

ANNUAL REPORT OF THE POST AND TELEGRAPH DEPARTMENT FOR THE YEAR 1937-38.

CONTENTS.

	PAGE		PAGE
Receipts and Payments	3, 10	Post Office Investment Certificates ..	20
Post Office Savings-bank	3, 19	Work performed for other Departments ..	20
Staff	3, 10	Registration of Motor-vehicles	20
Re-opening of Departmental Correspondence		Employment Work	21
School	4	Telegraph Traffic	21
Reduction in Empire Cable Rates ..	4	Radio-telegram Charges from British Ships	
International Telecommunications Con-		to New Zealand	21
ference	5	Printing Telegraphs	21
Commercial Branch	5, 14	Telegraph Batteries and Power-supply ..	21
Buildings and Land	5, 15	Reduction in Charge for Telegrams to or from	
Postal Business	6, 37	Inland Wireless-telegraph Stations ..	21
Ocean Mail Services	6, 16	Christmas and New Year Greetings Telegrams	22
Air Mails	6, 17	Coronation Letter-telegram Service ..	22
Telegraph Service	7, 21	Telegraph Arrangements during Tour of	
Inter-Island Telegraph and Telephone Com-		South African Rugby Football Team ..	22
munication Channels	7, 23, 25	Telegraph Weather Reports	22
Telephone Toll Service	7, 22	Money-order Telegram Service with Raro-	
Telephone-exchange Services	8, 27	tonga and Niue	22
Aeradio Services	8, 26	Carrier-current Telephone Systems ..	23
Radio Broadcasting Service	9, 31	Maintenance of Telegraph and Toll Com-	
Return of Persons employed in Department	11	munication Services	24
Health of Permanent Staff	11	Extension of Telegraph and Toll Systems ..	24
Regrading of Service	12	Poles and Wire	25
Minimum Wage for Officers of Adult Age ..	12	New Zealand Submarine Cables	25
Classification List	12	Wellington-Radio	26
Appeal Board	12	Awarua-Radio	26
Abolition of Appeal Fee	12	Death of Marchese Marconi	26
Amendments to Staff Regulations	12	Emergency Radio Stations	26
Technical Examinations	13	Private Radio Communication Services ..	26
Admission of Temporary Employees as Con-		Radio Stations in Northern Cook Islands	
tributors to Public Service Superannuation		Group	27
Fund	13	Proposed Radio Station at Nukunono ..	27
Fortnightly Pay	13	Advisory Services for other Departments ..	27
Sick Benefit Fund	13	Overseas Radio-telephone Service ..	27
Examinations	13	Telephone Development	27
Suggestions Board	13	Telephone Density	27
Coronation Medals	14	Telephone Exchanges opened, &c. ..	28
Stores Branch	14	Opening of Rural Automatic Exchange at	
Workshops	15	Porirua	28
Departmental Motor-vehicles	16	Alteration in Status of Telephone Exchanges	28
Bicycles	16	Telephone Exchange Attendance	28
Inland Mail Services	16	Interphone Equipment: Reduction in	
Jamaica: Direct Parcel-post Service ..	18	Charge	29
Postage-stamps	18	Telephone Directories	29
Fruit-inspection Fee Stamps	18	Public Call Offices	29
Inspection of Offices	19	Increases in Switchboard Accommodation ..	29
Burglary of Post-office Premises	19	Telephone Statistics	30
Dead Letter Office	19	Broadcast Receiving Station Licenses ..	31
Postal Packets reported missing	19	Radio-dealers' Licenses	32
Money-orders	19	Private Broadcasting Stations	32
Postal Notes	19	Private Experimental Stations	32
British Postal-orders	19	Interference with Radio Broadcast Reception	32
Savings-bank Letters of Credit	20		

TABLES.

	PAGE
1. Receipts and Payments	33
2. Money-order Business	33
3. Parcel-post, Overseas	34
4. Post Office Savings-bank : Statement of Business during Year in Various Postal Districts ..	35
5. Post Office Savings-bank : Statement of Business since 1867 ..	36
6. Letters and other Postal Packets Posted and Delivered ..	37
7. Inland Telegraph and Toll Business ..	38
8. Overseas Telegraph, Radio-telegraph and Radio-telephone Business ..	39

GRAPHS.

	PAGE
Revenue and Expenditure	40
Revenue under Separate Headings	41
Total Turnover	42
Post Office Savings-bank	43
Number of Permanent Officers	44
Postal Business	45
Number of Telegrams and Toll Calls	46
Number of Telephones	47
Number of Telephones in Cities and Principal Towns	48

PHOTOGRAPHS.

	PAGE
Chief Post Office, Dunedin	49
Chief Post Office, Thames.	50
Post-office, Linwood	50
Post-office, Queenstown	51
Proposed Office and Line-depot Building, Herd Street, Wellington ..	51
Proposed Chief Post Office Building, Wanganui	52

1938.
NEW ZEALAND.

POST AND TELEGRAPH DEPARTMENT

(REPORT OF THE) FOR THE YEAR 1937-38.

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, 1938 :—

RECEIPTS AND PAYMENTS.

The revenue collected during the year exceeded that for the previous year by £416,146. The sum received was £4,302,244, compared with £3,886,098 for 1936-37. 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 £590,000) totalled £4,185,762. The excess of receipts over payments was £116,482.

During the year there were paid to the Consolidated Fund the sum of £255,283 on account of Post Office profits and the sum of £65,000 in respect of the profits of the Post Office Savings-bank.

POST OFFICE SAVINGS-BANK.

Post Office Savings-bank business during the last financial year reached new high levels, indicating that the general prosperity of the people at the present time is unprecedented in the history of the Dominion.

The deposits were £33,041,082, compared with £30,676,969 during the previous year. Interest credited to depositors amounted to £1,669,384.

The withdrawals totalled £29,629,074, compared with £27,042,003 in the preceding year.

The amount at credit of depositors at the 31st March reached the record total of £63,146,930, exceeding by £5,081,392 last year's total of £58,065,538, which was the previous record.

The number of accounts open at the 31st March was 920,805, which is 39,948 in excess of the previous highest total recorded at the end of 1936-37, and the average amount at credit of depositors was £68 11s. 6d.

School Savings-bank accounts are not included in the above figures. On the 31st March the School Savings-bank scheme was in operation in 559 schools, the number of accounts being 80,133, with a total amount of £49,060 at credit of depositors. During the year 171 additional schools joined the scheme. The deposits amounted to £33,970 and the withdrawals to £13,827. Interest credited to depositors totalled £660.

STAFF.

During the second complete year in which I have held the position of Postmaster-General and Minister of Telegraphs I have noted with great pleasure the commendatory references to the efficiency of the Department made by visitors to New Zealand and by our own people. The Post and Telegraph Department serves in some way or

other every person in New Zealand, and I feel it due to the staff to say that the service given to the public generally meets with their whole-hearted approval. Although the work of the Department is of an unusually technical nature, it seldom happens that emergencies are not overcome promptly and to the satisfaction of the public. Rarely, indeed, does one hear of any complaint of failure in service, but one frequently hears with pleasure references to the courtesy and the willingness of the staff. The past year has been abnormal in that a record volume of business has had to be met, a large increase in staff has been in training, new means of development have been devised and put into operation; but with it all a service one can be proud of has been given to the public of New Zealand.

I desire to add my commendations to those of the public and to express my appreciation of the excellent service given by the staff. The many-sided activities of the Department can be undertaken only by a staff highly proficient in the performance of a wide range of duties. Every effort is being made to equip officers with the special knowledge required by them in the conduct of those duties.

Overdue since 1934, the regrading of the Service which Government authorized last year was carried out during the year with effect from the 1st April, 1937. Never before in the history of the Department has such a comprehensive valuation of officers' services been undertaken or have such widespread improvements in the remuneration of officers been made. With the raising of the salary scales of the lower-paid officers and the advancement by way of promotion of about 2,500 officers, the staff as a whole has every reason to be satisfied. In a huge organization in which promotion is by merit alone it is natural for some officers to consider that their services have not received due recognition, but the machinery exists for such officers to represent their cases to the Appeal Board for further consideration.

Other staff improvements effected during the year include increases to officers in receipt of the adult wage allowance, the extension of the principle of paying lodging-allowance to young officers who are not able to reside at home, the abolition of the appeal fee, the payment of salaries fortnightly, the admission of temporary employees as contributors to the Public Service Superannuation Fund, and the extension of the payments made to sick officers from the Sick Benefit Fund.

REOPENING OF DEPARTMENTAL CORRESPONDENCE SCHOOL.

In view of the large increase in staff during the past few years and of the recent revision of the syllabuses of technical examinations, it was decided to reopen in May of this year the departmental correspondence classes which for a nominal fee afford officers the tuition necessary to enable them to increase their technical knowledge. The classes were discontinued in 1933 owing to the comparatively small number of officers who at that time required assistance in this direction.

REDUCTIONS IN EMPIRE CABLE RATES.

As an outcome of a conference of representatives of Empire Governments which took place during the Imperial Conference in London last year, and at which New Zealand was represented by the Director-General of the Department (Mr. G. McNamara, C.B.E.), the cable rates to Empire countries were reduced on the 25th April, 1938, to a uniform charge of 1s. 3d. a word to all places to which the full rate was previously above that level.

Code telegrams, deferred telegrams, and letter-telegrams are now charged for at two-thirds, one-half, and one-third respectively of the new full-rate of 1s. 3d. a word.

Examples of the reductions in the full rate from New Zealand to the more important Empire countries concerned are as follows :—

Destination.				Previous Full-rate per Word.	New Full-rate per Word.
				s. d.	s. d.
Great Britain and Ireland	..	..	..	1 8	1 3
Canada	..	..	..	1 6	1 3
South Africa	..	..	..	2 0	1 3
India	..	..	..	2 10	1 3
Straits Settlements	..	..	..	2 10	1 3

In some instances the rate to Empire points has been reduced from approximately 5s. a word to 1s. 3d. a word. As an interesting example the case of Falkland Islands may be mentioned. Previously it cost 4s. 9d. a word for a telegram from New Zealand to this outpost of the Empire, whereas under the new Empire rate scheme the charge has been reduced to 1s. 3d. a word, notwithstanding that the message has to go first to London by cable and thence by radio to its destination.

The scheme is framed also without any increase of existing rates, so that until the flat-rate basis can be further reduced there will remain certain cases where rates are below the uniform level. For example, the full rate from New Zealand to Australia will remain as at present at 4½d. a word.

Based on the present volume of traffic originating in the Dominion, the reductions in rates are estimated to represent an annual saving of £23,707 to New Zealand users of the cable services.

The new-rates scheme brings for the first time into the sphere of overseas telegraphy the principle of a uniform rate which has long been applied with such advantage to postal traffic.

To enable the uniform flat rate to be offered to cable users the various Empire Governments and Cable and Wireless, Ltd., have been required to make substantial financial concessions. The cost of these, however, is outweighed by the great importance alike on political, commercial, and strategic grounds of maintaining intact the system of Imperial communications carried on by Cable and Wireless, Ltd., the all-British merger company which was brought into being as a result of the deliberations that took place at the Imperial Conference in 1928.

INTERNATIONAL TELECOMMUNICATIONS CONFERENCE.

An International Conference in connection with telegraph, telephone, and radio matters was held at Cairo from the 1st February until the 8th April, 1938, for the purpose of revising the relative regulations annexed to the International Telegraph Convention.

This Dominion was represented at the Conference by Mr. M. B. Esson, late Second Assistant Secretary of the Department, and now the New Zealand Representative on the Imperial Communications Advisory Committee, London.

It is too early yet to indicate the conclusions reached in respect of the numerous proposals that were discussed at the Conference.

COMMERCIAL BRANCH.

The revenue value of business handled by the Commercial Branch has been satisfactorily maintained, the results of the year's operations again showing an increase on those of the preceding year. Apart from the purely commercial function of seeking new business, the Branch is now firmly established as a link between the public and the Department, and valuable service is rendered in this direction.

BUILDINGS AND LAND.

Since the 1st August, 1937, the date of my last annual report, the erection of eleven new post-office buildings and of one major addition to an existing building has been completed. Particulars of the official ceremonies held in connection with the opening of these buildings are as follows:—

Building.	Date of opening.	Ceremony performed by
Belfast ..	19th August, 1937	.. Mr. C. M. Williams, M.P.
Kamo ..	11th October, 1937	.. Mr. J. G. Barclay, M.P.
Kerikeri Central	8th October, 1937	.. Captain H. M. Rushworth, M.P.
Kumeu ..	30th August, 1937	.. Right Hon. J. G. Coates, P.C., M.P.
Linwood ..	26th April, 1938	.. Hon. D. G. Sullivan, M.P.
Little River ..	30th April, 1938	.. Mr. H. S. S. Kyle, M.P.
Mangaweka ..	16th March, 1938	.. Hon. J. G. Cobbe, M.P.
Mayfield ..	30th August, 1937	.. Mr. T. D. Burnett, M.P.
Queenstown ..	21st March, 1938	.. Hon. F. Jones, M.P.
Thames ..	28th January, 1938	.. Hon. F. Jones, M.P.
T e A w a m u t u (major addition)	8th April, 1938	.. Mr. W. J. Broadfoot, M.P.
Waimana ..	23rd August, 1937	.. Mr. C. H. Burnett, M.P.

Substantial additions were made to the automatic telephone-exchange building at Hamilton and to the post-office buildings at Dunedin North, Epsom, Kilbirnie, Kingsland, Mount Eden, and Waimate.

Post-office buildings are in course of erection at Avondale, Christchurch (chief post-office, Hereford Street block), Devonport, Grey Lynn (Auckland), Invercargill, Milton, Otorohanga, St. Albans, Sumner, and Tauranga. A five-storied office and line-depot building is being erected at Wellington (Herd Street). Major additions are being made to the Auckland, Oamaru, and Palmerston North chief post-office buildings.

Tenders received for the erection of a new chief post-office building at Hamilton are at present under consideration. Tenders have been called for the erection of a new chief post-office building at Wanganui. Plans are in preparation for new chief post-office buildings at Christchurch (Cathedral Square block), and New Plymouth, new post-office buildings at Hokitika, Lower Hutt, South Dunedin, Te Kuiti, Waipawa, Wellesley Street (Auckland), Wellington South, and Whakatane, and a store and workshop building at Dunedin. Plans are also being prepared for substantial additions and alterations to the post-office buildings at Ashburton, Balclutha, Ellerslie, Huntly, Opotiki, Taihape, and Te Aroha.

POSTAL BUSINESS.

Postal business continues to expand at a very satisfactory rate, the increase in revenue last year amounting to £182,885, compared with increases of £162,664 in 1936-37 and £94,889 in 1935-36.

OCEAN MAIL SERVICES.

Since my last report, the prompt and regular despatch of mails to destinations overseas has been continued. The contract mail service between Auckland and Vancouver continues to be performed regularly by vessels of the Canadian-Australasian Line.

AIR MAILS.

Inland air services carried a steadily increasing volume of mail during the year. An average of 40,000 letters is being conveyed weekly on the services at the present time.

AUSTRALIA-ENGLAND SERVICE.

There was a further increase in the number of letters from New Zealand despatched on the Australia-England service. Details of the volume of mail carried are shown on page 17.

The Empire Air Mail Scheme, under which it is proposed that all letter-mails between Empire countries be carried by air without surcharge, was inaugurated between Great Britain and South Africa in June, 1937, and was extended to Egypt and Empire countries on the England-Singapore route in February of this year. The postage-rate fixed by Great Britain and South Africa for correspondence despatched on the air service is 1½d. per half ounce. The extension to Australia is expected to be made in July next. New Zealand will then participate in the scheme on the basis suggested originally by the Mother Country, that is, all letters posted in New Zealand for the Empire countries concerned to be transported on the Empire air service (the air journey to commence meantime in Australia) and the postage charge to be 1½d. each half ounce.

It is not possible at the moment to indicate when the trans-Tasman extension to New Zealand will operate, but a full statement will be made by Government at the earliest opportunity.

PACIFIC SERVICE.

Inaugurating the air-mail service between New Zealand and the United States of America, Pan-American Airways "Samoa Clipper" left Auckland on the 2nd January for Honolulu via Pago Pago and Kingman Reef. On the 12th January, during the return flight, the flying-boat was lost at sea near Tutuila Island. To the people of the Dominion, particularly those who had had the opportunity of meeting the Commander, Captain Musick, and his crew, the news of the disaster came as a great shock. The loss of the flying-boat has caused a suspension of the service for the time being.

No mail-matter was lost with the clipper, as the United States Post Office was not using the service at the time for the carriage of mails.

TELEGRAPH SERVICE.

The steady increase in telegraph traffic recorded since 1935 continues, the paid telegrams last year exceeding those for the previous year by 336,139 in number and £16,835 in value, increases of 6·57 per cent. and 5·38 per cent. respectively.

The number of telegrams sent per head of population was 3·46, a figure which retains for the Dominion its pre-eminence in this respect among the countries of the world.

The programme of mechanization of the telegraph network adopted by the Department in 1933 has now been completed. Some extensions to this network will be necessary in the near future to meet the increased volume of traffic now being dealt with at a number of offices.

Five multi-channel voice-frequency telegraph systems for installation on the more important telegraph routes in the Dominion are being manufactured in England. The equipment is due for delivery in July, and it is hoped that the installations will be completed before the end of the next financial year.

Multi-channel voice-frequency telegraphy is one of the most recent developments in communication engineering, and its introduction into this country will mark the commencement of the second stage of the modernization of the New Zealand telegraph system. The adoption of this new development has been made practicable by the recent extensive application of the carrier-telephone system throughout New Zealand and by the laying of the new coaxial telephone cable across Cook Strait, and it forms part of a comprehensive plan for the modernization and extension of the Dominion network for both toll and telegraph services. With a carrier-telephone system it is possible to superimpose three additional speech-channels over a single pair of open aerial wires and by the application of the multi-channel voice-frequency telegraph system any one of these carrier-speech channels can be utilized for the further superimposing of as many as eighteen two-way teleprinter or Morse telegraph circuits.

INTER-ISLAND TELEGRAPH AND TELEPHONE COMMUNICATION CHANNELS.

Special carrier-current-telephone equipment installed during the year at Wellington, Seddon, Kaikoura, and Christchurch, in conjunction with the new Cook Strait coaxial telephone cable, has enabled the Department to provide four additional telephone channels for the handling of inter-Island toll traffic. Further equipment is being installed at all four stations to increase these additional channels from four to seven. It is expected that this work will be completed at an early date. When these further channels become available it is proposed to allocate eight telephone channels for the Wellington-Christchurch toll traffic, two for the Wellington-Blenheim traffic, and one as a direct toll outlet between Wellington and Nelson.

TELEPHONE TOLL SERVICE.

The steady increase in traffic which has been a feature of the toll service in recent years was well maintained during the year, the total number of toll calls handled being 14,480,207. This represents an increase over the previous year's traffic of 1,337,036, or 10·17 per cent.

In my last report it was stated that, to enable the Department to cope with the ever-increasing demands for improved toll facilities, twenty-one three-channel carrier telephone systems had been ordered for installation on major sections of the trunk-line system. The greater part of this equipment has now been received and is being installed as rapidly as possible. The remaining portion is expected to arrive from England at an early date, and it is anticipated that the twenty-one systems will be in operation before December next. To provide for further improvements, particularly in regard to the grade of transmission and the range of communication, it was decided during the year to order equipment for six additional systems.

When all of the equipment has been installed the Department will have a total of thirty three-channel carrier systems in operation throughout the Dominion. With these, together with an equal number of single-channel systems already in use, it will be practicable to eliminate a large amount of intermediate switching, to improve

the speech-efficiency of all circuits between the most important centres, and to make provision for an adequate number of circuits on all busy sections. These improvements will undoubtedly act as a stimulus to the further development and popularity of the toll service.

The new toll-board equipment ordered for installation at Hamilton has now been received and will be in use within the next few months. The new board, on which fourteen operators can be employed simultaneously, will provide modern facilities for dealing with the growth of toll traffic in the Auckland – Waikato – East Coast district centering on Hamilton.

Extension equipment for the Auckland and Wellington toll boards is now due to arrive, and extensions of this type of plant will be made also at Palmerston North, Blenheim, and Oamaru during the current year.

TELEPHONE-EXCHANGE SERVICES.

Further records in telephone development were established during the year. At the 31st March last the number of subscribers had reached the record total of 147,850, an increase, after allowing for relinquishments, of 9,710, or 7 per cent., over the number of connections at the end of the previous year. The total number of new connections was 18,330, an increase of 1,434 over the record of the previous year.

The following figures illustrate the growth in telephone connections in recent years :—

Year ended	Number of Connections.
31st March, 1920	68,203
31st March, 1930	128,603
31st March, 1935	123,947
31st March, 1936	129,202
31st March, 1937	138,140
31st March, 1938	147,850

The equipment for the new automatic-telephone exchange at Napier is now arriving in the Dominion, and the installation work is proceeding.

Tenders have been called for the automatic-telephone-exchange equipment that is to be installed at Gisborne and New Plymouth to replace the existing manually-operated systems.

Extension equipment for the St. Albans automatic exchange, Christchurch, as well as initial equipment for the two new sub-exchanges at New Brighton and Mount Pleasant (Christchurch), is due to arrive in the Dominion in the course of a few months.

Extension equipment for the Dunedin main exchange and for the Hamilton, Hastings, Hawera, and Khandallah (Wellington) exchanges is under order.

Quotations are expected shortly for equipment for new exchanges at St. Heliers, Mount Albert, Avondale, and Otahuhu, and for extension equipment to be installed at Wellesley Street (Auckland).

AERADIO SERVICES.

The radio service to aircraft initiated last year has been extended and is now an important part of the radio organization of the Department.

As mentioned in last year's report, a standing committee, known as the "Aeradio Committee," was constituted to implement recommendations previously made to me as Minister of Defence concerning the provision of radio facilities for communication with aircraft. To obviate the setting-up of a new Department or a complete organization within an existing Department to undertake this service in its entirety it was decided that the action necessary to give effect to the recommendations of the Aeradio Committee should be delegated to the Department having the facilities to undertake the work. Accordingly the installation of radio equipment at the various aerodromes and the maintenance and operation of the stations have devolved upon the Post and Telegraph Department.

This work has been carried out in co-operation with the Public Works Department and the Air Department.

RADIO BROADCASTING SERVICE.

The number of licensed radio listeners at the 31st March was 285,007, an increase of 43,699 over the number at the end of the previous year.

Receiving-sets are now installed in 77·6 per cent. of the households in the Dominion, while the number of sets per hundred of population is 17·7.

DETAILED REPORT.

A detailed report of the Department's activities during the year ended on the 31st March, 1938, follows.

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

General Post Office, Wellington, C. 1,
27th June, 1938.

F. Jones.

STATEMENT OF FINANCIAL OPERATIONS AND BUSINESS OF THE DEPARTMENT FOR THE YEAR ENDED 31st MARCH, 1938.

RECEIPTS AND PAYMENTS.

The receipts and payments of the Department for the financial year 1937-38 are shown in the following account:—

<i>Receipts.</i>				<i>Payments.</i>									
	£	s.	d.	£	s.	d.		£	s.	d.			
Balance forward				41,295	11	8	Salaries	2,152,618	3	9			
Postages	1,274,834	9	6				Conveyance of ocean and air mails	101,206	2	4			
Money-order and postal-note commission	78,675	8	6				Conveyance of inland mails ..	137,976	19	5			
Private box and bag rents and rural-delivery fees ..	58,049	16	7				Conveyance of mails by rail ..	99,330	15	11			
Miscellaneous receipts ..	464,930	0	2½				Maintenance of telegraph and telephone lines	160,792	0	1			
Paid telegrams	329,905	3	6½				Renewals and replacements ..	283,978	7	1			
Paid tolls	637,807	3	10				Motor services and workshops	190,298	15	7			
Telephone-exchange receipts	1,458,041	19	9				Maintenance of Post and Telegraph buildings	58,227	15	11			
				4,302,244	1	11	Miscellaneous	495,229	1	10			
Renewal and replacement of Assets Fund (reduction of investment)				140,000	0	0	Interest on capital liability ..	590,000	0	0			
							Sick Benefit Fund	6,104	0	0			
									4,185,762	1	11		
							Paid to Consolidated Fund ..				255,282	16	6
							Balance carried down				42,404	15	2
				£4,483,449	13	7					£4,483,449	13	7
				£	s.	d.							
Balance brought down				£42,404	15	2							

The total cash value of the transactions of the Department, inclusive of the above, amounted to approximately £295,000,000.

STAFF.

The year under review has been an eventful one for the staff. The regrading promised by Government with retrospective effect from the 1st April, 1937, was awaited with expectancy by all, but much preliminary work had to be done before the many proposals noted for review in connection with the reclassification of the Service could be finalized, and it was late in the financial year when the general announcement was made. Authority was then given, however, for the immediate payment of all increases authorized. Viewed as a whole the regrading, which was the most comprehensive in the history of the Service, has benefited a very large proportion of the staff. Indeed, there are few officers in the Service who have not received additional remuneration, and the staff generally have reason to be well satisfied with the treatment they have received in the matter of promotions and improvements to the salary schedules. Not for many years have officers been so favourably placed in the matter of remuneration. The proportion of promotions to the total numerical strength of the staff was relatively large, and it can now be said that the percentage of officers in receipt of salary above the rank and file compares favourably with the position in this respect in other State Departments. A notable change was the advancement of officers of the First Division beyond the maximum salary of Class VII without special examination qualifications instead of being held in Class VII. In effect this raises the rank-and-file maximum salary for the more efficient clerical worker to £335 per annum. The adoption of a uniform salary schedule up to the £230 mark for both First and Second Division male officers has distinct advantages for the staff, particularly when promotion from the Second Division to the First Division is involved. In the past it was necessary, in order to maintain correct salary alignment in both Divisions, to grant only a nominal increment to the Second Division officer during his first year of service in the First Division. The change means that this course will no longer be necessary and that both First and Second Division male officers will make equal salary progress during at least the first seven years of service.

The changes made have been so extensive that it was only to be expected that some sections would be more satisfied than others. The retention of messengers at a maximum salary of £250 per annum while postmen and other officers of the Second Division were permitted to advance to a maximum of £260 per annum was not viewed favourably by the messengers. This question, however, has been further considered by Government, and it has been decided that where the officers concerned are employed on duties other than those usually allotted to a messenger they will be appropriately designated and allowed to proceed to a maximum salary of £260 per annum in the same way as postmen. Opinions have also been expressed that the Department could have promoted a larger number of rank-and-file officers of the Second Division. This matter was subjected to the closest review by the Promotion Board, and wherever it was practicable for higher gradings to be given in the Second Division the claims of officers were considered. It must, however, be realized that the scope for improvement in this direction is definitely limited. The percentage of officers graded above the rank and file of the subdivision for postmen, messengers, and others is lower than in other sections, but not unduly low when the nature of the work performed is taken into account. It has to be remembered also that the normal avenue of advancement for the postman or messenger is to the First Division rather than to a higher grade of the Second Division. The number of Second Division officers who have entered the First Division over the past few years is considerable. Statistics show in respect of other sections of the Second Division that a good percentage of officers is graded above the rank and file.

The action of Government in making further provision for those officers whose progress as juniors was retarded owing to the depression of past years has met with a full measure of satisfaction and appreciation by the officers concerned. The improved scale of allowances that was put into operation as from the 1st April, 1937, together with the adjustment made in November of the previous year, has had the effect of placing the earnings of these officers on substantially the same level as they would have reached had the depression not supervened.

For many years officers have expressed a desire to receive payment of their salaries every fortnight instead of twice monthly. It was the opinion of many that fortnightly pay would provide for the better arrangement of household finance. The wishes of officers in this respect were met in September, when fortnightly pays were instituted. Needless to say the change was a welcome one from the point of view of the staff.

The staff for their part have continued to render service of undiminished efficiency and loyalty, upholding worthily the best traditions of the Service. Numerous staff changes due to retirements, promotions, and various rearrangements occurred during the year, and these were carried out without the slightest dislocation at any point, a fact which speaks well for the effectiveness of the organization and the calibre of the staff.

COMPARATIVE RETURN OF PERSONS EMPLOYED IN THE DEPARTMENT.

Details of the personnel of the Department on the 1st April, 1938, compared with the position on the same date last year are as under :—

Permanent Staff—						1st April, 1937.	1st April, 1938.
Administration	..	..	..	..	..	10	14
First Division	..	..	..	..	..	4,042	4,220
Second Division	..	..	..	..	..	5,353	5,899
Message-boys	..	..	..	..	..	807	811
						10,212	10,944
Temporary Staff	..	..	..	..	..	229	105
Casual Staff	..	..	..	..	..	350	588
						10,791	11,637
Non-permanent Staff—							
Country Postmasters and Telephonists	..	..	..	..	..	1,668	1,641
Postmasters who are Railway officers	..	..	..	..	..	84	83
						12,543	13,361

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, 1938							
Men	..	..	..	..	10,026	11.08	4.64
Women	..	..	..	..	882	12.63	7.62
Year ended 31st March, 1937—							
Men	..	..	..	..	9,470	11.48	4.57
Women	..	..	..	..	742	10.97	5.88

Twenty-eight officers died during the year.

PERSONAL.

Mr. G. McNamara, C.B.E., Director-General of the Department, returned to New Zealand on the 14th August, 1937, after attending a conference in London in connection with Imperial Communications.

Mr. J. G. Young, Deputy Chief Inspector, was appointed Second Deputy Director-General, as from the 1st April, 1937.

Mr. A. Marshall, Director of Accounts, General Post Office, retired on superannuation on the 31st January, 1938, after completing forty years' service. Mr. Marshall was succeeded by Mr. P. Cutforth, Assistant Chief Accountant, General Post Office.

Mr. L. L. Macey, Superintending Engineer, Auckland, retired on superannuation on 30th June, 1937, after completing forty years' service. He was succeeded by Mr. P. H. Mason, Telegraph Engineer, General Post Office.

Mr. J. P. P. Clouston, Chief Postmaster, Auckland, retired on superannuation on the 24th April, 1937, after completing forty years' service. Mr. Clouston was succeeded by Mr. W. G. Cooper, Chief Postmaster, Wanganui.

Mr. J. C. Fairbairn, Superintending Engineer, Christchurch, having completed forty-two years' service, retired on superannuation on the 30th April, 1937. He was succeeded by Mr. H. C. Brent, Telegraph Engineer, Palmerston North.

Mr. W. W. Wilson, Chief Inspector, General Post Office, retired on superannuation on the 16th March, 1938, after the completion of forty years' service. His duties were taken over by Mr. L. L. Hills, Principal, Staff Division, General Post Office, who now functions in the dual capacity of Chief Inspector and Principal, Staff Division.

REGRADING.

The general regrading of the Service, which was due to be carried out in 1934 but was postponed on account of the stringent economic conditions then prevailing, was undertaken during the year and made effective as from the 1st April, 1937. As a result of the regrading the maximum salary for Clerks and Telegraphists has been raised from £295 to £305 per annum, with provision for first-class officers to proceed without special examination qualifications to a maximum of £335 per annum with an intermediate step at £320. The maximum salary of officers such as postmen, exchange clerks, linemen, and chauffeurs, which was previously fixed at £240 per annum, has been raised to £260 with an intermediate step at £250. The salary of tradesmen, which was previously £265 per annum, was raised to £275, with provision for leading tradesmen to proceed to £305 per annum. A number of other more senior officers of the Second Division who were not promoted were granted a grade increase of £10 per annum.

Improvements were also effected in the interests of female officers of the Second Division as a result of the maxima of the salary scales being raised.

The majority of officers in receipt of salary below the maxima for the rank and file also benefited in consequence of improvements to the salary schedules. A change worthy of note was the reduction of one year in the period during which a clerical worker reaches his maximum salary.

In addition to the alterations in grade salaries, 2,478 promotions were arranged. This was done after a thorough review of the salary value of officers eligible for advancement had been undertaken by the Promotion Board. In order to assist the Board in its work the Department's Inspecting staff was augmented temporarily by the appointment of fourteen special reporting officers, all of whom were specialists in the work of the Branch in which they were required to investigate conditions and report upon the services of the officers interviewed.

Where promotions were involved the selection of the officers advanced was made by the Promotion Board in accordance with the provisions of the Post and Telegraph Act, 1928, merit being the deciding factor.

As part of the general policy of improving conditions of employment in the Department, the wages paid to temporary and casual employees were reviewed and increases granted in a number of cases.

MINIMUM WAGE FOR OFFICERS OF ADULT AGE.

In conformity with Government's policy of fixing minimum rates of remuneration for adult workers, female officers of twenty-one years of age and over, irrespective of length of service, received a minimum remuneration of £95 per annum as from the 1st January, 1937.

The position of junior male officers whose promotion was unavoidably retarded during the depression years and whose salaries were low in relation to their ages was further considered by Government during the year, and it was decided that from the 1st April, 1937, the minimum remuneration for an adult officer with five years' permanent service would be increased from £200 to £205 per annum, that £215 per annum would be the minimum remuneration for an adult male officer who had completed six years' permanent service, and that, for the purposes of computing the minimum remuneration, message-boy service in excess of three years would be deemed to be permanent service.

CLASSIFICATION LIST.

The Department has had in mind for some time the desirability of a rearrangement in the setting of the departmental list of officers published annually, and in the list issued in connection with the regrading, action was taken to sectionalize and subdivide the whole of the Second Division. Classes V and VI of the First Division also were subdivided. It is felt that with the rapid growth of the staff the system of classifying into two main groups with their respective classes is unwieldy and that a more detailed preparation is better suited to present-day requirements. A perusal of the new classification list will clearly indicate the advantages of the change made. Officers will now be able to obtain a clearer perception of their respective positions and to discern more readily the officers with whom they are actually in competition for promotion.

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 310 received from 104 officers were adjudicated upon with the following results: Allowed, 3; allowed by consent, 5; withdrawn, 39; did not lie, 23; disallowed, 240.

On the recommendation of the Board, two officers were given the same salary and grading as the officers appealed against.

ABOLITION OF APPEAL FEE.

Under section 59 of the Finance Act, 1937, the fee of 10s. 6d. fixed by section 54 of the Finance Act (No. 2), 1933, for appeals made to the Post and Telegraph Appeal Board was abolished as from the 1st December.

AMENDMENTS TO THE STAFF REGULATIONS.

On the 22nd December a number of amendments to the Staff Regulations were made. The amendments to the regulations dealing with qualifications for promotion had the effect of raising the maximum salary to which an officer may proceed without passing the Controlling Officer's Examination or its equivalent. For officers of the First Division the maximum was fixed at Class VI instead of Class VII. In the case of officers of the Second Division, the necessity for passing the Controlling Officer's Examination was confined to those desiring promotion to certain specified positions and to other positions that may from time to time be decided by the Director-General.

The regulation dealing with the appointment of engineering officers was amended in several respects. In its old form the procedure laid down operated too slowly with the result that the stage might have been reached where the staff of trained engineers would have been insufficient for requirements. The amendment aims at overcoming any such difficulties, for it will permit of the appointment of persons who, after reasonable training, could be employed on important engineering work. Provision was also made for the granting of time off to officers attending University lectures for the purpose of obtaining the M.Sc. degree. Previously time-off was granted only to officers desirous of obtaining the B.Sc. degree.

The regulation governing the payment of lodging-allowance was altered to provide for payment being made to officers who are required to reside away from home in addition to officers who are transferred to meet the Department's requirements.

TECHNICAL EXAMINATIONS.

Coincident with the decision to reopen the Correspondence School, the procedure followed in the conduct of Technical Examinations was reviewed, and it was decided to revise the existing syllabuses and to sectionalize them in order to enable officers to take the examinations in sections and to obtain credit for each section passed. Previously it was necessary to cover the entire scope of the examination at one sitting.

It is expected that the change will produce beneficial results not only in lightening the task of the candidate in preparing for the examination, but in making possible a more thorough preparation of the subjects by the candidates. There is little doubt that under the new arrangement officers will face the examinations with greater confidence and that a higher percentage of passes will be obtained.

A point worthy of mention is that officers who in earlier years passed either the Lineman's Competency Examination or the Cable-jointer's Competency Examination are being credited with the equivalent of a pass in the Controlling Officer's Examination for Senior Foreman and will, therefore, be eligible for promotion to such a position without further examination qualifications. Passes in certain other competency examinations are being treated as equivalent to passes in sections of the new examinations. The position of the mechanician has been eased a good deal. The examination necessary to obtain promotion to the position of Foreman Mechanician is by no means difficult, as will be observed from a comparison of the old and the new syllabuses. Whilst it is true that the more difficult subjects will have to be surmounted if the officer is desirous of appointment as a Senior or Chief Mechanician, it should not be difficult under the new arrangements for a mechanician to qualify for promotion to the £335 grade. Steps have also been taken to safeguard the rights of those officers already fully or partly qualified for advancement.

TEMPORARY EMPLOYEES AS CONTRIBUTORS TO PUBLIC SERVICE SUPERANNUATION FUND.

Section 30 of the Finance Act, 1928, makes provision for temporary employees of the Public Service to become contributors to the Public Service Superannuation Fund. It was decided in January to apply this provision to a number of temporary employees of the Department (as distinct from those whose employment is of a casual nature), and those who elected to become contributors to the Fund were given the option of contributing either from the date of commencement of the period of continuous temporary service then current or from the date of election to become a contributor.

Employees becoming contributors to the Fund in this way are entitled to the same benefits as if their temporary employment were permanent.

FORTNIGHTLY PAY.

For the greater convenience of officers the frequency of salary payments was altered from twice monthly to fortnightly, commencing with the payment on Thursday, the 9th September.

SICK BENEFIT FUND.

Material financial assistance from the Sick Benefit Fund was given during the year to approximately 175 officers.

From the 1st July officers on sick-leave without pay have had their superannuation contributions paid out of the Fund, and from the 1st April, 1938, officers on sick-leave on half-pay will receive similar treatment. The possibility of further extending the benefits was recently explored by the trustees who administer the Fund, and it has been decided that from the 1st April, 1938, the amount paid to officers on sick-leave without pay will be increased by 10 per cent., thus giving to these officers a payment equivalent to 60 per cent. of their annual salary during their absence from duty. Officers on sick-leave on half-pay will receive a payment equivalent to 10 per cent. on their annual salary provided the period of their absence exceeds one week. This means that all officers on sick-leave either without pay or on half-pay will now receive an income equivalent to 60 per cent. of their annual salary and, in addition, have their superannuation contributions paid.

EXAMINATIONS.

Officers who were candidates for departmental examinations during the year numbered 5,263, of whom 3,966 were either wholly or partially successful.

SUGGESTIONS BOARD.

Some 230 suggestions for the better working of the Department were received from officers during the year, and eight awards, involving a total sum of £19 10s., were made for meritorious proposals.

CORONATION MEDALS.

The sale of Coronation medals in the Dominion was undertaken by the Department, the total number sold being 7,085.

COMMERCIAL BRANCH.

With the steadily increasing knowledge on the part of the public that officers are available to give advice on all matters pertaining to the Department's activities, the call for the services of commercial officers in an advisory capacity has become greater. Notwithstanding the demands thus made on officers' time, the search for new business, which constitutes the primary function of the Branch, has been pursued actively.

Apart from the large number of transactions which do not affect the revenue position, such as the internal or external removals of telephones, the rearrangement of existing equipment and the transfer of telephones from one person to another, the revenue value of the business secured by the Branch during the year amounted to £69,204, compared with £66,634 for the preceding year. The value of the telephone business obtained was £48,041, the balance (£21,163) representing advertising, postal, and miscellaneous business.

Publicity measures respecting various phases of the Department's activities were continued, both by newspaper advertising and by the distribution of folders and leaflets.

STORES BRANCH.

The following statement shows the value of stores received and issued in the Auckland, Christchurch, Dunedin, and Wellington storekeeping 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 :—

	1937-38.			1936-37.		
	Receipts.*	Issues.*	Stock on hand, 31st March, 1938.	Receipts.*	Issues.*	Stock on hand, 31st March, 1937.
	£	£	£	£	£	£
Auckland ..	272,554	234,953	140,909	192,910	185,260	103,308
Christchurch ..	107,136	98,113	70,491	72,533	77,945	61,468
Dunedin ..	84,109	75,162	50,481	47,385	47,346	41,534
Wellington ..	630,849	532,839	346,538	349,836	350,508	248,528
Dominion totals ..	1,094,648	941,067	608,419	662,664	661,059	454,838

* Excluding transfers within storekeeping districts.

The total value of orders placed during the year was £980,491. Of this amount £297,893 represented the cost of stores for supply from within the Dominion, including £50,707 for stores purchased under contracts arranged by the Stores Control Board. The total value of orders placed during the previous year was £805,624.

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, 1938 ..	4,328	21,058	20,088	199,979	220,067
31st March, 1937 ..	4,363	19,182	16,332	171,073	187,405

During the year the purchase of 404 motor-vehicles for other Departments and 107 motor-vehicles for the Post and Telegraph Department was arranged. The figures for the previous year were 454 and 234, 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 £3,293. 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 £618,865.

WORKSHOPS.

The departmental workshops which are established at various places throughout the Dominion continue to render efficient service. Owing to the extension of activities at the workshops and to the large increase in their normal functions, arrangements were made during the year to purchase additional up-to-date equipment for installation at most of the shops. This equipment is coming to hand and is being installed as soon as it is available. Although maintenance-work is, and will continue to be, the principal function of the Department's workshops, activities on the manufacturing side in the nature of motor-vehicle body-building have been extended at Auckland and Wellington. These two workshops now undertake the building of bodies for all the motor-vehicles (other than cars) required by this Department and a number of other Government Departments. During the year 78 bodies for motor-vehicles were built at Wellington and 43 at Auckland.

Outside the four centres the work undertaken at the Department's workshops is still principally confined to repairs and general attention to motor-vehicles. The services of all departmental workshops are utilized by other Government Departments.

A motor-repair workshop was established at New Plymouth during the year to provide improved service in the matter of repairs, &c., to Government motor-vehicles in the Taranaki district.

As was to be expected, the volume of work undertaken showed an increase on that of previous years and necessitated the employment of additional staff.

The total value of the work performed in the various workshops during the year was £205,602, of which £15,712 represents the value of services rendered for other Government Departments.

BUILDINGS AND LAND.

During the year the following works were completed: New post-office buildings at Belfast, Dunedin (chief post-office), Kamo, Kerikeri Central, Kumeu, Mangaweka, Maungaturoto, Mayfield, Omakau, Pahiatua, Queenstown, Thames (chief post-office), Waikari and Waimana; Postmasters' residences at Maungaturoto, Ohai, Omakau, Oturua, Putaruru, Queenstown, and Waikari; a residence for the Superintendent, Awarua-Radio; a staff residence at Oturua; an automatic-telephone-exchange building at Napier; combined line, store, and garage buildings at Eketahuna, Levin, Queenstown, and Te Awamutu; line and garage buildings at Pokeno and Wakefield; a line, store, garage, and workshop building at New Plymouth; line, store, garage, battery, and power buildings at Rotorua; garages at Bulls, Hamilton, Morrinsville (2), Patea, Reefton, and Winton; cable-repeater-stations at Blind River (Seddon) and Lyall Bay (Wellington); a power and battery building at Greymouth; and a small rural automatic exchange building at Porirua.

Major additions were made to the Hamilton automatic-telephone-exchange building and the post-office buildings at Dunedin North, Epsom, Kilbirnie, Kingsland, Mount Eden, and Waimate.

Improved accommodation was provided at the following places: Dominion Road (alterations), Duvauchelle (addition to quarters), Frankton Junction (addition and alterations to post-office), Glenorchy (addition to quarters), Hawera (alterations to Postmaster's residence), Horopito (addition to quarters), Moray Place (alterations to post-office), Ohai (addition to post-office), Okaiawa (addition to quarters), Plimmerton (alterations to post-office), Rahotu (addition to quarters), Ruanga (addition to quarters), Seddon (addition to mechanic's quarters), Waikari (addition to quarters), Waipiro Bay (alterations to post-office), Waiwera (addition to quarters), Walton (addition to quarters), Whangamomona (addition to quarters), Wellington-Radio (addition to transmitting building).

Buildings no longer required at the following places were disposed of: Crookston (post-office), Kamo (old post-office), Makarewa (post-office), Mayfield (old post-office), Thames South (post-office), Tokanui (post-office), Waikari (old post-office), Waimana (old post-office).

The following buildings were demolished to make room for new buildings: Christchurch (old store, &c., on site required for new chief post-office, No. 1 block), Eketahuna (line, battery, and store buildings), Linwood (post-office), Mangaweka (post-office), Milton (post-office), Omakau (post-office), Queenstown (post-office).

Sites no longer required at the following places were disposed of: Auckland (portion for street purposes), Crookston, East Tamaki (portion for street purposes), Mayfield (portion), Miramar (portion for street purposes), Moawhango, New Plymouth (portion for street purposes), Rahotu (portion), Taupiri (portion for street purposes), Waikari, Wellington (Abel Smith Street).

Sites were acquired at Blind River (Seddon), (for cable-repeater-station); Feilding (for Postmaster's residence); Katikati (for post-office); Marton (for Postmaster's residence); Nelson (for line, store, and garage building); Otahuhu (for automatic telephone-exchange); Pukekohe (for line, store, and garage building); Stockton Mine (for post-office); Taupiri (extension of post-office site); Waimate (for Postmaster's residence); Wairoa (for Postmaster's residence); Wellesley Street (Auckland), (for post-office); Whangarei (extension of post-office site).

A building was purchased at Mangapehi for bachelor quarters and one at Panguru for use as a post-office. A building was acquired with the additional land at Whangarei.

The following buildings were in course of erection at the end of the year: Amberley (line-depot, store, and garage), Avondale (post-office), Christchurch (chief post-office, No. 1 block), Clyde (line-depot and store), Devonport (post-office and garage), Gisborne (line-depot, store, garage, and workshop), Huntly (line-depot and store), Invercargill (chief post-office), Kaipara Flats (Postmaster's residence), Linwood (post-office and quarters), Little River (post-office and quarters), Milton (post-office and quarters; also line-depot, store, and garage), Sumner (post-office and quarters), Tauranga (post-office), Waiau (Postmaster's residence), Wellington (line-depot and office building).

Other works as follows were also in progress: Additions and alterations to the chief post-office building at Oamaru: to the post-office buildings at Geraldine, Mount Albert, Newmarket, Taradale, Te Aka, Te Awamutu, Waimauku, and Wakefield: and to the garage at Huntly. At Maungaturoto the old post-office building is being converted into a residence for the linemen. Alterations are being made to the first floor of the Wellesley Street (Auckland) post-office building to provide accommodation for the telephone branch.

At the time of the Coronation of the King and Queen in May most of the chief post-office buildings and one or two of the larger sub-office buildings were illuminated and decorated. Some twenty-six buildings were decorated and beflagged, and a considerable number of other buildings were decorated to a lesser extent.

DEPARTMENTAL MOTOR-VEHICLES.

During the year 135 new motor-vehicles were placed in service. Of these, 24 were cars and 111 were trucks or vans. With the exception of six the vehicles were of English manufacture. The bodies for the commercial vehicles were constructed in this Department's workshops at Auckland and Wellington, with the exception of nine built by the Railways Department.

In order to make comparisons in respect of low-powered vehicles driven by oil fuel, several 10 h.p. chassis with Diesel type engines were obtained. These will be used on line-maintenance work meantime.

Vehicles in commission at the end of the year numbered 767, comprising 557 trucks and vans and 210 motor-cars.

Sixty-six vehicles were withdrawn from service, and the fleet, including the vehicles held for sale, shows an increase of 69.

The mileage travelled for the twelve months was 6,208,651, an increase of 950,931.

Arrangements were made for this Department to act as a clearing depot for the repair and further use by other Departments of vehicles no longer required by the Departments releasing them.

BICYCLES.

The following are details of bicycles in use at the end of the year:—

701 machines owned by individual officers for the use of which allowances are paid:
166 machines purchased by the Department and supplied free of cost to officers who are required under agreement to maintain the machines and utilize them in the Department's service for a fixed period, based on the average weekly riding time; and

562 machines owned by the Department and held for use by officers as required for official purposes.

POST OFFICE.

INLAND MAIL-SERVICES.

New contracts for the inland mail-services in the South Island were arranged for a further term of three years as from the 1st January, 1938. A large number of the contracts were extended by arrangement with the contractors. The total of the subsidies was increased by approximately 10 per cent., which can be regarded as satisfactory.

At the end of March, 1937, the total number of boxholders served by rural mail deliveries was 26,740, the highest number then on record. It is pleasing to report that this service was extended during the ensuing twelve months to 2,106 additional settlers. The total number of boxholders at the end of March, 1938, was 28,846, a new record.

During the year the co-ordination of the delivery of railway and post parcels was carried a step further by combining these services in the City of Wellington. The delivery of railway parcels in conjunction with post parcels is now being undertaken by this Department at Auckland, Wellington, Christchurch, Dunedin, Palmerston North, and New Plymouth.

As the result of an improvement from the 1st January in the steamer service between Bluff and Half-moon Bay (Stewart Island), the frequency of the mail service between those offices has been increased from weekly (with a twice-weekly service during holiday periods) to thrice-weekly throughout the year.

In February exceptionally heavy floods were experienced in the Napier, Gisborne, and Auckland postal districts, resulting in serious interruptions to road transport services. To prevent any avoidable delay to mail matter, alternative services were used wherever possible.

OCEAN MAIL-SERVICES.

The Auckland-Vancouver ocean-mail-contract service was maintained during the year by the "Aorangi" and the "Niagara," except that for one round trip the "Aorangi" was replaced by the "Monowai."

Regular despatches of mail for Great Britain and Europe were made via North America by vessels of the Canadian-Australasian Line and the Matson Line. In addition, the all-sea routes via Panama and Cape Horn were used for full despatches on a number of occasions during the year when advantage in arrival time was offered.

The service between New Zealand and Australia was maintained by the "Awatea" and the "Wanganella" in conjunction with vessels of the Canadian-Australasian and Matson lines, except that during the winter months the "Awatea" was replaced by the "Maunganui." The "Awatea" in particular provides an excellent mail-service connection with Australia, and during the withdrawal of the vessel in the winter the time-table was adversely affected. A service between Bluff and Melbourne was maintained during the winter months by the "Waitaki" and during the period October-March by the "Maunganui." Regular sailings were also maintained between New Zealand and Rarotonga, Niue, Apia, and Tonga.

AIR MAILS.

INLAND.

Further extensions to the air-mail services operating in the Dominion were made on the 27th June, when Union Airways of New Zealand, Ltd., inaugurated a service between Wellington and Auckland with intermediate calls at Palmerston North and New Plymouth, and on the 30th October, when the air service operated by East Coast Airways, Ltd., between Gisborne and Napier was extended to Palmerston North. The time-tables of the Auckland-Wellington and Gisborne - Palmerston North services provide for connections at Palmerston North with the Palmerston North - Dunedin service.

As a result of the extension of the services and the greater public appreciation of the advantages of air-mail transit for correspondence, the volume of traffic has increased considerably. Particulars of the number of letters carried during the last two years are shown hereunder :—

					1936-37.	1937-38.
June quarter	..	..	..	..	179,073	325,584
September quarter	..	..	..	..	215,202	381,019
December quarter	..	..	..	..	256,559	466,813
March quarter	..	..	..	..	283,807	515,225

AUSTRALIA - LONDON SERVICE.

The progressive increase in the number of letters forwarded from New Zealand for despatch by the Australia - London air-mail service has continued. A comparative table showing the volume of mail despatched during the last three years is set out hereunder :—

					Number of Letters.		
					1935-36.	1936-37.	1937-38.
June quarter	..	..	..		35,031	49,933	77,928
September quarter	..	..	..		30,459	48,455	75,474
December quarter	..	..	..		36,520	75,369	100,288
March quarter	..	..	..		35,894	70,780	98,218
Totals	..	..	..		137,904	244,537	351,908

The service operated regularly during the year, the average time taken by mails to Great Britain being seventeen days.

Damage by water was caused to the mail from New Zealand to Great Britain when the flying-boat "Cygnus" crashed at Brindisi on the 5th December. It was possible, however, for the British Post Office to deliver the major portion of the mail.

An experimental flight England - New Zealand - England, via Australia, was made during the year by the Imperial Airways' flying-boat "Centaurus." The flying-boat arrived at Auckland on the 27th December and, after visiting various centres in the Dominion, departed on the return flight on the 10th January.

TRANS-PACIFIC SERVICE.

Following an announcement in December last by Pan-American Airways, Inc., that a regular air service was about to be inaugurated between New Zealand and the United States of America, Government decided that the service was to be used for the carriage of mails from the Dominion. The rates of postage were fixed as follows :—

To	Letters per ½ oz.	Postcards.
	s. d.	s. d.
Pago Pago	0 6	0 3
Hawaii	3 0	1 6
United States (including conveyance on U.S.A. internal air services)	4 6	2 3

On the first air-mail flight from Auckland to Honolulu which was undertaken by the "Samoan Clipper" on the 2nd January last, 25,034 letters weighing 353 lb. 11 oz. were despatched, 15,621 being for delivery in or for onward despatch beyond the United States, 3,526 for Honolulu, and 5,887 for Pago Pago. The United States mail connected at Honolulu with the air-mail service Honolulu - San Francisco.

It was the intention of Pan-American Airways to maintain the service at fortnightly intervals between Auckland, Pago Pago, Kingman Reef, and Honolulu, connecting there with the air-mail service to San Francisco, but the unfortunate loss of the "Samoan Clipper" near American Samoa while on the return journey to New Zealand on the 12th January necessitated the suspension of the service. The company has indicated, however, that the service will be resumed as early as possible.

As the United States and its possessions did not use the service for the carriage of mails, no mail was on board the "Samoan Clipper" at the time the flying-boat was lost.

JAMAICA: DIRECT PARCEL POST SERVICE.

A direct exchange for ordinary parcels was introduced between New Zealand and Jamaica on the 1st October. Prior to that date parcels for Jamaica were exchanged via Great Britain. Opportunity was also taken to increase the weight-limit from 11 lb. to 22 lb.

POSTAGE-STAMPS.

CORONATION STAMPS.

The Coronation of Their Majesties King George VI and Queen Elizabeth was commemorated by a special issue of three stamps—1d., 2½d., and 6d.—bearing a portrait of their Majesties within a New Zealand border designed by Mr. J. Berry, Wellington. The vignette and the production of the stamps were the work of Messrs. Bradbury, Wilkinson, and Co., Ltd., England.

The stamps were on sale from the 13th May to the 31st December, the number sold being 1d., 38,455,554; 2½d., 1,564,496; and 6d., 2,079,611.

Eight plates were used for the printing of the 1d. denomination and two plates each for the 2½d. and 6d. values.

New Zealand Coronation stamps appropriately overprinted were placed on sale at Niue and the Cook Islands on the 13th May and 1st June respectively, and were withdrawn on the 31st December. The plates used for overprinting the Niue stamps were 1L. (1d.), 2L. (2½d.), and 3L. (6d.), and those for overprinting the Cook Islands stamps were 1T. and 4T. (1d.), 2T. (2½d.), and 3T. (6d.). Three different sets of formes were used for overprinting the stamps for each of the Islands. The number of stamps sold was as follows: Niue: 1d., 730,429; 2½d., 575,288; and 6d., 547,000. Cook Islands: 1d., 737,572; 2½d., 569,108; and 6d., 541,657.

KING GEORGE VI STAMP.

A ½d. stamp portraying His Majesty King George VI was issued on the 1st March. The border design was the work of Mr. W. J. Cooch, of Wellington, and the vignette was engraved from a photograph by Dorothy Wilding, of London. Messrs. Bradbury, Wilkinson, and Co., Ltd., England, printed the stamp.

PICTORIAL STAMPS.

New plates were used to print supplies of the ½d., 2½d., and 9d. denominations.

The ½d. stamp was withdrawn from sale on the 28th February.

"OFFICIAL" STAMPS.

Pictorial stamps printed on multiple watermarked paper and overprinted "Official" were issued during the year as follows: 2s., May; ½d., July; 6d., November; 2d., January; 3d. and 9d., March.

On the 1st March the King George VI ½d. stamp overprinted "Official" was placed on sale. The ½d. pictorial official stamp and all King George V official stamps were withdrawn on the 28th February.

HEALTH STAMPS.

The Health stamp for 1937 was of the usual denomination, 2d. (1d. for postage and 1d. for the Health Camp Fund). The design which depicted a youthful tramp standing on a rocky promontory, was prepared by Messrs. G. Bull and J. Berry, of Wellington, and the engraving and printing were carried out at the Note-printing Branch of the Commonwealth Bank of Australia, Melbourne. The stamp was issued on the 1st October and was withdrawn from sale on the 15th February, the number sold being 897,035.

The Department's health-stamp organization took an active part in the King George V Memorial Fund Campaign conducted by Government during the year for the establishment of permanent health camps in New Zealand. Consequently, the last health-stamp campaign was on a smaller scale than usual, although active steps were taken to promote the sale of health stamps. As a result of the sale of stamps the Health Camp Fund benefited to the extent of approximately £3,300.

POSTAGE-DUE STAMPS.

During the year a change was made from Cowan to Wiggins Teape paper for printing the following postage-due stamps: 2d. (June); 3d. (November); ½d. (February). All values of the postage-due series are now printed on Wiggins Teape paper.

GOVERNMENT LIFE INSURANCE STAMPS.

In July Cowan paper was replaced by Wiggins Teape paper for the printing of the Government Life Insurance stamp of the 6d. denomination.

FRUIT-INSPECTION-FEE STAMPS.

On behalf of the Department of Agriculture the Post Office undertook the production, distribution, and sale of the adhesive stamps for the payment by fruitgrowers, under the New-Zealand-grown Fruit Regulations, 1938, of the inspection fees on graded fruit.

The stamps, which are in the denominations ½d. and 1d., were printed at the Government Printing Office from typograph line-etched plates prepared by Messrs. Coulls, Somerville, Wilkie, Ltd., Dunedin. They were placed on sale on the 28th March, the date on which the regulations became operative.

INSPECTION.

During the year 1,671 visits of inspection to post-offices were made by departmental Inspectors. An audit of the values was undertaken on 1,227 occasions, and in only one instance was a serious discrepancy disclosed.

BURGLARIES.

Losses as a result of burglaries at post-offices during the year were higher than usual, but as the Department ensures that only a minimum amount of money is retained at offices overnight the average amount stolen was small. The majority of the offices concerned were non-permanent ones, and in most instances it was necessary for the intruder to force a safe to gain access to the values.

DEAD-LETTER OFFICE.

	1937.	1936.
Letters returned to senders in New Zealand	451,846*	430,268†
Other articles returned to senders in New Zealand ..	465,271	393,255
Letters returned to other Administrations	47,815‡	52,432§
Other articles returned to other Administrations ..	49,202	66,127
Letters destroyed (senders unknown and contents of no value)	28,828	23,383
Letters intercepted addressed to persons and firms on prohibited list	289	532

* Including 16,463 registered.

† Including 15,153 registered.

‡ Including 492 registered.

§ Including 423 registered.

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

POSTAL PACKETS REPORTED MISSING.

In 1937, 7,297 inquiries were received by the Department concerning the non-delivery of postal packets. In 3,969 cases, or more than half of the total, the articles were traced or accounted for satisfactorily as follows:—

Sender responsible for delay	1,367
Addressee responsible for delay	1,151
Post Office responsible for delay	401
No delay or responsibility not fixed	750

The manner of disposal of 3,328 articles, representing 0·0012 per cent. of the total number of articles posted during the year, could not be determined.

MONEY-ORDERS.

Money-order business, which fell off considerably during the period 1931–35, has increased each year since 1934. Last year 784,195 orders, of a value of £1,312,629, were issued. This represents an increase compared with the previous year of 50,529 in number and £517,981 in value.

POSTAL NOTES.

The value of postal-note business increased during the year, although the number of postal notes sold showed a decrease. The sales were 3,746,560 postal notes of a value of £1,451,793, compared with 3,833,288, of a value of £1,378,387, during the previous year.

The commission totalled £35,257 12s. 10d., an increase of £931 19s. 8d. on the commission earned in 1936–37.

BRITISH POSTAL ORDERS.

British postal-order transactions also increased, 95,391 orders of a value of £41,577 16s. 4d. being sold, as against 86,778, of a value of £40,212 2s. 11d. during the previous year. The number of orders paid was 32,293, of a value of £15,791 12s. 6d., while the previous year's figures were 29,761 orders of a value of £15,091 6s.

SAVINGS-BANK.

Deposits lodged in the Post Office Savings-bank during the year amounted to £33,041,082, and the withdrawals to £29,629,074, an excess of deposits of £3,412,008. The interest credited to depositors was £1,669,384, and the amount at the credit of depositors at the end of the year reached the record total of £63,146,930.

Savings-bank ledger offices were established during the year as follows:—

Dominion Road	1st November.
Dunedin North	8th December.
Epsom	16th October.
Huntly	1st September.
Kingsland	16th October.
Motueka	16th September.
Mount Eden	16th August.
Newton	1st May.
Otahuhu	16th February.
Remuera	1st May.
Waibi	24th August.

PROVISION FOR THRIFT CLUBS.

In October the Post Office Savings-bank Regulations were amended to provide increased facilities for the handling of accounts of thrift clubs, the object being to encourage salary and wage earners to save regularly for specific purposes, such as holidays, Christmas expenditure, &c., as well as to promote thrift generally.

Under the regulations any society or group of persons which has for its main object the promotion of thrift among its members may, at the discretion of the Postmaster-General, be accepted for savings-bank purposes as a thrift club.

Factors which operated against the formation of thrift clubs in the past were the amount of work involved in maintaining a record of the transactions of individual members and the time occupied in calculating the interest due to individual accounts. Where any club so desires, such work will now be undertaken by the Department. By the use of up-to-date mechanical appliances this can be done simply and quickly. Any club may, of course, continue to control its own accounts if it so desires. At the end of a club's financial year the amount of the deposits made by each member is repaid to that member with interest.

SCHOOL SAVINGS BRANCH.

At the end of the year the school savings-bank scheme, which was introduced in 1934 with the object of encouraging thrift among children, was in operation in 559 schools, an increase for the year of 171. The deposits amounted to £33,970 4s. 4d. and the withdrawals to £13,826 13s. 4d., an excess of deposits of £20,143 11s. The total number of accounts open at the 31st March was 80,133, the amount at credit being £49,059 19s. Interest to the amount of £659 18s. 4d. was credited to depositors.

On leaving school 2,760 scholars transferred their accounts to the Post Office Savings-bank.

The success of the scheme is due largely to the co-operation received from teachers, and, in recognition of this, donations ranging from 10s. to £2 10., according to the size of the school, were granted during the year to School Committees for expenditure on school libraries or other approved forms of school activity.

SAVINGS-BANK LETTERS OF CREDIT.

In 1925 the Department instituted a system under which a Post Office Savings-bank depositor who requires funds while he is travelling in the Dominion can obtain a letter of credit for a sum not exceeding £50 in any period of four weeks and have the amount treated as a withdrawal from his savings-bank account. On presenting the letter of credit at any savings-bank office in the Dominion the holder may obtain from time to time, within a period of two months from the date of issue, such amounts as he may require up to the limit mentioned.

Increasing public appreciation of the service is indicated by the figures for this class of transaction. For the year ended 31st March last the number of letters of credit issued was 8,376, of a total value of £156,308 12s. 2d., an increase over the previous year's figures of 1,317 in number and £28,526 10s. 3d. in amount.

POST OFFICE INVESTMENT CERTIFICATES.

The total sales of Post Office investment certificates for the year amounted to £100,027, an increase of £26,597 on the value of the certificates sold during the previous year.

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 £53,000,000, an increase of about £3,000,000 on the previous year's total.

REGISTRATION OF MOTOR-VEHICLES AND ASSOCIATED WORK.

Motor-vehicles licensed at the 31st March last numbered 278,350, an increase of 24,333, or 9.58 per cent., over the number licensed at the corresponding date in 1937.

The registrations of motor-cars during the year—namely, 29,837—easily constituted a record, the previous highest total (for 1936-37) being 25,796. The additional 4,041 registrations represent a percentage increase of 15.66.

Commercial vehicle registrations also reached a new high level, the total being 10,413, compared with the previous highest total of 8,999 for the year 1936-37, an increase of 1,414, or 15.71 per cent. The only decrease in registrations was in respect of motor-cycles, the figures being 3,018, compared with 3,028 for the preceding twelve months.

Notifications of change of ownership totalled 150,290, the increase over last year's figures being 20,804, or 16.07 per cent. Approximately 14,000 applications for duplicate certificates of the registration of motor-vehicles were issued.

The total amount of motor-registration fees collected was £544,005, an increase of £55,262 compared with the previous year.

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 were collected during the year on behalf of the forty-one insurance companies authorized to underwrite business in terms of the Motor-vehicles Insurance (Third-party Risks) Act, 1928. Approximately 300,000 nomination forms were handled during the year. The gross amount of premiums collected was £298,228, an increase of £31,038 over the amount handled during the preceding twelve months.

Claims to the number of 50,965 for refunds of duty on motor-spirits consumed otherwise than as fuel for licensed motor-vehicles were authorized for payment during the year, the total amount refunded being £188,446. Compared with the figures for the previous year, the claims decreased in number by 1,377, but increased in amount by £12,056. Mileage-tax, which is payable in respect of vehicles not propelled exclusively by means of motor-spirits and certain other vehicles exempted from all other forms of taxation, was collected during the year on 276 vehicles. For the previous year the tax was collected on 198 vehicles. The gross amount of tax collected was £9,876, compared with £5,053 for the preceding twelve months.

EMPLOYMENT WORK.

The registration levy, wages-tax, and a large proportion of the employment charges on income are 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 £6,472,676, made up as follows:—

	£	s.	d.
(a) Collection of registration levy	446,942	2	11
(b) Collection of employment charge	1,120,032	17	5
(c) Sales of employment stamps	1,402,462	6	7
(d) Wages-tax collected in cash	1,129,448	17	7
(e) Wages and sustenance payments	2,373,789	8	10

TELEGRAPH AND TOLL SERVICES.

TELEGRAPH TRAFFIC.

The number of telegrams handled continues to show a steady increase, the return of business for the financial year revealing an appreciable increase in both volume and revenue.

In comparison with the figures for the previous financial year, there has been an increase in paid telegrams of 336,139 in number and £16,835 in value, or 6·57 per cent. and 5·38 per cent. respectively.

It is interesting to note that the number of telegrams sent per head of population has increased to 3·46, indicating that on a population basis New Zealand is maintaining its position as the world's greatest user of the telegraph service.

RADIO-TELEGRAM CHARGES FROM BRITISH SHIPS TO NEW ZEALAND.

With the object of lessening the disparity in the charges for radio-telegrams sent from British ships to New Zealand as compared with those for messages from such ships to Great Britain, negotiations were entered into by the Department with the various operating companies concerned for the removal of the surcharge imposed by the ships to cover the cost of settling the balances of their accounts on the gold basis. An agreement has been reached regarding the matter, and on and after the 1st April, 1938, sterling will be the basis of settlement of accounts with British ships, thus eliminating the surcharge. This will result in an appreciable reduction in the charges for telegrams lodged on British ships for delivery in the Dominion.

It is hoped that ultimately the disparity in charges will be removed altogether by the companies concerned agreeing to a proposal of the Department which aims at a reduction of the ship charge by 1d. a word and of the total charge by 3d. a word. The rate for telegrams from British ships to New Zealand would thus be reduced from 11d. to 8d. a word.

PRINTING TELEGRAPHS.

The machine-printing network continues to extend, the Thames office having been equipped during the year for teleprinter communication with Auckland. The following twenty-eight offices in New Zealand are now equipped with machine-printing telegraph apparatus: Ashburton, Auckland, Blenheim, Christchurch, Dannevirke, Dunedin, Gisborne, Gore, Greymouth, Hamilton, Hastings, Hawera, Invercargill, Marton, Masterton, Napier, Nelson, New Plymouth, Oamaru, Palmerston North, Rotorua, Stratford, Thames, Timaru, Wanganui, Wellington, Westport, and Whangarei.

TELEGRAPH BATTERIES AND POWER SUPPLY.

The policy of replacing primary cells in the Department's larger telegraph-offices by secondary cells and introducing the universal battery system of operation has been further extended during the year by the conversion of the offices at Dunedin and Rotorua to the more modern system. Appreciable maintenance savings and more reliable operation result from the conversion.

REDUCTION IN CHARGE FOR TELEGRAMS TO OR FROM KAWAU ISLAND AND OTHER WIRELESS-TELEGRAPH STATIONS.

On the 1st July the rate for inland telegrams exchanged between New Zealand offices and wireless-telegraph stations at Kawan Island, Glade House, Milford Sound, Puysegur Point, Stephens Island, and Portland Island was reduced to the inland rate applicable in respect of other New Zealand offices—*i.e.*, ordinary, 1d. a word, with a minimum charge of 6d. Previously the charge for ordinary telegrams to or from the places named was 2½d. a word, with a minimum of 1s. 3d. a message.

In addition, the charges for overseas telegrams from and to these points were reduced to the same level as for other New Zealand offices, no charges being made for the additional wireless transmission.

INLAND CHRISTMAS AND NEW YEAR GREETINGS TELEGRAMS.

A total of 380,512 telegrams of the greetings type was lodged during the Christmas and New Year period, 16th December to the 6th January, compared with 341,624 during the corresponding period of the previous year. The increase of 11·38 per cent. is an indication of the popularity of this class of telegram, for which specially-designed stationery is provided.

OVERSEAS CHRISTMAS AND NEW YEAR GREETINGS TELEGRAMS.

Compared with the previous year, the total number of overseas Christmas and New Year greetings telegrams handled during the Christmas and New Year period increased by 5,222, or 29·1 per cent.

The relative figures are shown hereunder :—

				Christmas and New Year, 1936-37.	Christmas and New Year, 1937-38.	Increase.
						Per Cent.
Outward	..	..	..	10,491	13,839	31·9
Inward	..	..	..	7,429	9,303	25·2
Total	..	..	..	17,920	23,142	29·1

CORONATION LETTER-TELEGRAM SERVICE, NEW ZEALAND-UNITED KINGDOM.

On the occasion of the Coronation of His Majesty King George VI a special service, known as the "Coronation letter-telegram service," was introduced between the United Kingdom and the various parts of the Empire at a specially reduced flat-rate charge of 4s. for ten words or less and 5d. for each additional word. New Zealand participated in the service, which was available from the 8th to the 16th May inclusive.

DISTRIBUTION OF FOOTBALL NEWS DURING TOUR OF SOUTH AFRICAN RUGBY TEAM.

During the New Zealand tour of the South African Rugby Team last year special arrangements were made at the various places at which matches were played in order to ensure the expeditious transmission of news and telegrams. At the four main centres teleprinter equipment was provided at the football grounds, the apparatus at Athletic Park, Wellington, being connected direct to Auckland (the cable terminal), as well as to Wellington on the occasion of each of the two matches played there. At all other towns at which matches were played a message-boy service from the ground to the local telegraph-office was maintained. As a result of the special arrangements made the appreciable volume of traffic lodged at the grounds was disposed of with a minimum of delay and to the complete satisfaction of those concerned.

TELEGRAPH WEATHER REPORTS.

The extension of commercial aviation services in the Dominion has increased the work performed by the Department in connection with the preparation and transmission of weather reports. During the year the number of daily reports rose from 154 to 190. To assist in the obtaining of additional meteorological data, eight more departmental weather-reporting stations were established, the total number of places in the Dominion at which departmental officers act as observers now being thirty-eight.

RAROTONGA AND NIUE: INTRODUCTION OF MONEY-ORDER TELEGRAM SERVICE.

On the 1st May a money-order telegram service was introduced between New Zealand and Rarotonga. A similar service was made available with Niue as from the 3rd January.

TELEPHONE TOLL SERVICE.

Expansion of toll traffic has been a feature of the business of the Department in recent years. For the year under review the number of toll calls handled was 14,480,207, an increase of 1,337,036, or 10·17 per cent., over the previous year. The revenue for the year amounted to £637,807, showing an increase over the 1937 figure of £75,264, or 13·38 per cent. The average revenue per toll call handled during the year was 10·8d. Figures indicating the value and volume of toll traffic during the last three years are shown hereunder :—

Year ended				Number.	Value.
					£
31st March, 1936	..	..	..	11,436,054	499,825
31st March, 1937	..	..	..	13,143,171	562,543
31st March, 1938	..	..	..	14,480,207	637,807

During the year the number of toll calls in any one month did not fall below 1,000,000, the lowest figure recorded being 1,092,769 calls for the month of June, while the highest number of calls was recorded in March, when 1,352,707 were handled. Prior to December, 1936, the million mark for one month's toll traffic had been reached on three occasions only—namely, in December, 1929, and in January and March, 1930. What, therefore, was an exception a little over two years ago is now a regular occurrence.

The special toll services continue to be availed of to an increasing extent. The approximate figures for the year are as under, last year's figures being shown in parentheses:—

Person-to-person calls	..	..	..	..	..	93,500	(75,000)
Collect calls	..	..	..	..	..	73,000	(60,000)
Appointment calls	..	..	..	..	..	16,500	(12,000)

IMPROVED TOLL-ROOM PRACTICE.

With the introduction of modern switchboard equipment and the provision of an adequate number of telephone circuits it is possible for many toll calls to be connected "on demand"—*i.e.*, for communication to be established at the time the calls are made. The number of calls so handled is increasing steadily, and it is of interest to record that at the larger exchanges throughout the Dominion no less than 48 per cent. of all calls handled between 8 a.m. and 6 p.m. are connected "on demand." It is the aim of the Department to extend this "no-delay" service, but unless the calling subscriber is able to inform the toll operator of the number of the wanted subscriber "demand" service cannot be provided. In their own interests, therefore, subscribers desiring toll calls are being encouraged to furnish, whenever possible, the numbers required. At the same time the Department has given consideration to the question of improving the method of handling applications for calls. At Auckland and Wellington provision has been made for a separate number to be dialled by subscribers when they do not know the wanted subscriber's number, thus relieving toll operators on the switchboards of the necessity of looking up telephone numbers and enabling them to expedite the handling of calls and consequently to extend "demand" service. The arrangement is working very satisfactorily, and it is hoped to extend the innovation to other large exchanges in due course.

CARRIER-CURRENT TELEPHONE SYSTEMS.

In October last a three-channel carrier telephone system was brought into commission for direct service between Wellington and Christchurch. The system is being operated over the new submarine coaxial telephone cable between Wellington and Seddon, and thence over one of the open aerial metallic circuits between Seddon and Christchurch. To ensure satisfactory operation it was necessary to install intermediate carrier amplifiers or repeaters at Seddon and Kaikoura. The establishment of this carrier system and a new voice-frequency circuit between Wellington and Blenheim following the laying of the new Cook Strait cable enabled the Department to increase the number of telephone channels between Wellington and Christchurch from four to seven and to restore the normal allotment of three circuits on the Wellington-Blenheim section.

Towards the end of the year a fault developed in one of the older Cook Strait single-core cables resulting in the partial loss of one of the Wellington-Blenheim toll circuits. This necessitated a further adjustment of facilities, and six channels were allocated for use between Wellington and Christchurch and three for use between Wellington and Blenheim. On the completion in a few months' time of the installation of the carrier-telephone equipment for association with the new cable there will become available a total of thirteen telephone channels across Cook Strait. It is proposed to allocate these channels as follows: Wellington-Christchurch toll service, 8; Wellington-Christchurch voice-frequency telegraph service, 1; Wellington-Blenheim toll service, 2; Wellington-Blenheim voice-frequency telegraph service, 1; Wellington-Nelson toll service, 1.

During the year two three-channel carrier systems were brought into operation between Auckland and Whangarei. The immediate advantages are twofold in that the speech-efficiency between Auckland and Whangarei has been increased to a high level and the release of the open aerial circuits previously in use between those centres has made it practicable to provide improved facilities between Auckland and other exchanges south of Whangarei—*viz.*, Wellsford, Mangaturoto, and Paparoa. The installation of the three-channel system has also displaced from service two single-channel carrier systems, which it is proposed to reinstall at other places in order to effect still further improvements in the North Auckland section of the toll network.

Other carrier systems brought into service during the year are as follows:—

Auckland-Rotorua	..	..	..	..	One three-channel system.
Napier-Wellington	..	..	..	..	One three-channel system.
Napier-Dannevirke	..	..	..	..	One single-channel system.
Masterton-Wellington	..	..	..	..	One single-channel system.
Christchurch-Dunedin	..	..	..	..	One single-channel system.

Further carrier equipment is now being installed in various parts of the Dominion, and several additional three-channel systems will be ready for operation in the course of three or four months.

MAINTENANCE OF TELEGRAPH AND TOLL COMMUNICATION SERVICES.

Interruptions of a major nature to the Department's telegraph and telephone services during the year were comparatively few, there being an absence of heavy snowfalls and severe storms in areas where important trunk lines and large exchanges are situated.

The most serious interruption was caused by a storm of some severity which swept the central Auckland area during the period 14th-16th May, 1937, and which affected to varying degrees the exchange services in the Auckland metropolitan area. Some 1,900 telephones were disconnected, but complete service was restored within thirty-six hours of the cessation of the storm.

On the 24th January a heavy rainstorm was experienced in the Hawke's Bay district and floods interrupted the telegraph and toll services on the Napier-Taupo route. The restoration of the service was hampered through a bridge at Eskdale being washed away, but all lines were restored by the evening of the 25th January. The same storm was responsible for damage in the Hastings telephone-exchange area where upwards of three hundred subscribers were temporarily deprived of service. Most of the subscribers were given service by the 26th January, but in a few instances, owing to difficulties of access, circuits were not restored until some two days later.

Exceptionally heavy rain, which was accompanied by an electrical disturbance, in the vicinity of Matakana in the Auckland Province on the evening of the 11th February caused slips, washouts, and extensive flooding of the surrounding country. Lightning operated the fuses at telephone exchanges and offices, and also the lightning guards associated with subscribers' telephones, thus causing temporary interference with communications. Repair work on telephone-lines, including the replacement of a number of poles that had been washed away, was hampered by damage to bridges, but all services had been restored by the evening of the 14th February.

Telegraph and toll services in the vicinity of Greymouth were interrupted during stormy weather on the 21st March, an extensive slip carrying away a number of telegraph-lines. Satisfactory temporary outlets were soon arranged and permanent repairs were effected the following day.

During January and February magnetic storms of varying intensity accompanied by displays of the aurora australis were responsible for a number of interruptions in the operation of telegraph channels between Christchurch and the West Coast, between Christchurch and Dunedin, and also between Wellington and stations in the Taranaki district. Fortunately, communication was not disrupted completely at any time, and traffic was disposed of without undue delay. These magnetic storms create strong electrical earth currents, and, as the Department's telegraph circuits operate on the earth-return principle, interference with the operation of the telegraph services varies with the intensity of the storms. As the majority of telephone channels are metallic circuits (*i.e.*, each circuit is composed of two wires), telephone services are not affected.

Early in December the main telegraph and toll-line circuits on the East Coast of the South Island for some distance north and south of Kaikoura were subject to fairly frequent interruption as a result of important road and railway construction work. With the approach of the Christmas-New Year period, when telegraph and toll traffic assumes its peak for the year, it was considered advisable to take precautions to ensure that circuit interruptions were cleared promptly. Arrangements were made, therefore, for the area in question to be patrolled by faultmen equipped with instruments for "cutting-in" on a minor circuit at frequent intervals in order to receive any instructions from headquarters that might be necessary for the maintenance of the circuits.

EXTENSION OF TELEGRAPH AND TOLL SYSTEMS.

The increasing use which is being made of the toll facilities provided by the Department has necessitated improved and additional toll outlets in various parts of the Dominion. The offices between which better facilities have been provided by the erection of new lines and/or the rearrangement of existing lines are set out hereunder:—

Kerikeri Central—Ohaeawai, Whangarei—Auckland, Whangarei—Waipu, Whangarei—Waiotira, Whangarei—Dargaville, Whangarei—Maungaturoto, Whangarei—Paparoa, Whangarei—Kaiwaka, Paparoa—Maungaturoto, Dargaville—Maungaturoto, Maungaturoto—Waipu, Maungaturoto—Wellsford, Maungaturoto—Whakapirau—Batley, Maungaturoto—Kaiwaka, Maungaturoto—Auckland, Kaiwaka—Wellsford, Paparoa—Auckland, Wellsford—Auckland, Warkworth—Auckland, Silverdale—Auckland, Albany—Auckland, Albany—Brown's Bay, Auckland—Kawau Island, Auckland—Rotorua, Auckland—Hamilton, Auckland—Manurewa, Auckland—Howick—Whitford, Auckland—Waiheke Island, Whitianga—Coroglen, Thames—Hamilton, Hamilton—Rotorua, Hamilton—Tirau, Hamilton—Cambridge, Paeroa—Hamilton, Te Aroha—Hamilton, Tauranga—Opotiki, Whakatane—Opotiki, Rotorua—Punaruia, Ngauwahia—Te Akau, Taumarunui—Te Kuiti, Hamilton—Putaruru, Te Karaka—Whakatutu, Napier—Hastings, Napier—Dannevirke, Napier—Wellington, New Plymouth—Inglewood, New Plymouth—Stratford, New Plymouth—Waitara, Inglewood—Matau, Wanganui—Taihape, Marton—Taihape, Marton—Hunterville, Hunterville—Ohingaiti, Ohingaiti—Taihape, Feilding—Halcombe, Paraparaumu—Wellington, Porirua—Tawa Flat, Masterton—Wellington, Martinborough—Pirimoa, Martinborough—Featherston, Upper Hutt—Featherston, Wellington—Christchurch, Wakefield—Thorpe, Hope Junction—Murchison, Blenheim—Seddon—Kaikoura, Kaikoura—Culverden, Cheviot—Parnassus, Stillwater—Otira, Bealey—Otira, Christchurch—Dunedin, Christchurch—Tai Tapu—Little River—Akaroa, Lake Pukaki—Omaru, Cromwell—Queenstown, Arrowtown—Queenstown, Alexandra—Clyde—Cromwell, Gore—Mataura—Edendale—Woodlands—Invercargill.

In addition to the foregoing, 189 miles of toll and telegraph-pole line were reconstructed during the year. This work involved the replacement of 479 miles of wire.

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

- (a) Special switchboards in the Auckland and Wellington toll-rooms to assist toll-users to obtain more readily before booking toll calls the telephone numbers of subscribers at distant exchanges.
- (b) Increased facilities for the direct dialling of toll communications between Hamilton and Auckland, Te Awamutu and Auckland, Te Awamutu and Hamilton, Waitotara and Wanganui, Feilding and Marton, Feilding and Palmerston North, Rakaia and Christchurch, Dunsandel and Christchurch, Timaru and Oamaru, Dunedin and Oamaru, and Palmerston and Oamaru.
- (c) Additional facilities for the handling of toll calls at Auckland, Rotorua, Stratford, Napier, Waipukurau, and Nelson.

POLES AND WIRES.

During the year 108 miles of pole-line and 1,321 miles of wire (including wire in submarine cable) were erected for telegraph and telephone (toll) purposes, while 85 miles of pole-line and 190 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, 1937 and 1938, respectively, were as follows:—

Pole-line and Wire.				Year ended 31st March, 1937.	Year ended 31st March, 1938.
Miles of pole-line ..	..	..	..	.. 12,085*	12,063
Miles of wire ..	..	..	..	.. 65,775*	66,906

NEW ZEALAND SUBMARINE CABLES.

NEW INTER-ISLAND SUBMARINE TELEPHONE CABLE.

An important event in the history of the Department was the laying of a second telephone cable across Cook Strait from Lyall Bay (North Island) to Blind River (South Island) in June. The new cable which is 40.3 nautical miles long, is of the single-core coaxial type designed for high-frequency carrier-current operation. Although provided with only one insulated conductor, the cable will permit the simultaneous operation of twenty-three telephone channels and as many as thirty-six two-way teleprinter channels.

The cable was manufactured by Submarine Cables, Ltd., of Greenwich, England. It was shipped from London in two consignments by the "Westmoreland" and "Port Chalmers" respectively in April, delivered into the Department's shore tanks at Wellington in May, and laid by the cable steamer "Recorder" in June.

Some months prior to the laying of the cable an extensive survey was made of the proposed route between Lyall Bay and Blind River to ensure that the cable would be laid on the most favourable bed throughout. For this purpose the Department was fortunate in securing the services of H.M.S. "Wakakura" and the Island steamer "Matua." The major portion of the work was undertaken by the H.M.S. "Wakakura," and valuable supplementary data was obtained by the aid of the echo-sounding apparatus with which the "Matua" is fitted.

After the completion of the necessary tests and the delivery of the high-frequency terminal equipment, four telephone channels were established over the new cable in October. These four channels will enable the Department to meet the increasing traffic demands pending the installation of the first instalment of the permanent associated equipment which provides for a total of seven telephone channels. It is expected that the full equipment necessary for the additional circuits will be installed and ready for service in June or July next. The design of the high-frequency terminal equipment is such that it will be practicable to increase progressively the number of channels over this cable to meet traffic developments, but it is expected that it will be many years before it is required to operate at full capacity.

COOK STRAIT TELEGRAPH CABLES.

No. 3 Oterangi Bay - White's Bay single-core telegraph cable was put out of commission on the 22nd June, a fault having developed in the cable approximately midway across the Strait.

No. 4 Lyall Bay - White's Bay single-core telegraph cable developed an earth-fault in February about 2.5 miles out from Lyall Bay. The fault has caused partial interruption to the services over this route, and it is expected that the cable will become totally interrupted within a short time.

In view of the additional facilities that are to be established over the new coaxial cable, no action is being taken to repair either of the faulty cables.

FOVEAUX STRAIT CABLE.

The development of a fault in the submarine cable between Stewart Island and the mainland was reported early in December. The fault was subsequently localized at a point one mile and a half out from the Ocean Beach (Bluff) cable hut, and repairs were effected on the 17th December with the aid of a small oyster-boat.

* Revised figures.

RADIO-TELEGRAPH AND RADIO-TELEPHONE SERVICES.

WELLINGTON-RADIO.

In order to cope with the continually expanding services being provided by this station it has been necessary to arrange for several additional transmitters. A second high-speed automatic Morse sender has recently been installed and will greatly assist in the despatch of traffic. Improved battery-charging equipment has also been provided, and equipment is about to be installed to provide increased flexibility in the choice of waves for the overseas radio-telephone service.

An extensive rearrangement of and improvement in the transmitting-aerial system has been undertaken during the year. At present these aerials are for the most part suspended from temporary wooden poles, but arrangements are now in hand for the replacement of most of these poles by steel towers. When these are erected the existing tower, which is in an unsatisfactory condition, will be dismantled.

The amount of transmitting-equipment at this station has necessitated an extensive addition to the building, which has recently been completed. Portion of the equipment will be transferred to the new accommodation in the near future and the working-conditions will then be very much improved.

AWARUA-RADIO.

With a view to improving the short-wave point-to-point service carried out by this station arrangements are at present in hand for the provision of a new radio-telegraph transmitter of 100 watts rating.

The installation of the additional transmitters referred to in last year's report has increased appreciably the amount of power used by the station, and this has necessitated the provision of a new power-supply cable containing conductors of higher current-carrying capacity. Much improved operation of the transmitters has resulted.

The recent felling of the 400 ft. tower at Awarua-Radio aroused some public interest. This tower was erected in 1913, and in view of its corroded condition and the fact that the 2,000-metre service for which it was originally provided has been discontinued, arrangements were made for its dismantling. Special precautions were taken to direct its fall clear of buildings, &c., and the operation was carried out successfully.

Consequent upon the removal of the tower it has been necessary to provide temporary masts to carry the various aerials pending the making of permanent arrangements.

DEATH OF MARCHESE MARCONI: OBSERVANCE OF TWO MINUTES' SILENCE.

As a mark of respect to the late Marchese Marconi, who died on the 20th July, and as a tribute to his work in wireless communication, all Government radio stations in New Zealand observed a two minutes' silence to synchronize with the time of the funeral which took place at 5 p.m. G.M.T. on the 21st July.

EMERGENCY RADIO STATIONS.

The Department's emergency radio stations gave effective service in a number of instances during the year, when minor interruptions to telegraph and telephone lines occurred.

Regular tests of the emergency stations are carried out to ensure that they are always in a condition to meet immediately any emergency that might arise.

At a number of the stations improved receivers have been provided during the year, the original receivers being held for stand-by purposes.

AERADIO SERVICES.

In the near future direction-finding equipment will be installed at a number of aerodromes, and this will conduce to greater safety of the flying services in the event of poor visibility. Small radio beacons to assist in landing are also being provided.

Arrangements have been made for the installation of equipment at all main aeradio stations to provide short-wave intercommunication between aerodromes in order to relieve the present congestion on the medium-wave bands.

In July last an expedition left New Zealand for the purpose of surveying and reporting on, *inter alia*, the feasibility of establishing an aeradio and meteorological reporting station on Raoul Island in the Kermadec Group. Low-power equipment for a temporary station was taken by the expedition, and excellent results have been achieved in maintaining communication and exchanging traffic with New Zealand.

In December last a new aeradio station was opened for service at Jackson's Bay, South Westland. In addition, improved equipment has been or is being installed at several stations.

KAWAU ISLAND: CLOSING OF RADIO STATION.

Following the laying of a cable between the mainland and Kauai Island, the radio station at that place has been closed.

PRIVATE RADIO-COMMUNICATION SERVICES.

During the year several additional licenses were issued for the operation of private radio services as a means of providing communication either between points not served by the ordinary telegraph and telephone systems or in other special circumstances. The new licenses were for the erection of privately owned and operated radio stations at Great Mercury Island and at Big Bay (South Westland)

for communication with Auckland-Radio and Awarua-Radio respectively: for the establishment of a point-to-point radio service between Owenga and Kaingaroa, Chatham Islands: and (to the Department of Scientific and Industrial Research) for the operation of stations at Winton and Invercargill in connection with auroral observations.

A license was also issued to Pan-American Airways, Inc., for a subsidiary radio station at Russell for use in connection with trans-Pacific air services.

RADIO STATIONS IN NORTHERN COOK ISLANDS GROUP.

Radio stations (to which reference was made in last year's report) at Penrhyn and Pukapuka in the Northern Cook Group were opened on the 25th June and the 26th January respectively.

It was originally intended that these stations should communicate only with Manihiki, which would relay the messages to Rarotonga. It has been found practicable, however, for all three stations to communicate directly with Rarotonga, with a consequent reduction in the operating-costs of the Manihiki station and saving in transit time.

PROPOSED RADIO STATION AT NUKUNONO, UNION ISLANDS.

At the request of the Department of External Affairs arrangements are being made for the provision of radio transmitting and receiving equipment for installation on the Island of Nukunono in the Union Group. The equipment will be forwarded at an early date.

ADVISORY SERVICES FOR OTHER DEPARTMENTS.

As a result of the comparative readiness with which communication can be provided by radio, the Department is frequently called upon to advise other Government Departments which contemplate employing radio either for fixed point-to-point working or for communication with mobile units.

The Department recognizes that it is in the interests of economy and efficiency that its experts should give advice on such technical matters, and has been pleased to prepare specifications for and arrange for the purchase of suitable equipment for the purposes required.

OVERSEAS RADIO-TELEPHONE SERVICE.

The use of the overseas radio-telephone service continues to increase at a gratifying rate. During the year the number of calls handled between New Zealand and Australia and between New Zealand and the United Kingdom was 1,653, an increase of 249 calls, or 17·7 per cent., over the number handled during the previous year.

On two occasions during the year specially-reduced rates were applied in the service—the first being during May in connection with the Coronation, and the second being from the 23rd December to the 4th January. The Coronation concession involved a reduction from £1 14s. to £1 2s. 6d. a minute for calls to and from the United Kingdom. During the Christmas and New Year period the rates for calls to both the United Kingdom and Australia were reduced. The normal charge of 15s. a minute for Australian calls was reduced to 10s. and the rate for calls to and from the United Kingdom was reduced to £1 6s. 8d. a minute. In all cases a minimum charge as for three minutes is made.

Radio-telephone service with the intercolonial steamer "Awatea" was conducted regularly throughout the year, the number of calls exchanged with the vessel being 880. The total number of such calls handled between the inception of the service in September, 1936, and 31st March, 1938, was 1,598, an average of 94 per month. It is clear that the service is much appreciated by passengers.

TELEPHONE EXCHANGE SERVICES.

Telephone development during the year exceeded all previous records, the number of subscribers at the 31st March being 147,850. The number of new connections during the year was 18,330, exceeding last year's record by 1,434. Allowing for relinquishments, the net gain in subscribers during the year was 9,710. Of the total number of connections, 71 per cent. are of residential status and 29 per cent. of business status.

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 188,587. If to this number is added the number of private-line telephones (3,432) connected with toll-stations and non-departmental exchanges, the telephones in service in New Zealand at the 31st March, 1938, numbered 192,019, representing an increase of 7·5 per cent. over the number in operation at the end of the previous year.

Excluding the revenue derived from intercommunicating sets, extension telephones and other miscellaneous services, the average rental in New Zealand in respect of business connections is £11 15s. 2d., and in respect of residential telephones £6 19s. 4d. per annum. Eighty-five per cent. of the telephone subscribers pay their rentals half-yearly, the remaining 15 per cent. paying monthly.

TELEPHONE DENSITY.

The number of telephone subscribers in New Zealand of residential status is 104,829, while the number of householders is 367,200. The percentage of households equipped with telephone connections is thus 28·5.

Based on the total population the average telephone density of the Dominion (including business as well as residential telephones) is 11·97 telephones per hundred persons. However, actual surveys made show a wide variation from this figure in many of the towns of the Dominion. In this connection the following table sets out in column 1 the full telephone density

per hundred of population in the postmen's delivery areas in each of the cities and towns named, while in column 2, in respect of the same places, the percentage of residential telephones to each one hundred households is shown.

Business and Residence Telephones (including Extensions) per 100 Population.				Residence Telephones (excluding Extensions) per 100 Households.			
Wanganui	..	..	18·20	Wanganui	..	..	40·85
Hawera	..	..	18·13	Masterton	..	..	39·20
Masterton	..	..	17·57	Hawera	..	..	38·39
Wellington	..	..	16·86	Blenheim	..	..	32·99
Hamilton	..	..	15·30	Nelson	..	..	31·49
Whangarei	..	..	15·17	Gisborne	..	..	30·74
Gisborne	..	..	14·97	Wellington	..	..	30·44
Blenheim	..	..	14·53	Hamilton	..	..	29·70
Nelson	..	..	13·82	Whangarei	..	..	27·99
Palmerston North	..	..	13·04	Hastings	..	..	26·69
Hastings	..	..	12·93	Oamaru	..	..	26·04
Auckland	..	..	12·70	Palmerston North	..	..	25·44
Invercargill	..	..	12·42	New Plymouth	..	..	25·28
Dunedin	..	..	12·27	Auckland	..	..	24·91
Napier	..	..	12·10	Dunedin	..	..	24·88
New Plymouth	..	..	11·92	Invercargill	..	..	24·80
Oamaru	..	..	11·32	Timaru	..	..	22·51
Timaru	..	..	11·13	Napier	..	..	21·61
Christchurch	..	..	10·49	Christchurch	..	..	19·75
Greymouth	..	..	10·08	Greymouth	..	..	17·53
Thames	..	..	9·04	Thames	..	..	17·23
Westport	..	..	8·04	Westport	..	..	13·74

TELEPHONE-EXCHANGES OPENED, ETC.

On the 1st December a new exchange with sixty-nine subscribers was opened at Thorpe, the installation replacing a local system of private lines which had been in operation for many years. A feature of the opening ceremony was the broadcasting in the local hall by means of a loud-speaker of conversations between the Postmaster-General and Mr. K. J. Holyoake, member for Motueka, both of whom were in Wellington, and Mr. J. F. Balek, a prominent resident of the Thorpe district. The establishing of the exchange obviated the necessity on the part of the private-line owners of reconditioning their lines and converting them to metallic circuits on account of the projected introduction of high-tension power lines in the district.

Owing to the development of the Kerikeri district tending in a direction away from the township near the wharf, it was found necessary to open a permanent office in a more central position. The new office is known as "Kerikeri Central," and the telephone-exchange was moved from the old Kerikeri office to the new building on the 9th February.

The number of telephone-exchanges in the Dominion at the 31st March was 349.

OPENING OF UNATTENDED RURAL AUTOMATIC-EXCHANGE AT PORIRUA.

A rural automatic-exchange, the first of its kind to be installed in New Zealand, was opened at Porirua on the 12th August, replacing the old magneto switchboard which had been in operation at that place since 1913. The new exchange serves the Porirua, Titahi Bay, and Tawa Flat areas, and is capable of catering for the telephonic needs of the three districts for many years to come.

The exchange is unattended and operates continuously. Outward toll calls are obtained by dialling "09," which gives direct connection with the Wellington toll-room. Toll calls to Porirua subscribers are effected by the required subscribers being dialled direct from the Wellington exchange.

ALTERATION IN STATUS OF TELEPHONE EXCHANGES.

The number of subscribers to the Blenheim and Oamaru telephone exchanges having reached 10 per cent. above the maximum for exchanges of Class III (1,000), the status of these exchanges was raised during the year to Class II.

In each case the change involved, in addition to altered rental charges, an enlargement of the base-rate area (the area within which minimum rentals apply), with the result that a greater number of residents at the two places are now able to obtain telephone service at the basic charge. The Blenheim and Oamaru exchanges are now in the same category as the exchanges at such places as Invercargill, Wanganui, and Palmerston North. Only the exchanges at the four metropolitan centres are in Class I.

TELEPHONE-EXCHANGE ATTENDANCE.

It is interesting to note that almost 80 per cent. of the telephone subscribers in New Zealand are connected with exchanges at which continuous attendance is observed. In other words, approximately 110,000 subscribers may communicate with one another at any time of the day or night all the year round. Sixteen per cent. of telephone users enjoy an eighteen hours' service on week-days with twelve

hours on Sundays and holidays. The remaining subscribers, comprising 4·5 per cent. of the total, are provided with service varying from seven to fourteen hours on week-days and, in many cases, with two hours' service on Sundays and holidays. During the year the attendance at sixteen exchanges was extended, mainly as a result of the growth in the number of subscribers.

INTERPHONE EQUIPMENT: REDUCTION IN CHARGE.

During the year a reduction from £3 5s. to £2 15s. was made in the annual charge for each interphone position using equipment having a keybox and a hand micro-telephone combined as a single unit.

The reduction had the effect of bringing the charge for this equipment into line with that for two-piece equipment in which the keybox and the telephone are separate units.

TELEPHONE DIRECTORIES.

To provide a distinction between newly issued directories and those of the preceding issue, an alternating colour scheme was introduced in October. The covers of one series of directories are being printed in chocolate and green and those of the next series in red and blue.

PUBLIC CALL OFFICES.

One hundred and twelve additional public call offices (coin-in-the-slot telephones) were installed during the year and eight were closed. At the 31st March fifty-six authorized installations were awaiting erection. The total number of slot telephones in operation at the end of the year was 1,021, the charge from 977 of which was 1d.: from 7, 2d.; and from 37, 3d. The revenue for the year amounted to £55,177, an increase of 8·1 per cent. compared with the previous year. The average return for each machine was £56 19s. 9d. It is noteworthy that New Zealand is the only country in the world in which telephone calls may be made from public coin-in-the-slot telephones at the rate of 1d. a call.

INCREASES IN SWITCHBOARD ACCOMMODATION.

The growth of the demand for telephone-exchange service has necessitated increases in switching apparatus at the following exchanges: Awanui, Kerikeri Central, Kaikohe, Dargaville, Maungaturoto, Kaiwaka, Pukekohe, Tuakau, Matamata, Whakatane, Otorohanga, Rotorua, Taupo, Urenui, New Plymouth, Napier, Plimmerton, Nelson, Gore, Nightcaps, and Invercargill. At Porirua a rural automatic exchange replaced the small manually-operated switchboard.

Switching equipment of the branching multiple type was installed at Te Awamutu to replace single-unit switchboards, thus improving operating facilities and at the same time making provision for future growth.

The friction-driven party-line equipment at the Khandallah automatic exchange was replaced by modern gear-driven type.

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

The laying or erecting of 50 miles of lead-covered cables containing 10,667 miles of wire for subscribers' circuits.

The erection of 523 miles of pole-line and 5,111 miles of open aerial wire for the connection of telephone exchange subscribers' stations.

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

The replacement of existing switchboards at Kaeo, Kawakawa, Raglan, Owthango, Rahotu, Eltham, Manaia, Mangaweka, Pahiatua, Greytown, Omakau, Queenstown, Arrowtown, Dipton West, Wyndham, and Tuatapere.

The removal of the telephone exchange equipment, &c., to new post-office buildings at Kerikeri Central, Maungaturoto, Kumeu, Waimana, Waipiro Bay, Mangaweka, Pahiatua, Waikari, Mayfield, Omakau, and Queenstown.

The installation of standard type main distributing-frames at Kawakawa and Maungaturoto.

The provision of air-conditioning plant at the Christchurch Central automatic-telephone exchange.

The provision of additional trunk circuits between Devonport and Takapuna, and the Khandallah and Wellington automatic exchanges.

The installation of machine-ringing apparatus at Rawene, Kawakawa, Dargaville, Maungaturoto, Warkworth, Tirau, Wairoa, Eketahuna, Greymouth, Rangiora, Mayfield, and Ashburton.

An improvement in speech-efficiency between Lower Hutt and Wellington exchanges by the installation of eight sets of loading-coils at selected points between the two places.

The provision of special facilities for the handling of fire-alarm calls to the new Central Fire Station at Wellington. A central battery manual switchboard was installed, as well as special equipment at the automatic exchange to enable false-alarm calls to be traced to the originating telephone.

The installation of a motor-generator battery charger and rectifier at Hastings.

The replacement of two exchange batteries at Stratford by a single unit working on the full-float principle.

The replating of the main battery at Courtenay Place (Wellington).

The installation of a new motor-generator battery-charging set at Wellington South to enable the battery to be operated on the full-float method.

The installation of additional rectifiers for battery-charging purposes at Christchurch Central and St. Albans exchanges.

The replacement of the secondary battery at Roslyn.

The length of various items of telephone-exchange plant in existence on the 31st March, 1937 and 1938, 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, 1937	15,864	48,824	102,902	36,823	1,246*	410,590*	45,228	1,889*	111,902	569,609*
Erected during year	523	109	3,465	555	..	9,700	967	..	5,111	15,778
Dismantled during year	53	92	588	750	..	2,470	944	..	742	4,156
In existence on 31st March, 1938	16,334	48,841	105,779	36,628	1,246	417,820	45,251	1,889	116,271†	581,231

* 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, 1938, are as under :—

Telephone-exchange wire in underground cables	..	..	71·9 per cent.
Telephone-exchange wire in aerial cables	..	..	7·8 "
Telephone-exchange wire in submarine cables	..	..	0·3 "
Telephone-exchange open aerial wire	..	..	20·0 "

TELEPHONE STATISTICS.

A comparison of statistics in respect of the telephone system is made in the following table, which shows annually since 1929 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.
						£		
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
1938	..	..	..	349	581,231	1,458,042	192,019*	119·67

* Includes approximately 4,000 non-exchange stations. † Revised figures.

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, 1938, 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 ..				54,214	30,339	30,808	30,009	145,370
Toll and service stations ..				1,029	664	958	1,856	4,507
Public call offices				776	163	73	9	1,021
Extension stations—								
P.B.X.				16,050	3,908	1,210	154	21,322
Ordinary				8,430	4,264	2,421	1,252	16,376
Telephone-stations : Class totals				80,499	39,338	35,470	33,280	188,587
Number of exchanges in each class				4	16	61	268	349

In addition to the stations shown in the preceding table, there were 3,432 stations connected by private telephone-lines directly or indirectly with departmental toll stations, making a grand total of 192,019 telephone-stations on the 31st March, 1938.

The following table shows the number of telephone-stations in the North and South Islands on the 31st March, 1937 and 1938, respectively :—

	Number of Telephone-stations on 31st March,						
	1937.			1938.			Percentage Increase.
	Main Stations.	Extension Stations.	Total.	Main Stations.	Extension Stations.	Total.	
North Island ..	101,684	24,382	126,066	109,446	27,268	136,714	8·4
South Island ..	39,399	9,456	48,855	41,452	10,421	51,873	4·1
Totals ..	141,083	33,838	174,921	150,898	37,689	188,587	7·8

The number of telephone-stations (main and extension) connected with each of the fifteen principal exchanges on the 31st March, 1938, was—Auckland, 28,052 ; Wellington, 26,208 ; Christchurch, 15,246 ; Dunedin, 10,011 ; Hamilton, 3,833 ; Wanganui, 3,832 ; Palmerston North, 3,815 ; Invercargill, 3,501 ; Hastings, 3,108 ; Gisborne, 3,032 ; New Plymouth, 2,637 ; Napier, 2,379 ; Timaru, 2,337 ; Masterton, 2,233 ; Nelson, 2,133.

The number of party and rural lines on the 31st March, 1938, was 14,139, to which were connected 54,273 main stations—an increase of 602 and 3,331 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, 1938 :—

Percentage of		Class I Exchanges.	Class II Exchanges.	Class III Exchanges.	Class IV Exchanges.	Dominion Percentages.
Business stations .. ..	.. ..	35	31	26	19	29
Residential stations .. ..	.. ..	65	69	74	81	71
		100	100	100	100	100
Individual-line stations .. ..	.. ..	86	73	47	29	63
Party- and rural-line stations .. ..	.. ..	14	27	53	71	37
		100	100	100	100	100

BROADCASTING SERVICE.

RECEIVING-STATION LICENSES.

Receiving-station licenses continue to increase at a gratifying rate. At the 31st March the total for the Dominion was 285,007, an increase of 43,699, or 18·1 per cent., on the number in force a year ago.

The following figures indicate the increase in radio licenses since the commencement of an organized broadcasting service in the Dominion :—

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
31st March, 1938 .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	285,007

The number of licenses at the 31st March represented 17·7 licenses per hundred of population. Receiving-sets are now installed in 77·6 per cent. of the households of New Zealand.

The number of free licenses issued at the 31st March was 811. Free licenses are issued to public hospitals, benevolent and orphan asylums, and charitable institutions, to schools and colleges for radio sets installed in class-rooms for educational purposes, and to blind persons who are the heads of households.

The number of prosecutions for the operation of unlicensed receiving-sets during the year was 957, resulting in the imposition of fines totalling £593 16s. 5d. It is of interest to note that during the year a radio listener was fined for erecting a wireless aerial across power-lines in the vicinity of his residence. A power fault was caused by the aerial coming into contact with the power-lines.

RADIO-DEALERS' LICENSES.

The number of radio-dealers' licenses at the 31st March was 1,324, an increase of 9 over the number at the end of the previous year.

PRIVATE BROADCASTING-STATIONS.

The number of private broadcasting-stations in operation at the 31st March was ten—eleven fewer than the number transmitting at the corresponding date last year. The decrease is due to the National Broadcasting Service having absorbed three stations into the national system and having purchased and dismantled a number of others. The stations merged into the national service were 1ZM Manurewa, 2ZR Nelson, and 4ZP Invercargill; and those dismantled were 2ZD Masterton, 2ZF Palmerston North; 2ZL Hastings, 2ZO Palmerston North, 3ZM Christchurch, 4ZL Dunedin, 4ZO Dunedin, and 4ZR Balclutha.

PRIVATE EXPERIMENTAL STATIONS.

At the 31st March the number of private experimental stations was 1,050, an increase of 52 over the number at the end of the previous year.

In July private experimental (amateur) station licensees were given permission to utilize in addition to the frequency bands already available to them, frequencies between 14,150 k/cs. and 14,250 k/cs. for the transmission of type A (radio-telephony) emissions between the hours of midnight and 7 a.m. Previously this particular band of frequencies was available for radio-telegraph transmissions only. The concession, which is granted only to amateurs of proved qualifications and ability, may be withdrawn at any time in the event of interference with other services or of a breach of conditions.

INTERFERENCE WITH RADIO-BROADCAST RECEPTION.

In spite of the improved reception obtainable as the result of the increase in power of the principal broadcasting-stations, the investigation of complaints of electrical interference with reception continues to occupy the attention of a large number of officers. The number of complaints for investigation received during the year was approximately 3,300, which is identical with the number received during the previous year.

The Department has continued its efforts in the direction of endeavouring to have interference-suppressing filters incorporated by the manufacturers in all classes of electrical equipment likely to produce interference with reception. In almost all cases manufacturers or agents who have been approached have arranged most willingly for such requests to be given effect to, and their action in this connection is much appreciated. Although the Department has statutory power to prohibit the sale of any equipment which causes interference it is not desired to enforce this restriction avoidably, and it is pleasing to report that on no occasion during the year has it been necessary to take legal proceedings.

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	34,717
1932-1933	34,717	3,293,932	2,019,302	1,274,630	272,818	..	546,000	456,000	34,529	34,529
1933-1934	34,529	3,200,414	2,058,861	1,141,553	431,739	..	553,000	154,388	36,955	36,955
1934-1935	36,955	3,342,978	2,216,691	1,126,287	566,864	..	546,000	13,000	37,378	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	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	41,205
1937-1938	41,205	4,302,244	3,305,680	996,564	143,978	6,104	590,000	255,283	42,404	42,404

* 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	48,518	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	29,516	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	326,992	73,575	199,158	..	..	690,745	3,357,774
1923	28,357	545,605	3,849,423	54,461	223,113	68,044	284,778	16,869	32,815	684,979	4,390,159
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
1937	54,333	676,420	4,042,824	33,455	92,336	62,244	165,217	12,376	12,252	784,495	4,312,629

* Includes foreign offices to year 1913.

† Included under United Kingdom to year 1913.

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
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
1937	678,018	4,053,369	8,824	44,434	25,509	73,755	3,204	8,647	715,555	4,180,205

* Includes foreign offices to year 1913. † Included under United Kingdom to year 1913.

Table No. 3.
TABLE SHOWING THE NUMBER AND WEIGHT OF PARCELS EXCHANGED WITH OTHER COUNTRIES
DURING THE YEARS 1936 AND 1937.

Places.	Received.				Despatched.			
	1936.		1937.		1936.		1937.	
	Number.	Weight.	Number.	Weight.	Number.	Weight.	Number.	Weight.
Great Britain and Northern Ireland (and countries via London)	68,860	lb. 552,914	77,420	lb. 621,682	13,364	lb. 62,824	14,254	lb. 73,216
New South Wales (including Japan, Italy, &c.)	37,177	159,227	39,453	182,680	10,767	36,204	11,518	38,454
Victoria	12,218	50,164	13,711	57,514	5,172	17,093	5,645	18,949
Queensland (including Papua and Dutch East Indies)	1,103	2,808	1,399	3,695	1,353	4,301	1,608	5,035
South Australia	971	2,851	913	2,986	667	2,132	746	2,603
Western Australia	503	1,162	509	1,333	703	2,050	716	2,234
Tasmania	191	660	195	420	528	1,516	577	1,769
Norfolk Island	34	38	25	50	303	940	310	1,018
Canada	14,874	158,645	20,497	204,703	1,428	6,646	1,517	6,585
Union of South Africa ..	1,047	2,135	1,169	2,591	790	4,009	882	4,349
Aden	76	220	70	289	..	..	..	..
India	2,691	17,270	3,231	23,015	935	5,326	957	5,590
Ceylon	260	781	287	1,127	76	329	67	268
Malaya	478	1,658	606	2,210	255	1,106	341	1,482
Hong Kong (including Japan, China, &c.)	1,258	11,719	1,221	13,445	945	4,217	754	2,945
Fiji	468	1,677	469	1,634	1,553	7,704	1,645	8,775
Tonga	133	424	123	443	399	2,044	593	3,425
United States of America and possessions	34,142	192,035	35,477	205,626	3,505	13,748	3,245	11,971
Egypt	232	1,498	292	2,134	36	154	53	269
Tahiti	52	212	61	403	196	1,172	116	617
Uruguay	..	..	..	..	25	104	20	87
Other countries with which direct exchanges exist	4	10	8	24	8	27	36	160
	176,772	1,158,108	197,136	1,328,004	43,008	173,646	45,600	189,801

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, 1938.

Postal Districts.	Number of Branches of 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 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.	
			£	s. d.	£	s. d.		£	s. d.	£	s. d.	£	s. d.	£	s. d.						£
Auckland ..	199	357,789	6,005,297	15 8	16 15 9	287,975	5,348,083	17 8	18 11 5	657,213	18 0	..	..	283,197	17 3	24,493	17,711	154,380	10,795,141	13 9	69 18 6
Blenheim ..	17	21,304	305,143	9 11	14 6 6	17,205	298,937	4 10	17 7 6	6,206	5 1	..	..	19,968	4 3	1,221	1,002	10,970	731,396	18 11	66 13 6
Christchurch ..	78	316,358	4,973,099	9 9	15 14 5	249,631	4,437,628	2 10	17 15 7	535,471	6 11	..	..	263,911	10 9	13,403	8,283	131,834	9,943,320	8 6	75 8 6
Dunedin ..	83	143,713	2,592,650	9 9	18 0 10	111,378	2,365,822	4 7	21 4 10	226,828	5 2	..	..	148,712	2 9	8,702	5,802	69,719	5,526,528	2 1	79 5 5
Gisborne ..	28	48,325	707,771	5 0	14 12 11	34,522	586,001	3 11	16 19 6	121,770	1 1	..	..	36,205	2 8	3,094	2,036	23,502	1,387,492	1 0	59 0 9
Greymouth ..	28	32,000	458,554	16 8	14 6 7	19,326	400,819	19 6	20 14 10	57,734	17 2	..	..	26,876	18 6	2,377	1,590	15,057	1,004,250	9 11	66 14 0
Hamilton ..	98	165,484	2,398,151	18 3	14 9 10	111,988	2,075,999	14 6	18 10 9	322,152	3 9	..	..	95,836	12 2	13,933	8,788	67,013	3,761,788	8 9	56 2 9
Invercargill ..	42	46,979	725,176	1 7	15 8 9	35,573	690,273	0 5	19 8 1	34,903	1 2	..	..	51,884	7 4	3,292	2,604	31,831	1,886,123	7 10	59 5 1
Napier ..	45	101,616	1,536,842	6 10	15 2 6	79,769	1,433,142	14 0	17 19 4	103,699	12 10	..	..	78,025	4 0	6,198	4,257	44,798	2,923,966	14 9	65 5 5
Nelson ..	34	40,689	628,370	15 8	15 8 11	30,706	573,932	18 5	18 13 10	54,437	17 3	..	..	33,753	8 4	2,907	2,174	19,682	1,250,029	2 2	63 10 3
New Plymouth ..	37	71,768	1,121,550	0 7	15 12 7	47,524	950,666	13 9	20 0 1	170,883	6 10	..	..	58,397	3 8	4,295	3,237	35,589	2,261,355	7 7	63 10 10
Oamaru ..	12	19,436	398,368	9 3	20 9 11	16,774	370,824	3 7	22 2 2	27,544	5 8	..	..	24,053	3 0	1,122	940	11,023	883,623	8 3	80 3 3
Palmerston North ..	36	112,473	1,745,115	17 5	15 10 4	83,232	1,527,798	15 10	18 7 1	217,317	1 7	..	..	88,882	17 10	6,411	4,418	45,805	3,395,270	11 11	74 2 6
Thames ..	40	57,851	981,879	7 11	16 19 5	37,412	873,030	6 5	23 6 9	108,849	1 6	..	..	39,035	9 5	6,233	4,581	29,045	1,513,721	9 4	52 2 4
Timaru ..	18	48,880	1,000,750	3 0	20 9 6	40,449	936,285	15 1	23 3 0	64,464	7 11	..	..	57,324	14 6	2,837	2,220	26,117	2,119,625	17 0	81 3 2
Wanganui ..	42	74,869	1,130,714	11 3	15 2 1	54,856	1,051,766	7 3	19 3 6	78,948	4 0	..	..	61,879	9 7	4,662	3,545	36,949	2,322,046	10 1	62 16 11
Wellington ..	63	515,066	6,125,658	7 2	11 17 10	352,825	5,529,171	11 8	15 13 5	596,486	15 6	..	..	289,238	9 3	22,135	14,918	157,239	10,987,171	5 2	69 17 6
Westport ..	20	10,969	151,162	5 3	13 15 7	6,353	132,216	18 9	20 16 3	18,945	6 6	..	..	9,521	19 7	843	606	6,217	353,550	12 6	56 17 4
Western Samoa ..	2	3,970	36,294	19 1	9 2 10	3,074	26,835	2 8	8 14 7	9,459	16 5	..	..	1,804	19 8	567	182	2,376	72,457	10 11	30 9 11
Rarotonga ..	6	1,432	18,529	4 3	12 18 10	1,768	19,837	3 7	11 4 5	..	..	1,307	19 4	784	1 11	202	85	1,659	28,069	16 4	16 18 5
Totals for year ended 31st March, 1938	928	2,190,971	33,041,081	14 3	15 1 7	1,622,340	29,629,073	19 3	18 5 3	3,412,007	15 0	..	..	1,669,383	16 5	128,927	88,979	920,805	63,146,929	16 9	68 11 6
Totals for year ended 31st March, 1937	912	1,940,436	30,676,969	3 6	15 16 2	1,493,580	27,042,003	0 0	18 2 1	3,634,966	3 6	..	..	1,514,219	16 11	119,339	79,153	880,857	58,065,538	5 4	65 18 5

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, 1928, AND YEARLY PERIODS FROM 1928 TO THE YEAR ENDED 31ST MARCH, 1938.

Year.	Number of Branches of the Post Office Savings-bank open at the Close of 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 remaining open at Close of the Year.	Total Amount standing to the Credit of all Open Accounts, inclusive of the Interest to the Close of the Year.	Average Amount standing to the Credit of each Open Account at the Close of the Year.					
			£	s.	d.			£	s.	d.								£	s.	d.	£	s.	d.	£	s.	d.
Year ended 31st Mar., 1938	928	2,190,971 33,041 081 14	3	15	1	71,622 340 29,629 073 19	3	18	5	33,412 007 15	0	..	1,669,383 16 5	128,927 88,979	920,805 63,146,929 16	9	68 11	6				
Year ended 31st Mar., 1937	912	1,940,436 30,676 969 3	6	15	16	21,493 580 27,042 003 0	0	18	2	13,634 966 3	6	..	1,514,219 16 11	119,339 79,153	880,857 58,065,338 5	4	65 18	5				
Year ended 31st Mar., 1936	892	1,585,976 25,619 775 13	7	16	3	11,417 040 23,533 596 7	2	16	12	22,086 179 6	5	..	1,406,459 5 8	94,628 71,574	840,671 52,916,352 4	11	62 18	11				
Year ended 31st Mar., 1935	871	1,424,534 24,179 537 2	4	16	19	11,350 502 20,946 562 0	3	15	2	93,232 975 2	1	..	1,320,347 7 9	90,958 71,603	817,617 49,423,713 12	10	60 8	11				
Year ended 31st Mar., 1934	870	1,225,275 19,428 852 13	9	15	17	11,338 590 17,818 171 16	3	13	6	31,610 680 17	6	..	1,231,089 10 10	71,084 69,919	798,262 44,870,391 3	0	56 4	2				
Year ended 31st Mar., 1933	873	1,214,105 16,933 176 8	1	14	0	11,475 079 19,635 928 4	9	13	6	3	..	2,702,751 16	81,475,873 10	5	72,538 152,531	797,097 42,028,620 14	8	52 14	7			
Year ended 31st Mar., 1932	882	1,418,250 19,463 985 10	6	13	14	61,535 368 25,488 081 4	0	16	12	0	..	6,024,095 13	61,611,047 13	4	78,674 79,627	877,090 43,255,499 0	11	49 6	4			
Year ended 31st Mar., 1931	884	1,695,143 24,531 569 1	3	14	9	51,473 027 28,063 338 6	0	19	1	0	..	3,531,769 4	91,763,824 17	3	98,298 73,012	878,043 47,668,547 1	1	54 5	9			
Year ended 31st Mar., 1930	882	1,700,460 28,561 854 4	10	16	15	111,342 113 29,575 993 16	10	22	0	9	..	1,014,139 12	01,806,414 0	1	97,932 73,471	852,757 49,436,491 8	7	57 19	5			
Year ended 31st Mar., 1929	879	1,618,656 27,252 381 9	0	16	16	91,285 256 28,111 940 16	9	21	17	6	..	859,559 7	91,745,050 5	4	93,111 69,540	828,206 48,644,217 0	6	58 14	7			
Year ended 31st Mar., 1928	870	1,570,493 27,611 066 5	1	17	11	71,274 906 30,584 997 14	4	23	19	10	..	2,973,931 9	31,747,155 13	9	93,331 72,433	804,725 47,758,726 2	11	59 6	11			
Totals for 1918	786	1,213,353 18,101 104 18	1	14	18	4	727,729 14,938 841 10	0	20	10	73 163,263 8	1	..	1,059,471 17	8	76,869 53,015	590,205 33,418,125	4	9	56 12	5	
" 1908	593	706,101 9,674 075 4	0	13	14	0	484,672 9,417 820 10	3	19	8	8	256,254 13	9	..	379,808 6	7	80,135 57,829	342,077 12,159,293 18	1	35 16	11	
" 1898	409	281,749 3,279 611 7	5	11	12	10	196,764 3,194 893 16	7	16	4	9	84,717 10	10	..	128,128 16	6	37,267 26,628	169,968 4,957,771	5	5	29 3	5
" 1888	290	145,355 1,544 747 7	11	10	12	6	96,204 1,387 471 1	10	14	8	5	157,276 6	1	..	78,080 6	0	21,307 16,543	84,488 2,048,441	10	9	24 4	10
" 1878	147	69,908 762 084 12	0	10	18	0	42,746 742 063 14	3	17	7	2	20,030 17	9	..	31,664 12	9	13,005 9,634	32,132 819,071	8	2	25 9	9
" 1868	55	13,014 194 535 11	6	14	18	11	6,365 107 094 17	3	16	15	6	87,440 14	2	..	4,880 7	3	3,282 1,186	4,252 163,518	15	7	38 9	1
*Totals from 1st Feb. to 31st Dec., 1867	46	6,977 96 372 7	10	13	16	3	1,919 26 415 18	9	13	15	3	69,956 9	1	..	1,241 5	0	2,526 364	2,156 71,197	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, ACCOUNTS, CIRCULARS, &c., PACKETS, NEWSPAPERS, AND PARCELS POSTED AND DELIVERED IN THE POSTAL DISTRICTS OF NEW ZEALAND DURING THE YEAR ENDED 31ST DECEMBER, 1937.

Postal Districts.	Posted in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars, &c.	Packets.	Newspapers.	Parcels.
Auckland	31,609,640	731,172	21,351,051	2,551,419	3,457,451	1,279,668
Blenheim	1,441,332	21,398	372,255	98,267	163,319	29,107
Christchurch	16,667,877	639,171	13,652,180	1,242,637	1,502,850	540,007
Dunedin	11,632,659	429,065	7,214,074	818,649	1,316,118	408,837
Gisborne	3,536,119	39,741	1,039,516	144,014	361,023	49,517
Greymouth	2,184,968	30,303	795,399	119,912	223,223	53,196
Hamilton	11,176,507	248,560	3,338,615	539,903	552,453	172,536
Invercargill	6,004,832	139,503	3,383,978	312,663	403,744	103,961
Napier	7,307,457	163,943	2,831,893	348,530	484,370	105,560
Nelson	3,184,217	56,615	918,122	179,621	250,691	66,560
New Plymouth	5,649,227	99,307	2,529,639	291,525	356,993	93,392
Oamaru	1,594,269	27,755	545,217	83,239	116,974	27,092
Palmerston North	6,717,492	133,835	3,235,071	421,200	446,992	135,005
Thames	3,798,916	75,907	1,045,166	199,329	307,505	61,217
Timaru	3,839,956	79,560	1,354,611	299,028	188,435	59,059
Wanganui	4,937,422	149,318	1,965,043	255,983	419,088	96,200
Wellington	26,540,199	357,279	15,975,037	2,176,746	3,723,253	1,191,840
Westport	758,914	10,023	189,541	56,420	114,335	18,811
Rarotonga	45,972	228	..	8,952	20,874	1,452
Western Samoa	103,629	1,263	..	6,074	15,946	1,236
Totals	148,731,604	3,433,946	81,736,408	10,154,131	14,425,637	4,494,253
Previous year	141,853,498	3,406,149	88,158,097	9,483,094	15,393,467	3,296,288

Postal Districts.	Delivered in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars, &c.	Packets.	Newspapers.	Parcels.
Auckland	33,204,860	910,494	17,151,420	3,538,977	2,839,720	830,820
Blenheim	1,574,729	44,473	811,707	214,110	340,210	80,033
Christchurch	18,299,879	751,153	10,286,354	3,145,259	2,391,350	450,430
Dunedin	11,784,604	421,499	6,612,125	1,810,354	1,838,616	408,882
Gisborne	3,174,210	60,567	1,634,633	423,124	778,349	118,721
Greymouth	2,335,125	56,966	1,216,059	269,373	366,743	121,788
Hamilton	11,414,013	356,447	6,376,396	1,346,150	1,386,021	390,887
Invercargill	6,228,430	202,878	3,599,310	657,267	869,570	199,868
Napier	6,914,648	199,251	4,072,393	683,241	979,056	225,786
Nelson	3,059,368	68,068	1,430,715	376,727	517,049	136,711
New Plymouth	5,414,136	175,981	3,605,134	672,425	797,056	195,206
Oamaru	1,566,370	61,724	1,130,220	200,304	274,833	60,922
Palmerston North	6,867,536	191,178	4,624,919	1,035,476	888,758	227,433
Thames	4,061,174	147,693	2,504,255	541,866	597,987	172,093
Timaru	3,709,745	115,609	2,199,730	446,277	514,696	114,408
Wanganui	4,986,695	155,493	3,283,865	557,687	675,012	171,612
Wellington	27,553,695	522,509	12,390,742	3,025,958	3,256,006	552,851
Westport	1,119,820	37,076	539,461	188,422	285,402	62,328
Rarotonga	54,396	228	..	2,058	1,152	1,464
Western Samoa	114,990	1,664	..	15,715	49,056	3,353
Totals	153,438,423	4,480,951	83,469,438	19,150,770	19,646,642	4,525,596
Previous year	150,245,263	4,258,854	77,911,950	18,712,947	17,947,592	3,430,049

Postal Districts.	Total posted and delivered in the Dominion.					
	Letters and Letter-cards.	Post-cards.	Accounts, Circulars, &c.	Packets.	Newspapers.	Parcels.
Auckland	64,814,500	1,641,666	38,502,471	6,090,396	6,297,171	2,110,488
Blenheim	3,016,061	65,871	1,183,962	312,377	503,529	109,140
Christchurch	34,967,756	1,390,324	23,938,534	4,387,916	3,894,200	990,437
Dunedin	23,417,263	850,564	13,826,199	2,629,003	3,154,734	817,719
Gisborne	6,710,329	100,308	2,674,149	567,138	1,139,372	168,238
Greymouth	4,520,093	87,269	2,011,458	389,285	589,966	174,984
Hamilton	22,590,520	605,007	9,715,011	1,886,053	1,938,474	563,423
Invercargill	12,233,262	342,381	6,983,288	969,930	1,273,314	303,829
Napier	14,222,105	363,194	6,904,286	1,031,771	1,463,426	331,346
Nelson	6,243,585	124,683	2,348,837	556,348	767,740	203,271
New Plymouth	11,063,363	275,288	6,134,773	963,950	1,154,049	288,598
Oamaru	3,160,639	89,479	1,675,437	283,543	391,807	88,014
Palmerston North	13,585,028	325,013	7,859,990	1,456,676	1,335,750	362,438
Thames	7,860,090	223,600	3,549,421	741,195	905,492	233,310
Timaru	7,549,701	195,169	3,554,341	745,305	703,131	173,467
Wanganui	9,924,117	304,811	5,248,908	813,670	1,094,100	267,812
Wellington	54,093,894	879,788	28,365,779	5,202,704	6,979,259	1,744,691
Westport	1,878,734	47,099	729,002	244,842	399,737	81,139
Rarotonga	100,368	456	..	11,010	22,026	2,916
Western Samoa	218,619	2,927	..	21,789	65,002	4,589
Totals	302,170,027	7,914,897	165,205,846	29,304,901	34,072,279	9,019,849
Previous year	292,098,761	7,665,003	166,070,047	28,196,041	33,341,059	6,726,337

Average number of letters posted per unit of population: 1937, 92.85; 1936, 89.51.

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, 1938 AND 1937.

Year ended	Telegrams.						Toll Communications.				Total.			
	Ordinary.		Urgent.		Press.		Letter.		Urgent Marine.	Number.		Value.	Number.	Value.
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.						
31st March, 1938	..	5,003,761*	£ 443,624	..	£ ..	449,876	£ 57,758	..	..	29,866†	14,480,207	£ 637,807	19,963,710	£ 1,139,189‡
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	566,558	18,290,932	£ 1,058,288§

* Including urgent telegrams and letter-telegrams. † No payment received. ‡ Deduct £171,476 paid to other Administrations in respect of cable and radio messages. \$ Deduct £182,675 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, 1938, AS COMPARED WITH THE YEAR ENDED 31ST MARCH, 1937.

Cable Messages.

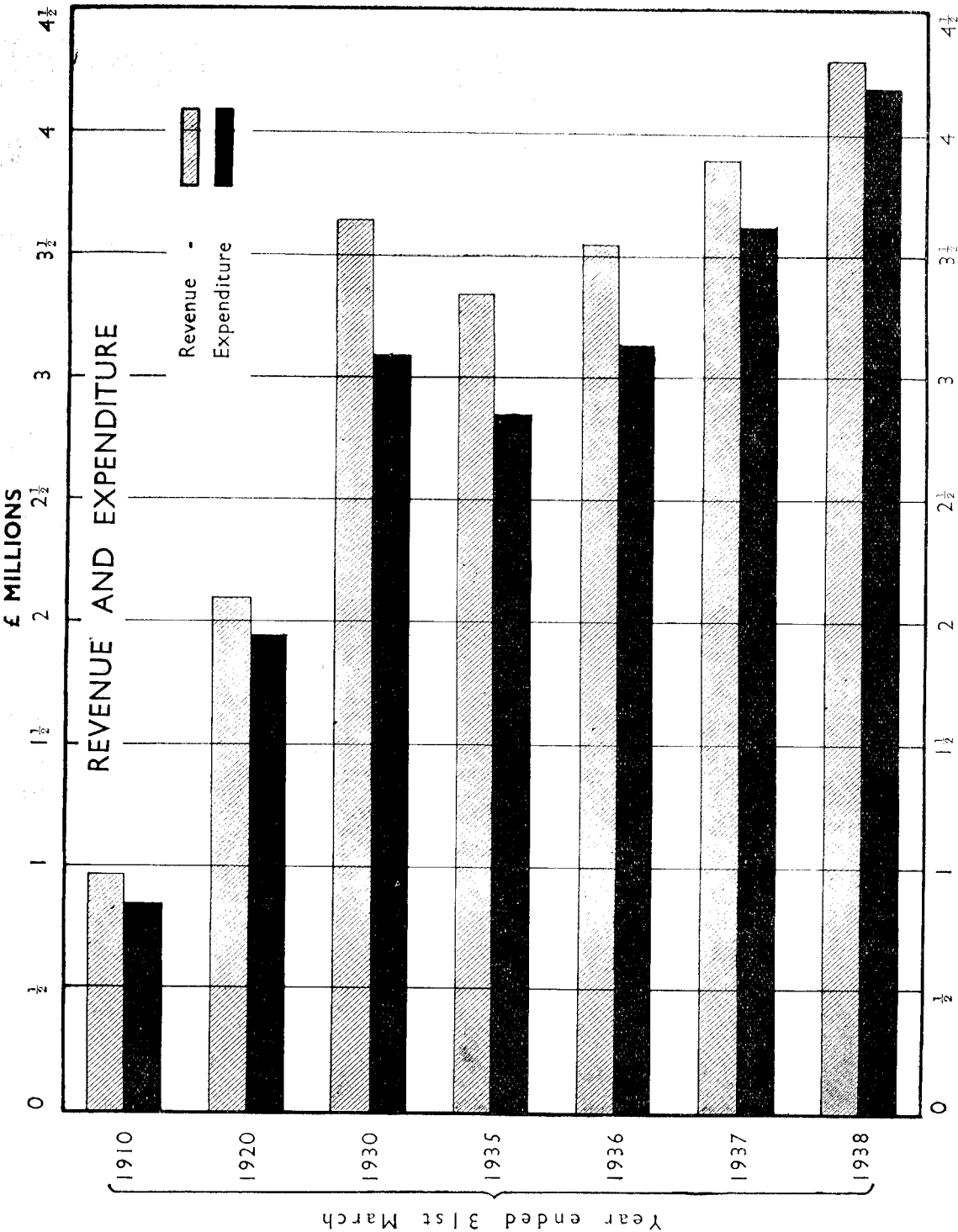
Year ended	INTERNATIONAL.				AUSTRALIAN.				Total.	
	Forwarded.		Received.		Forwarded.		Received.		Number of Messages.	Revenue earned by New Zealand.
	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.		
		£		£		£		£		£
31st March, 1938 ..	178,643	7,488	158,206	6,378	168,984	4,957	168,815	5,218	674,648	24,041
31st March, 1937 ..	178,787	7,672	154,407	6,277	164,350	4,729	161,008	5,138	658,552	23,816
PRESS MESSAGES (included in above totals).										
31st March, 1938 ..	2,340	312	4,414	395	5,409	648	7,394	895	19,557	2,250
31st March, 1937 ..	2,141	225	2,626	263	4,992	645	7,512	997	17,271	2,130

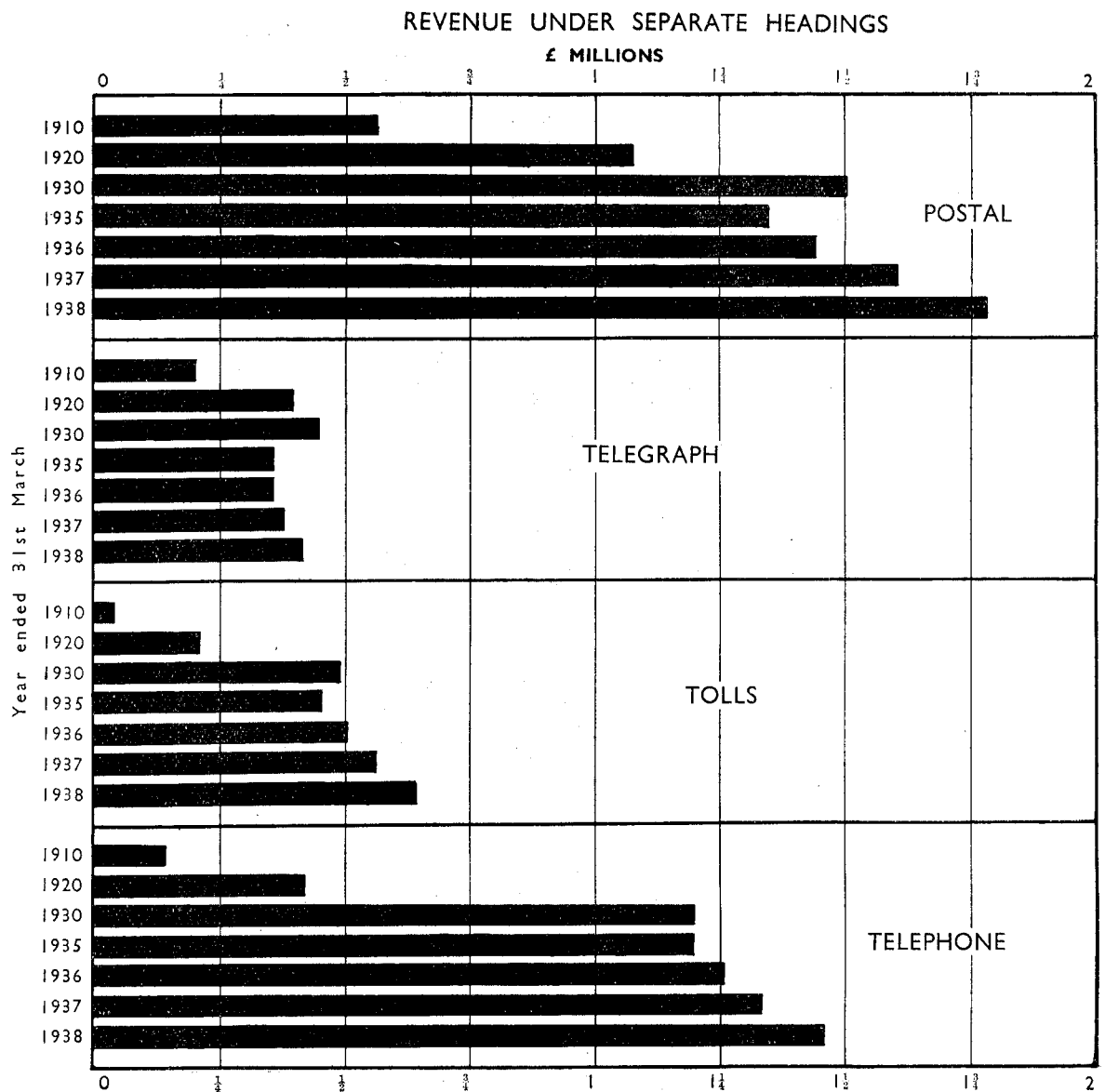
Radio-telegrams.

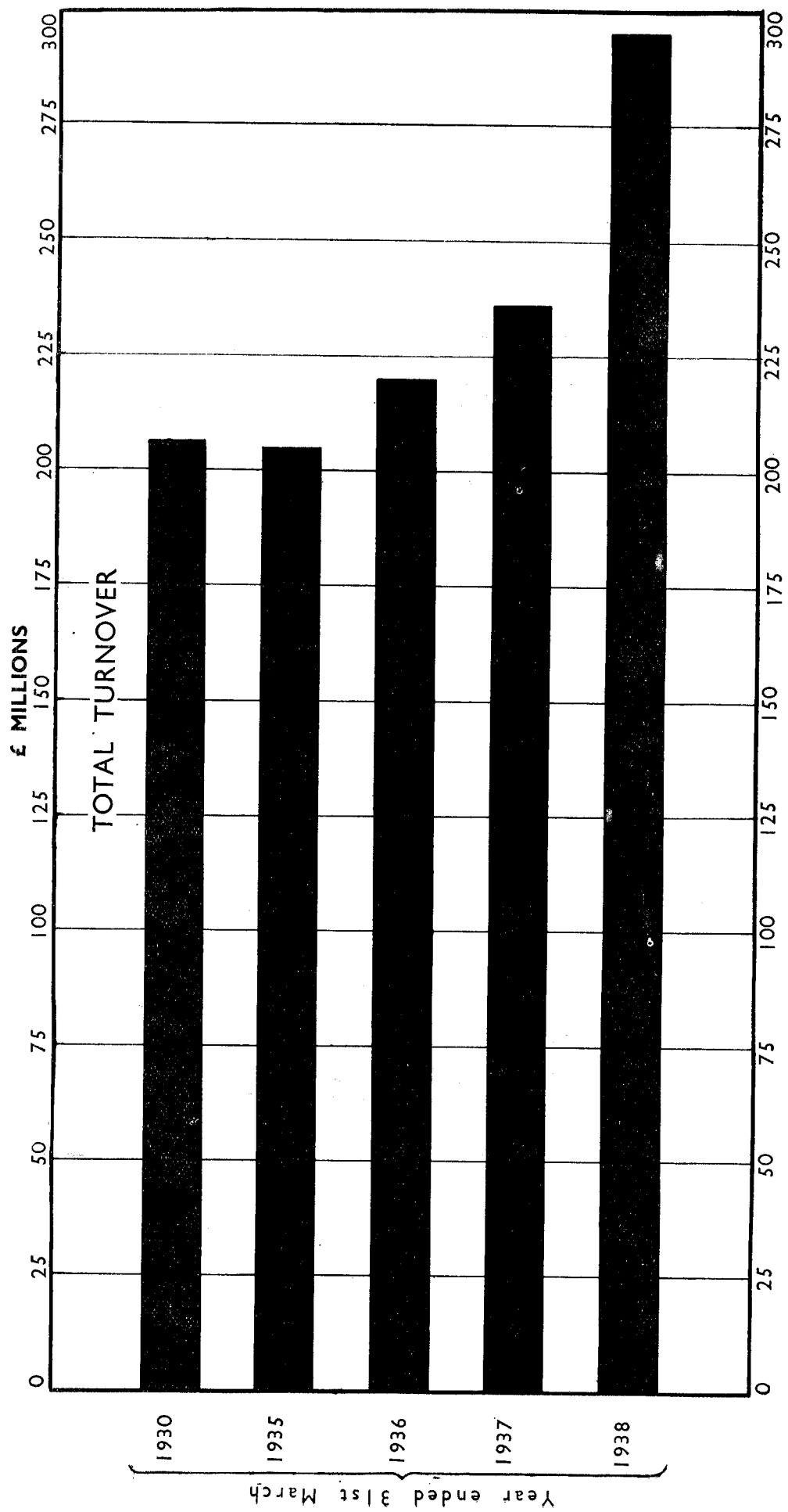
Year ended	Forwarded.		Received.		Total.	
	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.	Number of Messages.	Revenue earned by New Zealand.
		£		£		£
31st March, 1938 ..	..	14,557	3,332	24,855	3,972	39,412
31st March, 1937 ..	..	14,352	3,229	23,691	3,985	38,043

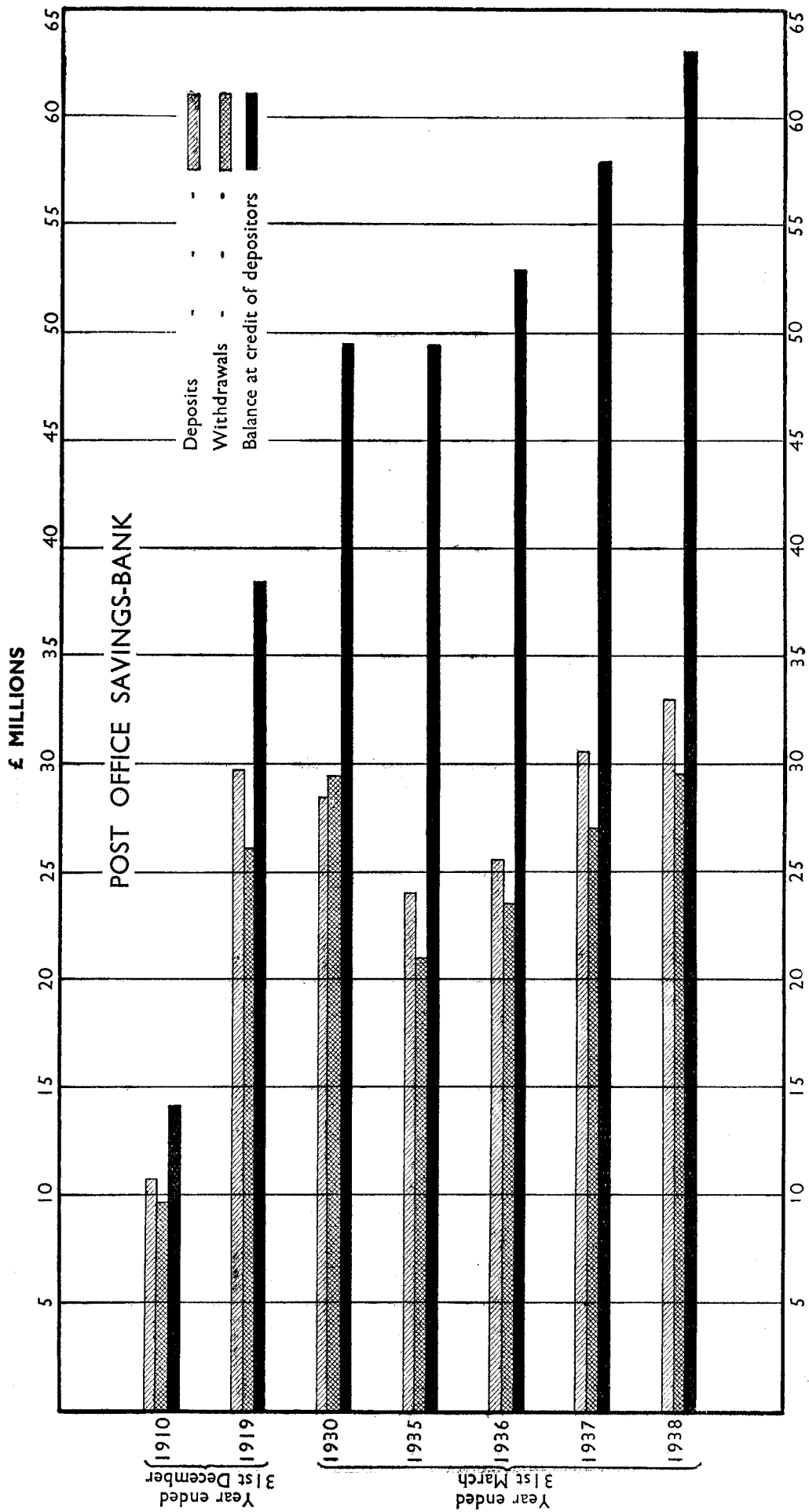
Radio-telephone Calls.

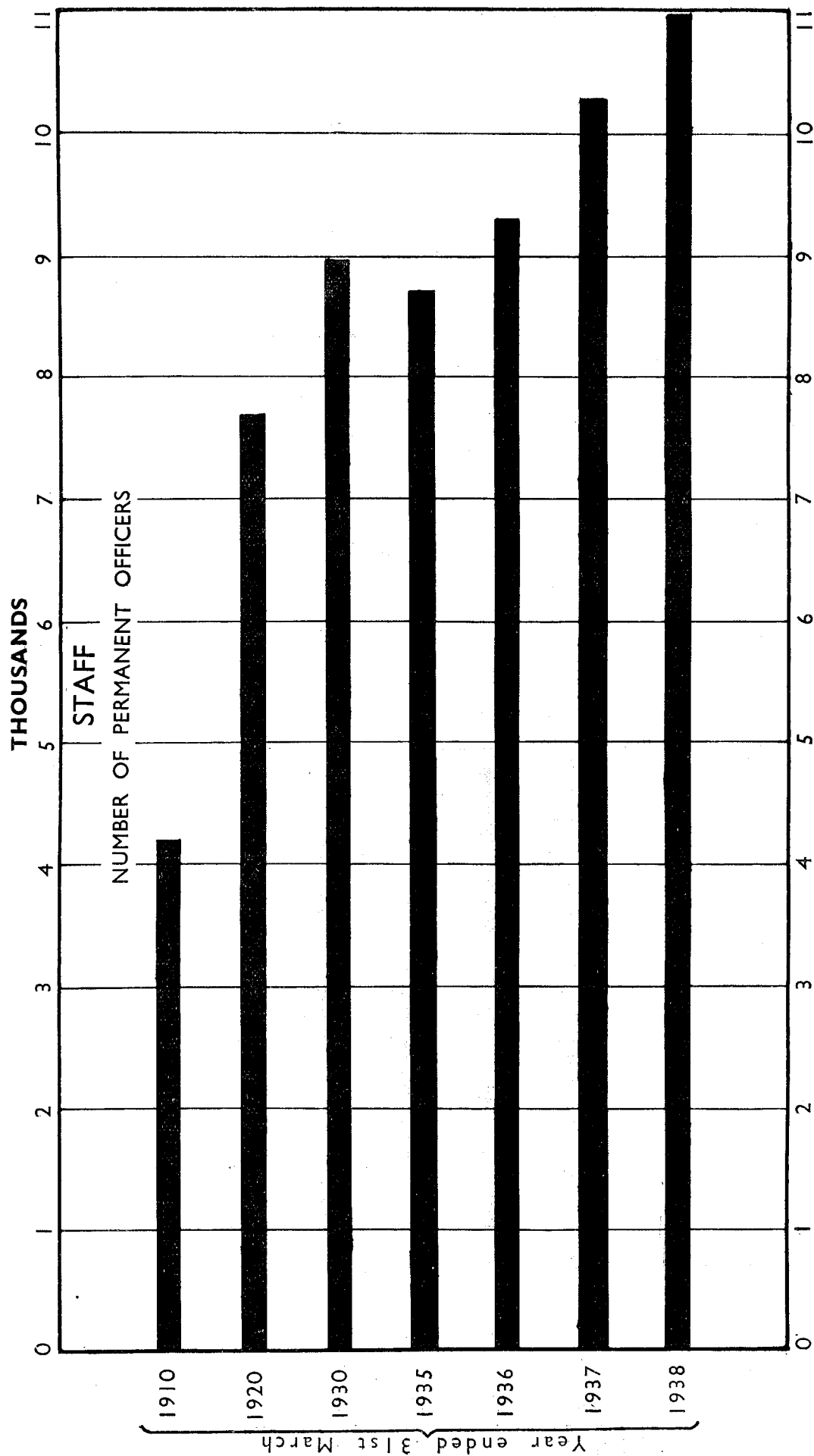
Period	Outward.		Inward.		Total.	
	Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.	Number of Calls.	Revenue earned by New Zealand.
		£		£		£
31st March, 1938	1,149	1,389	1,383	1,154	2,532	2,543
31st March, 1937	923	1,478	1,190	1,074	2,113	2,552

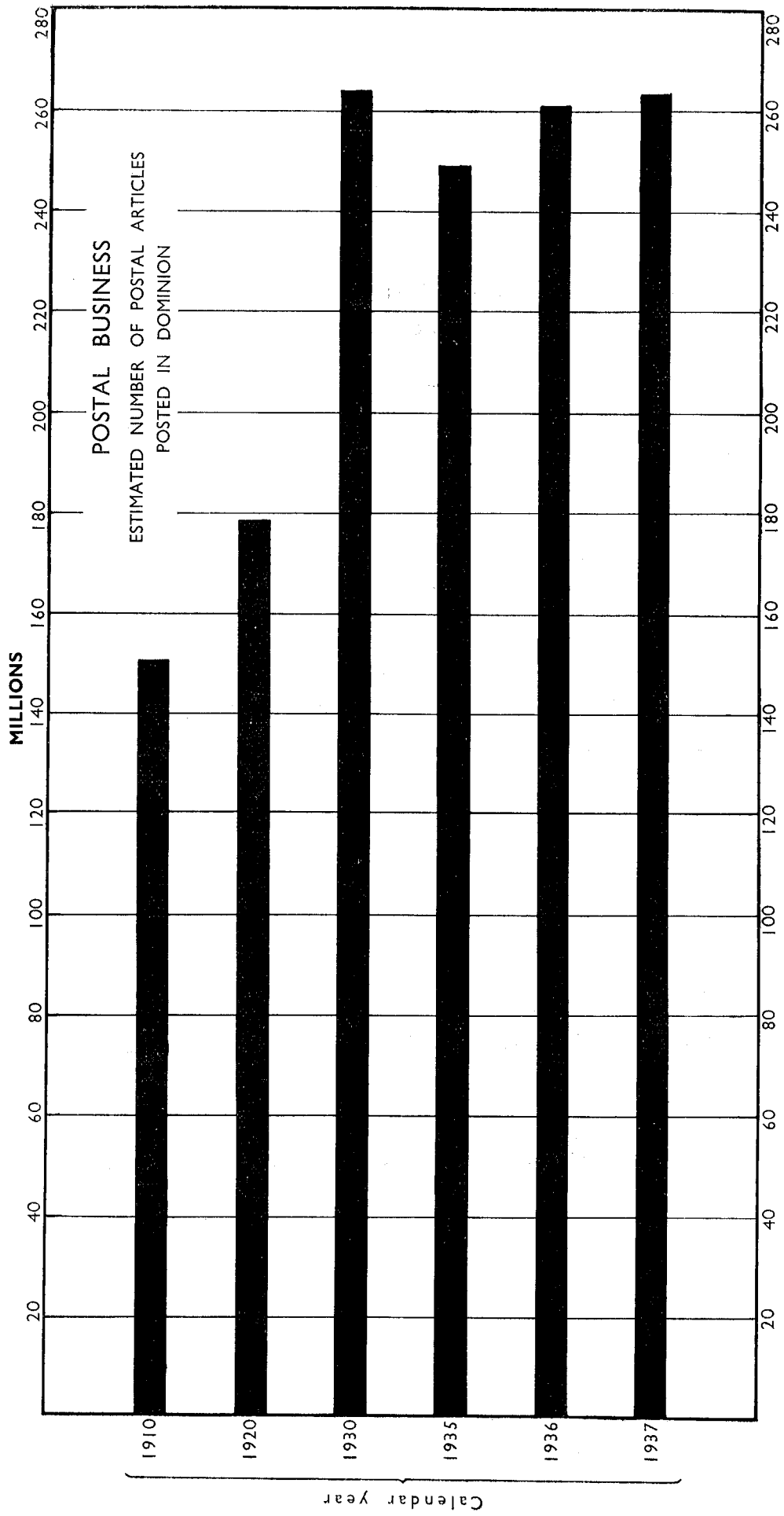




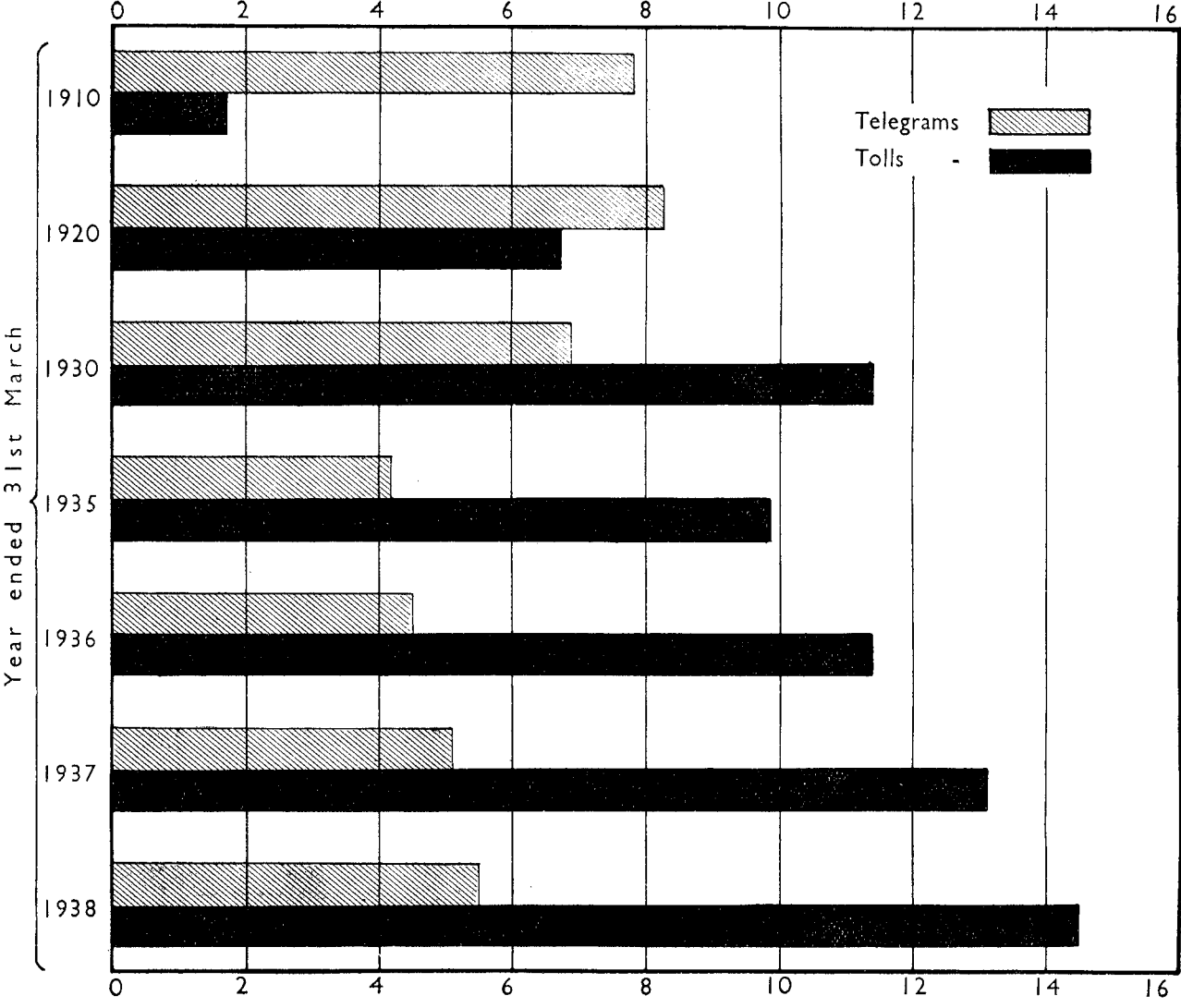


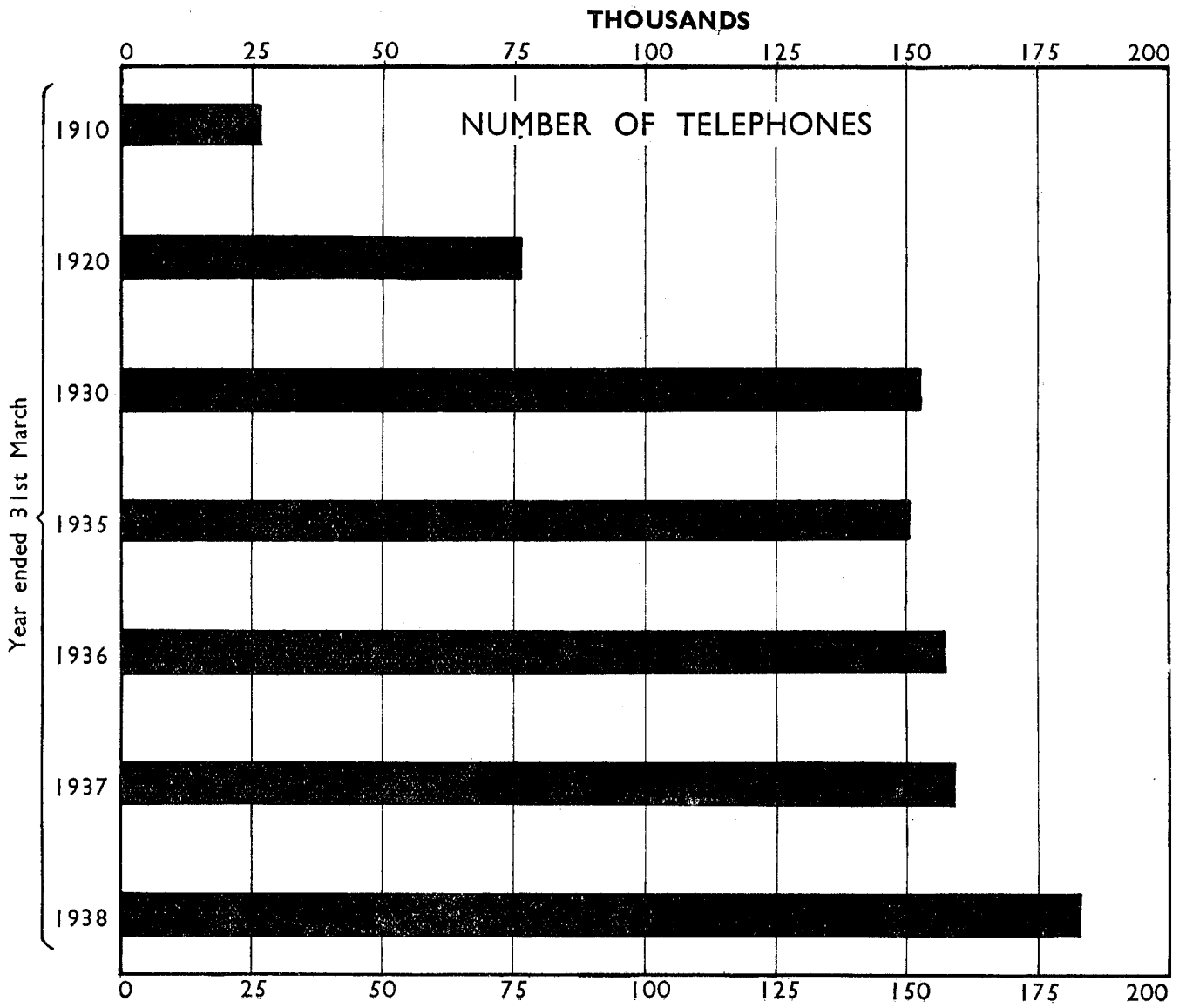


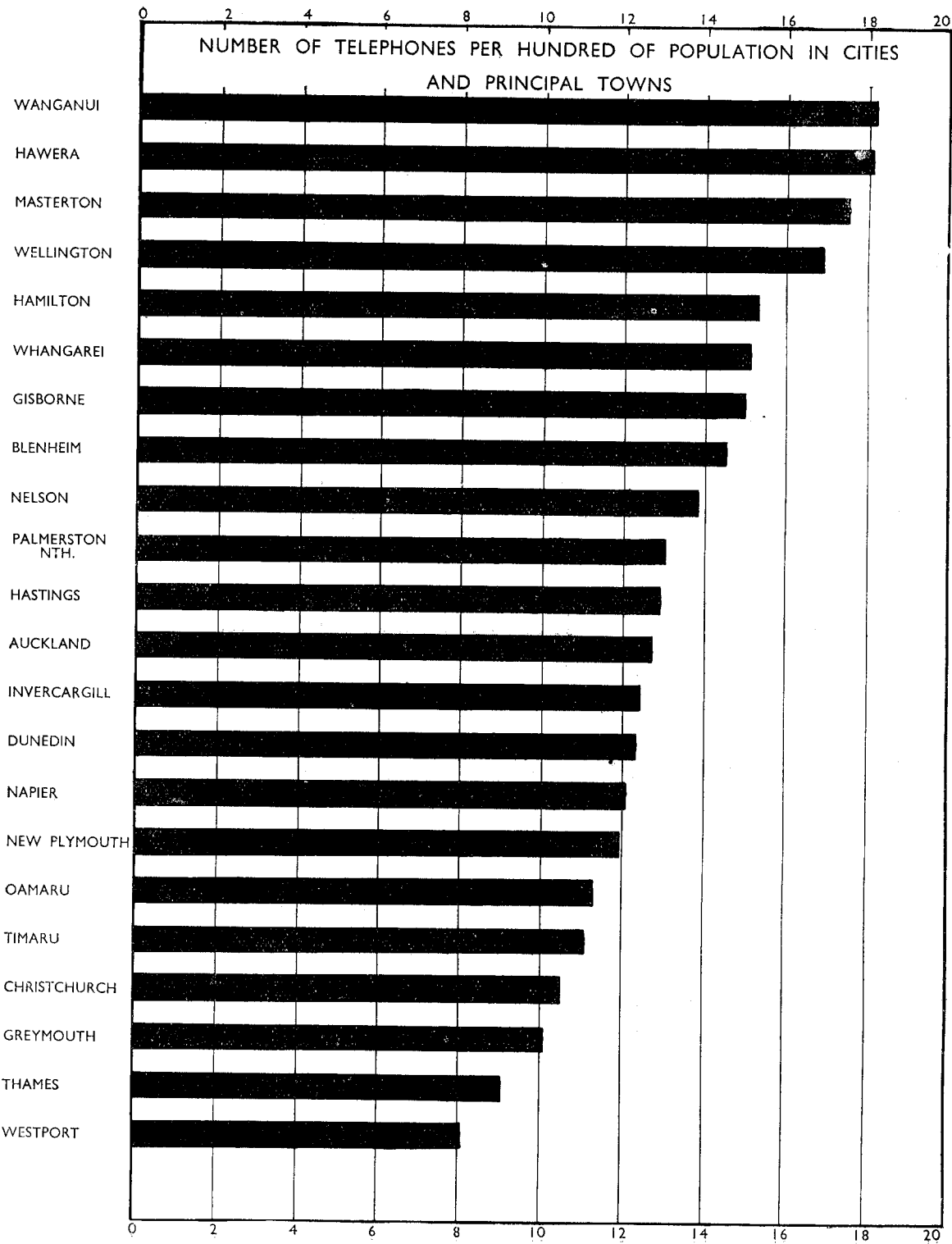




NUMBER OF TELEGRAMS AND TOLL CALLS
MILLIONS





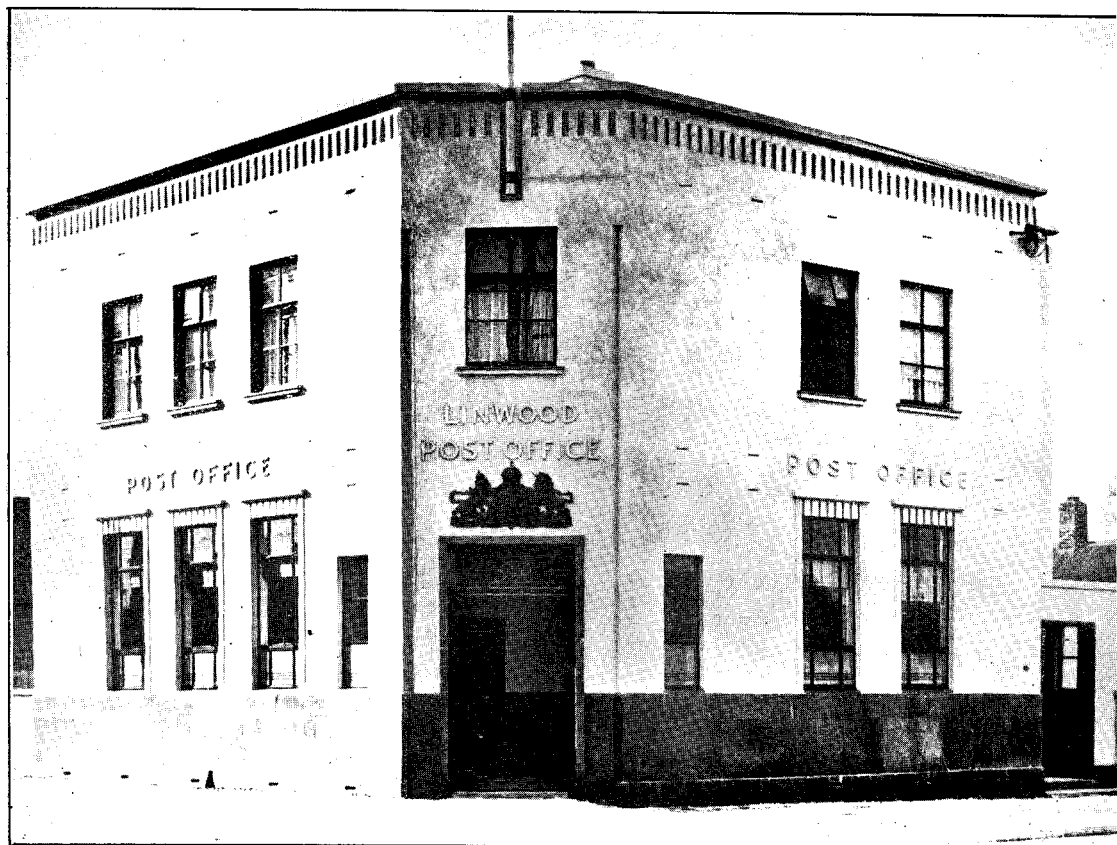




NEW CHIEF POST-OFFICE, DUNEDIN.



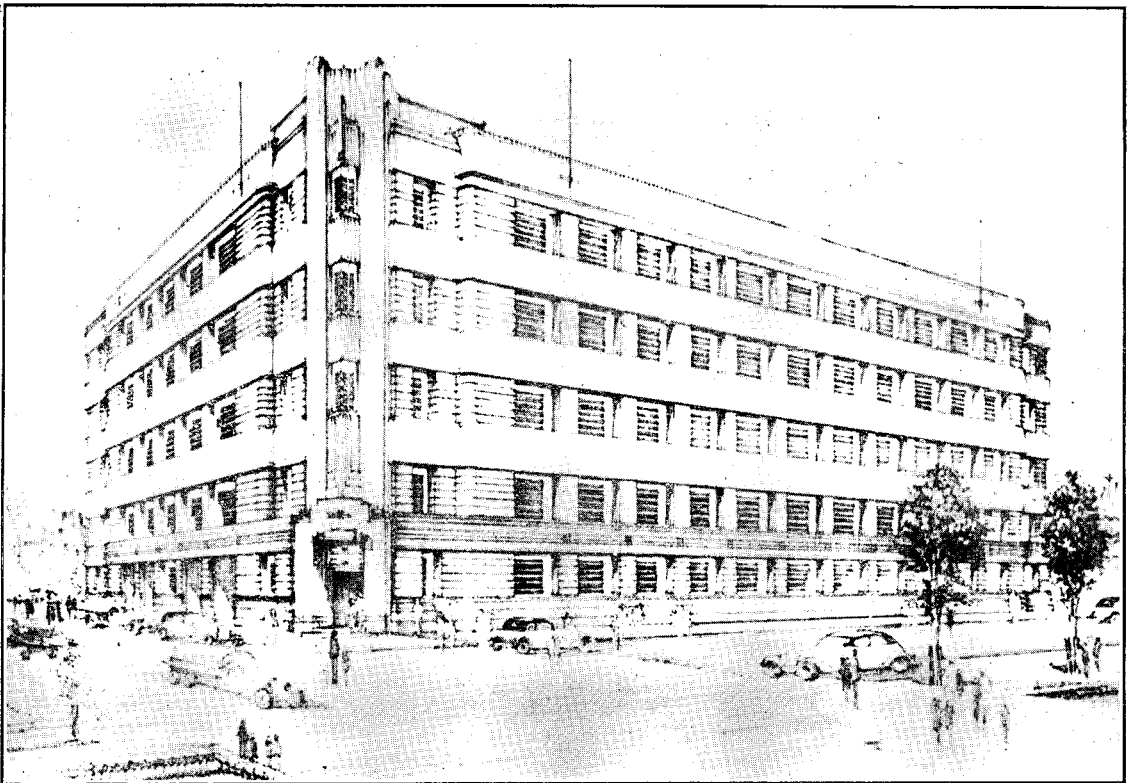
NEW CHIEF POST-OFFICE, THAMES.



NEW POST-OFFICE, LINWOOD.



NEW POST-OFFICE, QUEENSTOWN.



PROPOSED OFFICE AND LINE-DEPOT BUILDING, HERD STREET, WELLINGTON.



PROPOSED NEW CHIEF POST-OFFICE, WANGANUI.

Approximate Cost of Paper.—Preparation, not given : printing (1,060 copies), including graphs and illustrations £90.

By Authority: E. V. PAUL, Government Printer, Wellington.—1938.

Price 1s. 9d.,]