

Telephone offices were established during the year at the following places:—

Bald Hill Flat	Khandallah	Puerua
Blackburn	Kingsland	Romahapa
Burke's	Le Bon's Bay	Shag Point
Bunnythorpe	Little Akaloa	Stanley Brook
Cheltenham	Mauriceville Railway	Taipo
Colac Bay	Mount Albert	Thorpe
Creighton	Ngatimoti	Toko
Drummond	Ngahauranga	Trentham
Five Rivers	O'Kains Bay	Tuparoa
Fowlers	Oreti Plains	Wairoa Pilot-station
Granity Creek	Otiake	Waitapu Wharf
Hillgrove	Otira Gorge	Waitepeka
Jackson's	Pomahaka	Whakarewarewa.
Kakapuaka	Port Awanui	

The telephone office at Ramarama was closed.

At the close of the year there were 375 offices connected by telephone.

The total number of telegraph and telephone offices open at the end of the year was 615.

There were 5,479 miles of line at the end of the year, an increase of 130 miles, compared with the mileage for 1891.

The cost of maintenance per mile averaged £5 8s., against £5 12s. 7d. the previous year.

The net expenditure out of loan for telegraph extension was £29,245 9s. 2d., compared with £27,772 16s. in 1891.

The number of private wires was 130, against 114 in 1891; and the amount received by way of rental, maintenance, &c., was £1,008 18s. 6d., against £670 6s. 9d. in 1891.

TELEPHONE EXCHANGES.

The business of this branch has expanded in a marked degree since the reduction of the rates in October, 1891.

A brief reference to the initiation and progress of the telephone-exchange system will be of interest.

The initial telephone exchange was established at Christchurch on the 1st October, 1881, with 27 subscribers. The next exchange was opened at Auckland, on the 24th of the same month, with 26 subscribers. Dunedin followed, on the 26th April, 1882, with 56 subscribers; and Wellington, on the 1st March, 1883, with 31 subscribers. On the 31st March last, Christchurch had 639 subscribers; Auckland, 659; Dunedin, 763; and Wellington, 768. On the same date there were 14 exchanges and 8 sub-exchanges, with a total of 3,811 subscribers, or connections.

The subscriptions originally were—for a first connection, £17 10s. per annum, and for every additional connection to the same subscriber, £15.

On the 1st January, 1883, the rates were reduced to £12 for the first year, and £10 for the second and following years, the reductions dating back to the commencement of the system.

A further reduction was made on the 1st July, 1885, from £12 to £10 for the first year, and £8 for every succeeding year. On the 1st October, 1891, the subscription was again reduced, this time to £5 a year with an entrance-fee of £1.

The increase in the number of subscribers from the 1st October, 1891, to the 31st March last, was 1,109, or 41·04 per cent. of the total number of subscribers secured from the initiation of the system in 1881, to the 30th September, 1891.

Telephone exchanges have been established at Palmerston North and Thames, and a sub-exchange at Winton. The following table gives the number of subscribers for 1891-92 and 1892-93:—

Exchange.	No. of Subscribers or Connections	
	Mar. 31, 1893.	Mar. 31, 1892.
Auckland	659	560
Blenheim	60	48
Christchurch	639	524
Dunedin	763	679
Balclutha	16	13
Milton	11	8
Port Chalmers	11	10
Greymouth	64	51
Invercargill	137	100
Bluff	21	13
Gore	40	15
Riversdale	8	5
Winton	6	...
Napier	175	143
Nelson	58	53
Oamaru	66	58
Palmerston North	74	...
Thames	85	...
Timaru	67	67
Wanganui	81	74
Wellington	768	660
Hutt	2	2
Totals	3,811	3,083