

rates. The charges previously in force for full-rate messages to the United States were, under a zonal system, from 2s. to 2s. 4d. a word. For messages to United States territories the full-rate charge ranged from 3s. 0½d. to 3s. 8d. a word.

By mutual agreement, similar rates for cablegrams were applied to the Netherlands East Indies as from the 1st February and to the Netherlands as from the 1st March.

NATIONALIZATION OF THE TELECOMMUNICATIONS SYSTEMS OF THE COMMONWEALTH AND EMPIRE

As mentioned in last year's report, a Telecommunications Conference was held in London in 1945 at which all the Governments of the British Commonwealth and Empire were represented—namely, the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Southern Rhodesia, and the British colonies. The Conference was convened for the purpose of reviewing the cable and wireless systems of the Empire, and it recommended the assumption of public ownership of the overseas telecommunications services of the United Kingdom, the Dominions, India, and Southern Rhodesia. The recommendations of the Conference were accepted unanimously by all the Commonwealth Governments.

So far as this country is concerned, the New Zealand assets of Cable and Wireless, Ltd.—viz., cable terminal equipment—will, in due course, be purchased from the United Kingdom Government (who recently acquired the control of all of the shares of Cable and Wireless, Ltd.), and the ownership and operation of the cable-station at Auckland will be transferred to my Department.

TELEPHONE-EXCHANGE SERVICES

NEW ZEALAND TELEPHONE EQUIPMENT SUPPLY AGREEMENT

Arising out of discussions on the question of obtaining automatic-exchange equipment for use in the Dominion, a decision has been reached that henceforward, in telephone matters, New Zealand will follow generally the British Post Office line of development. This decision has been consolidated in the form of an agreement with British manufacturers to obtain from them the major portion of the automatic-exchange equipment required. In return, New Zealand will receive the benefits of the pooling of patents and of the joint developmental efforts of all the British telephone-manufacturers and the British Post Office.

In furtherance of this policy two engineers representing the British telephone manufacturers recently spent six months in this country conferring with the New Zealand Post Office.

TELEPHONE DEVELOPMENT

During the year the number of telephone subscribers increased from 197,513 to 209,505, an increase of 6·7 per cent. compared with the previous year's increase of 3·3 per cent. (See also Table No. 6 in Appendix.)

Every endeavour was made during the year to provide service for the maximum number of new subscribers possible with the equipment and labour available. Owing, however, to the lack of switching-equipment and, in some instances, to congestion in the telephone cables, telephone service cannot be provided for all waiting applicants in the meantime. This applies particularly to the four main centres.

Approximately 72 per cent. of the 34,800 applications on hand for telephone connections are in respect of service at automatic exchanges at which switching-equipment is congested. Every possible step is being taken to relieve the position at these