973	22,107	36,379	833,505	5,069,629
1931	40,704	608,706	3,667,683	36,938	159,347	54,191	143,136	14,643	22,869	714,478	3,993,035
1932	31,629	562,936	3,130,928	30,675	94,800	43,005	92,012	12,341	17,812	648,951	3,335,552
1933	38,772	555,224	2,933,997	25,107	64,012	47,683	104,795	7,660	9,925	635,674	3,112,729
1934	42,310	564,108	3,003,360	27,470	68,748	54,547	125,524	8,496	12,081	654,621	3,209,713
1935	44,029	578,869	3,157,826	27,383	71,185	56,809	133,074	9,996	11,944	673,057	3,374,029
1936	48,433	633,846	3,552,632	30,608	79,747	59,269	151,708	10,243	10,561	733,966	3,794,648

* Includes foreign offices to year 1913.

† In previous years included in United Kingdom and foreign offices

Table No. 2—continued.

TABLE SHOWING THE NUMBER AND AMOUNT OF MONEY-ORDERS ISSUED, ETC.—continued.

Drawn on the Dominion.

Year.	Where issued.								Total.	
	In the Dominion.		United Kingdom.*		Australia and other British Possessions.		Foreign Countries.†			
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
1863	2,067	£ 9,169	415	£ 1,824	558	£ 3,078	..	£ ..	3,040	£ 14,071
1873	34,288	142,642	1,482	6,626	1,668	7,689	..	..	37,438	156,957
1883	132,232	402,559	3,725	15,553	5,697	23,300	..	..	141,654	441,412
1893	146,133	576,359	8,746	32,617	10,679	40,929	..	..	165,558	649,905
1903	273,535	1,108,067	13,035	49,181	17,777	68,340	..	..	304,347	1,225,589
1913	516,536	2,821,624	12,693	70,084	31,450	110,487	..	..	560,679	3,002,194
1923	545,605	3,849,423	11,042	63,313	26,042	123,703	1,813	8,669	584,502	4,045,108
1924	580,569	4,113,813	8,310	60,862	28,543	127,350	2,348	10,309	619,770	4,312,334
1925	610,972	4,406,461	9,857	69,098	27,318	119,073	2,140	8,391	650,287	4,603,023
1926	635,078	4,453,878	10,047	70,948	28,935	124,952	2,334	10,326	676,394	4,660,104
1927	639,889	4,416,182	11,646	80,015	32,791	136,763	2,478	9,301	686,804	4,642,261
1928	642,136	4,406,187	10,607	70,151	32,650	138,068	2,636	9,358	688,029	4,623,764
1929	664,049	4,609,226	10,953	68,273	32,973	129,798	2,923	10,875	710,898	4,818,172
1930	669,483	4,497,547	10,046	62,617	30,776	126,051	2,650	9,270	712,955	4,695,485
1931	611,165	3,682,333	10,276	60,631	17,458	87,071	2,609	8,794	641,508	3,838,829
1932	565,748	3,140,927	8,068	60,479	16,221	46,879	2,806	16,293	592,843	3,264,578
1933	555,219	2,945,703	9,909	53,898	19,956	96,766	2,600	15,827	587,684	3,112,194
1934	563,291	3,013,540	9,388	48,643	23,050	81,698	2,587	13,822	598,316	3,157,703
1935	568,379	3,167,590	9,485	49,628	34,566	70,964	3,460	13,195	615,890	3,301,377
1936	633,937	3,561,548	9,025	45,043	25,523	72,338	3,806	9,750	672,291	3,688,679

* Includes foreign offices to year 1915.

† In previous years included in United Kingdom and foreign offices.

Table No. 3.

TABLE SHOWING THE NUMBER AND WEIGHT OF PARCELS EXCHANGED WITH OTHER COUNTRIES DURING THE YEARS 1935 AND 1936.

Places.	Received.				Despatched.			
	1935.		1936.		1935.		1936.	
	Number.	Weight.	Number.	Weight.	Number.	Weight.	Number.	Weight.
Great Britain and Northern Ireland (and countries via London)	69,397	lb. 557,257	68,860	lb. 552,914	13,099	lb. 60,884	13,364	lb. 62,824
New South Wales (including Japan, Italy, &c.)	31,125	131,387	37,177	159,227	9,321	30,906	10,767	36,204
Victoria	11,987	49,171	12,218	50,164	4,954	16,095	5,172	17,093
Queensland (including Papua and Dutch East Indies)	1,144	2,502	1,103	2,808	1,250	3,539	1,353	4,301
South Australia	874	2,750	971	2,851	678	2,183	667	2,132
Western Australia	526	1,352	503	1,162	602	1,481	703	2,050
Tasmania	192	513	191	660	510	1,487	528	1,516
Norfolk Island	37	98	34	38	344	986	303	940
Canada	8,483	101,324	14,874	158,645	1,313	5,733	1,428	6,646
Union of South Africa ..	969	2,263	1,047	2,135	781	4,023	790	4,009
Aden	75	256	76	220	..	..	..	..
India	2,648	18,333	2,691	17,270	938	5,668	935	5,326
Ceylon	240	893	260	781	83	401	76	329
Malaya	511	1,499	478	1,658	207	915	255	1,106
Hong Kong (including Japan, China, &c.)	789	6,027	1,258	11,719	689	3,270	945	4,217
Fiji	497	1,651	468	1,677	1,367	6,571	1,553	7,704
Tonga	140	452	133	424	451	2,088	399	2,044
United States of America and Possessions	30,286	173,847	34,142	192,035	3,217	12,833	3,505	13,748
Egypt	178	998	232	1,498	22	68	36	154
Tahiti	48	348	52	212	207	1,373	196	1,172
Uruguay	..	..	..	..	12	49	25	104
Other countries with which direct exchanges exist	..	..	4	10	11	31	8	27
Totals	160,146	1,052,921	176,772	1,158,108	40,056	160,584	43,008	173,646

NOTE.—With the countries named above, excepting those in parentheses, New Zealand has direct parcel exchanges. Parcels to and from other countries are forwarded through the intermediary of direct-exchange countries.

Table No. 4.

POST OFFICE SAVINGS-BANK.—GENERAL STATEMENT.

TABLE SHOWING THE BUSINESS OF THE POST OFFICE SAVINGS-BANK IN THE VARIOUS POSTAL DISTRICTS OF NEW ZEALAND DURING THE YEAR ENDED 31ST MARCH, 1937.

Postal Districts.	Number of Branches at the Post Office at the Close of the Period.	Number of Deposits received during the Period.	Total Amount of Deposits received during the Period.	Average Amount of each Deposit received during the Period.	Number of Withdrawals during the Period.	Total Amount of Withdrawals during the Period.	Average Amount of each Withdrawal during the Period.	Excess of Deposits over Withdrawals during the Period.	Excess of Withdrawals over Deposits during the Period.	Interest for the Period.	Number of Accounts opened during the Period.	Number of Accounts closed during the Period.	Number of Accounts remaining open at Close of the Period.	Total Amount standing to the Credit of all Open Accounts, inclusive of Interest to the Close of the Period.	Average Amount standing to the Credit of each Open Account at the Close of the Period.	
Auckland ..	198	311,142	5,397,787	£ s. d. 13 6 17 7 0	257,507	4,672,721	£ s. d. 5 8 18 2 11	725,066	£ s. d. 7 10	253,682	£ s. d. 13 2	20,975	13,381	147,598	£ s. d. 9,854,729 18 6	£ s. d. 66 15 4
Blenheim ..	17	19,108	311,657	£ s. d. 10 7 16 6 2	16,255	270,565	£ s. d. 1 5 16 12 11	41,092	£ s. d. 9 2	18,542	£ s. d. 5 10	1,148	823	10,751	£ s. d. 705,222 9 7	£ s. d. 65 11 11
Christchurch ..	75	285,412	4,549,580	£ s. d. 11 6 15 18 10	239,290	4,057,221	£ s. d. 9 10 16 19 1	492,359	£ s. d. 1 8	240,958	£ s. d. 1 9	13,047	8,263	126,714	£ s. d. 9,143,937 10 10	£ s. d. 72 3 4
Dunedin ..	82	123,311	2,440,694	£ s. d. 10 2 19 15 10	99,040	2,192,011	£ s. d. 3 1 22 2 8	248,683	£ s. d. 7 1	137,591	£ s. d. 4 3	7,707	5,476	66,819	£ s. d. 5,150,987 4 2	£ s. d. 77 1 9
Gisborne ..	27	41,762	664,212	£ s. d. 6 8 15 18 1	31,155	575,492	£ s. d. 2 3 18 9 5	88,720	£ s. d. 4 5	31,930	£ s. d. 1 4	2,910	1,937	22,444	£ s. d. 1,229,516 17 3	£ s. d. 54 15 8
Greymouth ..	27	26,564	399,011	£ s. d. 19 4 15 0 5	17,325	317,379	£ s. d. 15 3 18 6 5	81,632	£ s. d. 4 1	24,092	£ s. d. 3 9	2,181	1,400	14,270	£ s. d. 919,638 14 3	£ s. d. 64 8 11
Hamilton ..	93	144,776	2,188,561	£ s. d. 10 0 15 2 4	99,193	1,744,976	£ s. d. 5 8 17 11 10	443,585	£ s. d. 4 4	82,812	£ s. d. 18 2	12,723	7,507	61,868	£ s. d. 3,343,799 12 10	£ s. d. 54 1 0
Invercargill ..	42	44,213	739,874	£ s. d. 1 0 16 14 8	34,419	669,834	£ s. d. 19 4 19 9 3	70,039	£ s. d. 1 8	48,171	£ s. d. 1 11	3,469	2,400	31,143	£ s. d. 1,799,335 19 4	£ s. d. 57 15 7
Napier ..	45	90,853	1,464,270	£ s. d. 13 10 16 2 4	72,793	1,310,602	£ s. d. 7 11 18 0 1	153,668	£ s. d. 5 11	71,129	£ s. d. 18 3	5,811	4,010	42,857	£ s. d. 2,742,241 17 11	£ s. d. 63 19 9
Nelson ..	34	36,412	567,444	£ s. d. 0 3 15 11 8	29,286	549,467	£ s. d. 13 8 18 15 3	17,976	£ s. d. 6 7	31,299	£ s. d. 17 0	2,071	1,528	18,949	£ s. d. 1,161,837 16 7	£ s. d. 61 6 3
New Plymouth ..	37	64,715	1,050,178	£ s. d. 4 7 16 4 7	45,662	902,532	£ s. d. 11 5 19 15 4	147,645	£ s. d. 13 2	51,819	£ s. d. 11 6	4,428	3,178	34,531	£ s. d. 2,032,074 17 1	£ s. d. 58 17 0
Oamaru ..	12	18,788	409,872	£ s. d. 6 0 21 16 4	16,061	366,962	£ s. d. 11 6 22 17 0	42,909	£ s. d. 14 6	22,351	£ s. d. 10 11	1,159	904	10,841	£ s. d. 832,025 19 7	£ s. d. 76 15 0
Palmerston North ..	37	102,202	1,719,963	£ s. d. 13 9 16 16 7	79,346	1,458,901	£ s. d. 2 7 18 7 9	261,062	£ s. d. 11 2	79,057	£ s. d. 0 2	6,252	4,235	43,812	£ s. d. 3,089,070 12 6	£ s. d. 70 10 2
Thames ..	41	51,218	886,253	£ s. d. 7 2 17 6 1	33,749	790,735	£ s. d. 13 2 23 8 7	95,517	£ s. d. 14 0	34,947	£ s. d. 0 11	5,710	4,098	27,393	£ s. d. 1,365,836 18 5	£ s. d. 49 17 2
Timaru ..	18	46,070	966,497	£ s. d. 1 9 20 19 7	39,562	890,899	£ s. d. 2 5 22 10 5	75,597	£ s. d. 19 4	53,674	£ s. d. 2 0	2,815	2,065	25,500	£ s. d. 1,997,836 14 7	£ s. d. 78 7 0
Wanganui ..	38	68,269	1,111,279	£ s. d. 7 6 16 5 7	51,394	941,143	£ s. d. 15 11 18 6 3	170,135	£ s. d. 11 7	56,520	£ s. d. 1 8	4,604	3,393	35,832	£ s. d. 2,181,218 16 6	£ s. d. 60 17 6
Wellington ..	62	452,066	5,628,770	£ s. d. 1 0 12 9 0	321,618	5,158,120	£ s. d. 8 6 16 0 9	470,649	£ s. d. 12 6	264,565	£ s. d. 9 7	20,962	13,798	150,022	£ s. d. 10,101,446 0 5	£ s. d. 67 6 8
Westport ..	19	8,871	126,599	£ s. d. 2 4 14 5 5	5,885	127,423	£ s. d. 2 2 21 13 1	..	..	8,833	£ s. d. 10 11	750	570	5,980	£ s. d. 325,083 6 5	£ s. d. 54 7 3
Western Samoa ..	2	3,210	30,276	£ s. d. 2 3 9 8 8	2,420	22,835	£ s. d. 12 9 9 8 9	7,440	£ s. d. 9 6	1,480	£ s. d. 3 2	402	97	1,991	£ s. d. 61,103 4 10	£ s. d. 30 13 10
Rarotonga ..	6	1,474	24,185	£ s. d. 0 4 16 8 2	1,620	22,176	£ s. d. 15 6 13 13 10	2,008	£ s. d. 4 10	761	£ s. d. 0 8	215	90	1,542	£ s. d. 28,593 13 9	£ s. d. 18 10 11
Totals for year ended 31st March, 1937	912	1,940,436	30,676,969	£ s. d. 3 6 15 16 21	1,493,580	27,042,003	£ s. d. 0 0 18 2 13	13,634,966	£ s. d. 3 6	1,514,219	£ s. d. 16 11 11	119,339	79,153	880,857	£ s. d. 58,065,538 5 4	£ s. d. 65 18 5
Totals for year ended 31st March, 1936	892	1,585,976	25,619,775	£ s. d. 13 7 16 3 11	1,417,040	23,533,596	£ s. d. 7 2 16 12 22	22,086,179	£ s. d. 6 5	1,406,459	£ s. d. 5 8	94,628	71,574	840,671	£ s. d. 52,916,352 4 11	£ s. d. 62 18 11

Table No. 5.

POST OFFICE SAVINGS-BANK.—GENERAL STATEMENT.

TABLE SHOWING THE BUSINESS OF THE POST OFFICE SAVINGS-BANK IN NEW ZEALAND, BY TEN-YEAR PERIODS, FROM 1868 TO THE 31ST DECEMBER, 1918, AND YEARLY PERIODS FROM 1925 TO THE YEAR ENDED 31ST MARCH, 1937.

Year.	Number of Branches of the Post Office Savings-bank open at the Close of the Year.	Number of Deposits received during the Year.	Total Amount of Deposits received during the Year.	Average Amount of each Deposit received during the Year.	Number of Withdrawals during the Year.	Total Amount of Withdrawals during the Year.	Average Amount of each Withdrawal during the Year.	Excess of Deposits over Withdrawals during the Year.	Excess of Withdrawals over Deposits during the Year.	Interest for the Year.	Number of Accounts opened during the Year.	Number of Accounts closed during the Year.	Number of Accounts remaining open at the Close of the Year.	Total Amount standing to the Credit of all Open Accounts, inclusive of Interest to the Close of the Year.	Average Amount standing to the Credit of each Open Account at the Close of the Year.
Year ended 31st Mar., 1937	912	1,940,436	30,676,969	£ s. d. 15 16 2	1,493,580	27,042,003	£ s. d. 18 2 13	£ 3,634,966	£ s. d. 3 6 5	1,514,219	119,339	79,153	880,857	58,065,538	£ s. d. 4 65 18 5
Year ended 31st Mar., 1936	892	1,585,976	25,619,775	£ s. d. 16 3 1	1,417,040	23,533,596	£ s. d. 16 12 22	£ 2,086,179	£ s. d. 6 5 5	1,406,459	94,628	71,574	840,671	52,916,352	£ s. d. 4 11 62 18 11
Year ended 31st Mar., 1935	871	1,424,534	24,179,537	£ s. d. 16 19 1	1,350,502	20,946,562	£ s. d. 15 2 93	£ 3,232,975	£ s. d. 2 1 1	1,320,347	90,958	71,603	817,617	49,423,713	£ s. d. 10 60 8 11
Year ended 31st Mar., 1934	870	1,225,275	19,428,852	£ s. d. 15 17 1	1,338,390	17,818,171	£ s. d. 13 6 31	£ 1,610,680	£ s. d. 17 6 6	1,231,089	71,084	69,919	798,262	44,870,391	£ s. d. 3 0 56 4 2
Year ended 31st Mar., 1933	873	1,214,105	16,983,176	£ s. d. 14 0 1	1,475,079	19,635,928	£ s. d. 13 6 3	..	£ 2,702,751	£ s. d. 16 8 1,475,873	72,538	152,531	797,097	42,028,620	£ s. d. 8 52 14 7
Year ended 31st Mar., 1932	882	1,418,250	19,463,985	£ s. d. 13 14 6	1,535,368	25,488,081	£ s. d. 16 12 0	..	£ 6,024,095	£ s. d. 13 6 1,611,047	78,674	79,627	877,090	43,255,499	£ s. d. 0 11 49 6 4
Year ended 31st Mar., 1931	884	1,695,143	24,531,569	£ s. d. 14 9 5	1,473,027	28,063,338	£ s. d. 19 1 0	..	£ 3,531,769	£ s. d. 17 3 91,763,824	98,298	73,012	878,043	47,668,547	£ s. d. 1 1 54 5 9
Year ended 31st Mar., 1930	882	1,700,460	28,561,854	£ s. d. 16 15 1	1,342,113	29,575,993	£ s. d. 22 0 9	..	£ 1,014,139	£ s. d. 12 0 1,806,414	97,932	73,471	852,757	49,436,491	£ s. d. 8 7 57 19 5
Year ended 31st Mar., 1929	879	1,618,656	27,252,381	£ s. d. 16 16 9	1,285,256	28,111,940	£ s. d. 21 17 6	..	£ 850,559	£ s. d. 7 9 1,745,050	93,111	69,540	828,296	48,644,217	£ s. d. 0 6 58 14 7
Year ended 31st Mar., 1928	870	1,570,493	27,611,066	£ s. d. 17 11 7	1,274,906	30,584,997	£ s. d. 23 19 10	..	£ 2,973,931	£ s. d. 9 3 1,747,155	93,331	72,433	804,725	47,758,736	£ s. d. 2 11 59 6 11
Year ended 31st Mar., 1927	875	1,509,909	29,456,383	£ s. d. 19 10 2	1,224,764	30,149,628	£ s. d. 24 12 4	..	£ 693,245	£ s. d. 14 8 1,767,426	97,713	72,041	783,827	48,985,501	£ s. d. 5 62 9 11
Year ended 31st Mar., 1926	870	1,446,530	31,833,621	£ s. d. 22 0 1	1,197,983	32,602,505	£ s. d. 27 4 3	..	£ 768,884	£ s. d. 7 9 1,731,577	104,447	81,440	758,155	47,911,321	£ s. d. 10 5 63 3 11
Year ended 31st Mar., 1925	855	1,371,009	29,582,897	£ s. d. 21 11 7	1,108,291	30,413,609	£ s. d. 27 8 10	..	£ 830,712	£ s. d. 1 21,680,919	105,595	70,604	735,148	46,948,628	£ s. d. 1 0 63 17 3
Totals for 1918 ..	786	1,213,353	18,101,104	£ s. d. 14 18 4	727,729	14,938,841	£ s. d. 20 10 7	£ 3,162,263	£ s. d. 8 1 1	£ 1,059,471	76,869	53,015	590,205	33,418,125	£ s. d. 4 9 56 12 5
" 1908 ..	593	706,101	9,674,075	£ s. d. 13 14 0	484,672	9,417,820	£ s. d. 19 8 8	£ 256,254	£ s. d. 13 9 9	£ 379,808	80,133	57,829	342,077	12,159,293	£ s. d. 18 1 35 10 11
" 1898 ..	409	281,749	3,279,611	£ s. d. 11 12 10	196,764	3,194,893	£ s. d. 16 4 9	£ 84,717	£ s. d. 10 10 10	£ 128,128	37,265	26,628	169,968	4,957,771	£ s. d. 5 5 29 3 5
" 1888 ..	290	145,355	1,544,747	£ s. d. 10 12 6	96,204	1,387,471	£ s. d. 14 8 5	£ 157,276	£ s. d. 6 1 1	£ 78,080	21,307	16,543	84,488	2,048,441	£ s. d. 10 9 24 4 10
" 1878 ..	147	69,908	762,084	£ s. d. 10 18 0	42,746	742,053	£ s. d. 17 7 2	£ 20,030	£ s. d. 17 9 9	£ 31,664	13,005	9,634	32,132	819,071	£ s. d. 8 2 25 9 9
" 1868 ..	55	13,014	194,535	£ s. d. 14 18 11	6,365	107,094	£ s. d. 16 16 6	£ 87,440	£ s. d. 14 3 3	£ 4,880	3,282	1,186	4,252	163,518	£ s. d. 15 7 38 9 1
*Totals from 1st Feb. to 31st Dec., 1867	46	6,977	96,372	£ s. d. 13 16 3	1,919	26,415	£ s. d. 13 15 3	£ 69,956	£ s. d. 9 1 1	£ 1,241	5 0 2,520	364	2,156	71,197	£ s. d. 14 1 33 0 5

* The Post Office Savings-bank was established in the Dominion in February, 1867.

Table No. 6.

TABLE SHOWING THE ESTIMATED NUMBER OF LETTERS AND LETTER-CARDS, POST-CARDS, PACKETS, NEWSPAPERS, AND PARCELS POSTED AND DELIVERED IN THE POSTAL DISTRICTS OF NEW ZEALAND DURING THE YEAR ENDED 31ST DECEMBER, 1936.

Postal Districts.	Posted in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars.	Packets.	Newspapers.	Parcels.
Auckland	28,479,811	794,079	21,840,272	2,055,859	3,583,778	970,203
Blenheim	1,417,147	22,165	407,147	107,016	167,362	21,957
Christchurch	15,465,672	543,361	14,779,748	1,275,365	1,476,124	368,875
Dunedin	11,260,976	439,972	7,866,080	898,885	1,419,011	297,115
Gisborne	3,326,470	33,904	1,120,444	149,487	331,546	37,531
Greymouth	2,044,191	34,983	781,262	102,986	193,713	36,530
Hamilton	10,438,960	244,062	3,977,196	536,952	656,799	120,796
Invercargill	6,462,042	130,507	3,312,294	369,005	441,953	80,210
Napier	7,156,474	127,647	3,039,276	392,639	573,961	76,466
Nelson	3,002,850	62,972	1,052,542	207,181	226,316	51,155
New Plymouth	5,308,253	111,046	2,662,935	309,673	375,622	67,379
Oamaru	1,596,180	22,217	534,700	87,035	127,296	16,536
Palmerston North	6,492,604	113,295	3,758,254	436,371	561,424	99,437
Thames	3,528,387	77,246	1,219,902	190,099	288,379	44,486
Timaru	3,686,213	78,715	1,466,316	232,206	241,412	42,250
Wanganui	5,812,592	145,600	2,568,900	255,346	444,207	78,871
Wellington	25,502,190	410,557	17,643,597	1,808,316	4,152,148	866,881
Westport	747,305	12,558	127,232	60,723	119,262	15,899
Rarotonga	46,080	702	..	3,708	2,790	2,598
Western Samoa	79,101	561	..	4,242	10,364	1,113
Totals	141,853,498	3,406,149	88,158,097	9,483,094	15,393,467	3,296,288
Previous year	135,069,826	3,547,852	94,548,235*	..	14,879,059	1,645,592

Postal Districts.	Delivered in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars, &c.	Packets.	Newspapers.	Parcels.
Auckland	32,251,856	842,751	15,580,799	3,488,030	2,837,666	609,580
Blenheim	1,496,209	41,236	785,863	215,202	289,757	60,666
Christchurch	17,713,800	709,215	10,524,423	2,459,886	2,021,201	325,642
Dunedin	11,602,773	405,626	6,536,465	2,601,170	1,449,747	294,770
Gisborne	3,194,425	51,194	1,612,949	346,320	587,288	98,702
Greymouth	2,291,159	45,565	1,051,362	270,985	342,056	110,067
Hamilton	10,713,391	347,919	5,652,855	1,365,975	1,201,694	281,541
Invercargill	6,385,457	202,670	3,423,316	567,840	789,958	172,648
Napier	7,243,093	178,620	3,931,395	814,918	1,029,743	161,056
Nelson	2,955,381	74,243	1,486,836	398,671	464,802	115,245
New Plymouth	5,259,371	147,992	3,342,430	711,971	653,159	141,265
Oamaru	1,518,998	55,718	911,703	175,201	215,293	44,421
Palmerston North	6,741,228	183,430	4,288,206	1,103,128	878,293	177,218
Thames	3,950,232	158,288	2,301,611	541,437	519,077	127,333
Timaru	3,654,664	114,504	1,992,185	416,117	415,831	84,787
Wanganui	5,044,338	164,684	2,813,889	580,762	666,939	127,723
Wellington	27,008,154	497,891	11,149,397	2,450,521	3,287,378	433,304
Westport	1,091,805	36,543	526,266	182,598	249,002	59,120
Rarotonga	55,536	420	..	8,724	20,742	2,250
Western Samoa	73,393	345	..	13,491	27,966	2,711
Totals	150,245,263	4,258,854	77,911,950	18,712,947	17,947,592	3,430,049
Previous year	153,575,658	4,780,862	96,518,027*	..	19,668,435	1,893,133

Postal Districts.	Total posted and delivered in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars, &c.	Packets.	Newspapers.	Parcels.
Auckland	60,731,667	1,636,830	37,421,071	5,543,889	6,421,444	1,579,783
Blenheim	2,913,356	63,401	1,193,010	322,218	457,119	82,623
Christchurch	33,179,472	1,252,576	25,304,171	3,735,251	3,497,325	694,517
Dunedin	22,863,749	845,598	14,402,545	3,500,055	2,868,758	591,885
Gisborne	6,520,895	85,098	2,733,393	495,807	918,834	136,233
Greymouth	4,335,350	80,548	1,832,624	373,971	535,769	146,597
Hamilton	21,152,351	591,981	9,630,051	1,902,927	1,858,493	402,337
Invercargill	12,847,499	333,177	6,735,610	936,845	1,231,911	252,858
Napier	14,399,567	306,267	6,970,671	1,207,557	1,603,704	237,522
Nelson	5,958,231	137,215	2,539,378	605,852	691,118	166,400
New Plymouth	10,567,624	259,038	6,005,365	1,021,644	1,028,781	208,644
Oamaru	3,115,178	77,935	1,446,403	262,236	342,589	60,957
Palmerston North	13,233,832	296,725	8,046,460	1,539,499	1,439,717	276,655
Thames	7,478,619	235,534	3,521,513	731,536	807,456	171,819
Timaru	7,340,877	193,219	3,458,501	648,323	657,243	127,037
Wanganui	10,856,930	310,284	5,382,789	836,108	1,111,146	206,594
Wellington	52,510,344	908,448	28,792,994	4,258,837	7,439,526	1,300,185
Westport	1,839,110	49,101	653,498	243,321	368,264	75,019
Rarotonga	101,616	1,122	..	12,432	23,532	4,848
Western Samoa	152,494	906	..	17,733	38,330	3,824
Totals	292,098,761	7,665,003	166,070,047	28,196,041	33,341,059	6,726,337
Previous year	288,645,484	8,328,714	191,066,262*	..	34,547,494	3,538,725

Average number of letters posted per unit of population : 1936, 89.51 ; 1935, 86.53.

* Including packets.

Table No. 7.
TABLE SHOWING THE NUMBER OF FORWARDED, AND THE REVENUE DERIVED FROM, PAID TELEGRAMS AND TOLL CALLS (INCLUDING CABLE AND RADIO MESSAGES AND OVERSEAS TOLL CALLS) DURING THE YEARS ENDED 31ST MARCH, 1936 AND 1937.

Year ended	Telegrams.										Toll Communications.		Total.	
	Ordinary.		Urgent.		Press.		Letter.		Urgent Marine.	Number.	Number.	Value.	Number.	Value.
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.						
31st March, 1937	4,378,444	£ 412,855	144,035	£ 11,837	459,556	£ 58,961	135,463	£ 8,077	30,263*	13,143,171	18,290,932	£ 566,558	1,058,288†	
31st March, 1936	3,851,249	376,837	108,708	9,224	463,842	56,406	142,211	8,940	31,067*	11,436,054	16,033,131	502,448	953,855†	

* No payment received.
† Deduct £182,675 paid to other Administrations in respect of cable and radio messages. ‡ Deduct £165,255 paid to other Administrations in respect of cable and radio messages.

Table No. 8.

TABLE SHOWING CABLE, RADIO-TELEGRAPH, AND RADIO-TELEPHONE BUSINESS TRANSACTED DURING THE YEAR ENDED 31ST MARCH, 1936, AS COMPARED WITH THE YEAR ENDED 31ST MARCH, 1937.

Cable Messages.

Year ended	INTERNATIONAL.				AUSTRALIAN.				Total.	
	Forwarded.		Received.		Forwarded.		Received.		Number of Messages.	Revenue earned by New Zealand.
	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.		
31st March, 1937 ..	178,787	£ 7,672	154,407	£ 6,277	164,350	£ 4,729	161,008	£ 5,138	658,552	£ 23,816
31st March, 1936 ..	163,190	7,079	141,452	5,952	139,197	3,985	138,318	4,492	582,157	21,508
PRESS MESSAGES (included in above totals).										
31st March, 1937 ..	2,141	225	2,626	263	4,992	645	7,512	997	17,271	2,130
31st March, 1936 ..	2,256	211	3,314	338	3,945	421	7,371	944	16,886	1,914

Radio-telegrams.

Year ended	Forwarded.		Received.		Total.	
	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.
31st March, 1937 ..	..	£ 14,352	23,691	£ 3,985	38,043	£ 7,214
31st March, 1936 ..	..	12,332	18,703	3,234	31,035	5,880

Radio-telephone Calls.

Period.	Outward.		Inward.		Total.	
	Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.
31st March, 1937 ..	923	£ 1,478	1,190	£ 1,074	2,113	£ 2,552
31st March, 1936 ..	431	489	338	467	769	956

Approximate Cost of Paper.—Preparation, not given; printing (1,049 copies), £60.

By Authority: E. V. PAUL, Government Printer, Wellington.—1937.

Price 1s.]

