

residents to avail themselves of the increasingly popular public utility. Although forcible argument may be adduced by the business community against a rating-system designed to promote development in suburban and rural areas, it cannot be denied that, in a country such as New Zealand where town and country interests are so closely related, the widespread use of the telephone in country districts considerably enhances the value of the telephone to the commercial community and thus promotes development generally. It may be mentioned here that the number of exchanges in existence in the Dominion is 341, and the number of miles of wire in use is 402,433. There are now in New Zealand 94.40 telephones per thousand of population. A very full statement of the operation and development of the telephone system is given at pages 31-38.

AUTOMATIC TELEPHONE-EXCHANGE INSTALLATIONS.

On the 31st March, 1926, the automatic telephone exchanges in operation throughout the Dominion provided service for 32,583 subscribers, or over 30 per cent. of the total. The new automatic-exchange system introduced at Auckland and mentioned in last year's report is giving satisfaction to telephone-users, and public appreciation is freely expressed. Notwithstanding that the total number of subscribers in the Auckland area has very largely increased, complaints received during the year in respect of faulty service show a marked decrease compared with those received in previous years. The Wellington Central Automatic Exchange was cut into service in September, 1925, when the remainder of the manually operated subscribers' stations (some 4,600) and a number of waiting subscribers were given automatic telephone service. The automatic system is now in full operation in the Wellington metropolitan exchange area. The telephone system in Christchurch is at present a mixed one, being partly automatic and partly manual. The Christchurch Exchange will ultimately operate on full automatic principles. Satisfactory progress is being made with the work of completing the automatic installation in Dunedin. The Dunedin Exchange will shortly operate on full automatic principles. A detailed statement regarding the automatic telephone exchange appears at pages 34-37.

COOK STRAIT TELEPHONE CABLE.

The completion on the 26th March, 1926, of the laying of the Cook Strait telephone cable marked another milestone in the progress of telephonic communication in New Zealand. The cable is destined to become an important factor in fostering the development of long-distance telephony in the Dominion, and in promoting a closer relationship, both commercial and social, between the North and South Islands. At present inter-island service is limited to communication between Wellington on the one hand and Nelson, Picton, Seddon, and Blenheim on the other. Ultimately, however, the range of communication will be very largely extended. An account of the laying of the cable, which is of interest, appears at pages 27-28.

BUILDINGS.

The ever-present need for increased accommodation for the conduct of the Department's business at different places throughout the country serves to reveal in a most unmistakable manner the healthy and steady growth of the Dominion. The difficulties which are at times encountered in providing additional accommodation in existing buildings show all too clearly how little the designers of the original buildings anticipated the growth that would take place in the business of the Department. The rapidity of growth could not possibly have been foreseen. Needless to say, it is the present policy when preparing plans for new buildings to make provision for future additions which, when necessary, will be able to be made with much less trouble than is now the case.

The Christchurch post-office building may be cited as one which, owing to the expansion of the city, required extensive alterations, especially in that portion of the building in which the public transacts its business. With the additional accommodation now provided the Christchurch post-office building should meet requirements for a number of years.