INSPECTION OF POST-OFFICES.

During 1926, 1,318 visits of inspection were made to post-offices, an audit of the accounts being carried out at each inspection. On no occasion was any serious deficiency in the official cash disclosed.

INTERRUPTION OF MAIL-SERVICES AND TELEGRAPH AND TOLL TRAFFIC.

Heavy floods on the west coast of the South Island in October-November, 1926, seriously affected the mail-services and caused the complete isolation of a large area from telegraphic and telephonic communication. During the height of the floods use was made of the wireless installation on board a steamer at Westport to apprise other places of the condition of affairs.

INTERNATIONAL TELEGRAPH CONFERENCE.

An International Telegraph Conference was held at Paris in the latter part of 1925, and New Zealand was represented by Captain T. E. Donne, late of the High Commissioner's Office, London. Alterations in the regulations consequent upon the Conference came into force on the 1st November, 1926. The modification causing most concern to users of the cable service is the restriction placed upon the use of figures and commercial marks in the cheaper classes of cable messages. My Department is, however, interpreting the new regulation in such a manner as to cause the minimum of inconvenience, and to permit of the maximum use of the lower rates.

At these International Conferences matters of the utmost importance are decided, and it is desirable, therefore, that in the case of future Telegraph Conferences the question of sending a qualified officer from the Dominion to represent this Administration be seriously considered.

MACHINE-PRINTING TELEGRAPHS.

It is satisfactory to record that the introduction of machine-printing telegraphs has proved an unqualified success. In conformity with its policy of keeping abreast of the times and adapting to its needs the most modern developments in telegraph apparatus, my Department has felt justified in extending the system to Wanganui and Napier. As traffic and other circumstances warrant, it is hoped to make the machine-printed telegram a feature of other offices. Fuller information regarding machine-printing telegraphs is given at page 25.

TELEPHONE-EXCHANGE SERVICE.

A feature of the work of the year was the progressive development of the telephone-exchange system. In following out the policy of making telephoneexchange service as attractive as possible, every facility is afforded settlers in country areas to form rural lines, comprising up to ten subscribers, for connection with telephone exchanges. It is a constant endeavour to place this practically indispensable adjunct of society within easy reach of the bulk of the population not only in the cities but in the rural areas as well.

AUTOMATIC-TELEPHONE-EXCHANGE DEVELOPMENT.

The telephone exchanges at Takapuna and Hawera have been converted from manual to automatic working, and the work of converting several other important exchanges is now in train. It is hoped to convert the exchanges at Stratford, Dannevirke, and Dunedin in the near future, and subscribers to these exchanges can look forward to a greatly improved service. I regret that the change at Dunedin has been delayed so long, but subscribers can rest assured that after the cut-over the service will be equal to any in the world. While my Department is