

A telephone sub-exchange (connected with the Invercargill exchange) was opened at Gore on the 1st April, 1890.

There were 43 bureaux open in connection with the several telephone exchanges at the end of the year.

The subscriptions to telephone exchanges received during the year amounted to £19,252 4s. 3d.

The working expenses, maintenance, interest on capital cost, and allowance for depreciation, absorbed, of the above sum, £13,265 10s. 7d.

The capital expended in connection with the several telephone exchanges up to the 31st March, 1891, including spare material on hand, was £69,172 17s. 1d.

It may be of interest to note that the first telephone exchange in the Australasian Colonies was established in Melbourne towards the end of 1880. For the year ended 31st December last the total number of subscribers to the several Victorian telephone exchanges was 2,307, whose subscriptions amounted to £36,808 for the year—an average of £15 19s. 3d. per subscriber. The first telephone exchange in New Zealand was opened on the 1st October, 1881; and for the year ended 31st March last there were 2,592 subscribers, from whom £19,252 4s. 3d. in subscriptions were received. With 285 more subscribers than Victoria, New Zealand's annual subscriptions were, however, £17,555 15s. 9d. less—the average per subscriber being £7 8s. 6d., as compared with Victoria's £15 19s. 3d. It should be explained that there are 161 free connections in New Zealand compared with 70 free connections in Victoria, and that the proportionately high average per subscriber in Victoria is due to the fact that about 50 per cent. of the receipts is on account of mileage, at the rate of £1 per annum for every quarter of a mile after the first mile.

The following is a synopsis of the District Inspectors' annual reports:—

AUCKLAND DISTRICT.

The lines throughout this district have received a general overhaul, including renewal and rebutting decayed poles, replacement of arms and insulators where necessary, and the cleaning of a great deal of scrub round the poles.

The following extensions have been completed during the year: Kaitaia line, 28 miles; Rangiahua line, 11 miles; Matakana line, 5 miles; Kimihia line, 2 miles; Kuaotunu line, 5 miles; Okoroire line, 3 miles; and the Lichfield line, 43 miles: making a total of 97 miles of line.

The following stations have been opened during the year: Awanui, Kaitaia, Kimihia, Kuaotunu, Lichfield, Matakana, Okoroire, Orewa, Otorohanga, Oxford North, Rangiahua, and Waharoa.

The Auckland operating-room has been enlarged and refitted, and the No. 4 south wire with Napier duplexed. In all probability it will be necessary to erect another wire between Auckland and Kawakawa, and from Auckland to Tauranga at an early date.

The wires and lines generally are in excellent working order.

NAPIER DISTRICT.

Construction.—The line to Tolaga Bay has been extended to Waipiro Bay, 33 miles. Lines have also been erected between the following places: Taupo and Wairakei, 7 miles; Taupo and Atiamuri, 24 miles; Gisborne and Patutahi, 4 miles. The lines to Ashley Clinton and Maraekahake are also in hand.

The following lines have been overhauled and repaired during the year: Katikati to Maketu, 60 miles; Rotorua to Tenui, 269 miles; Gisborne to Napier, 120 miles; Taupo to Cambridge, 84 miles; Gisborne to Tolaga Bay, 35 miles; Waipukurau to Woodville, 55 miles; three miles of new poles were erected south of Otuparuhuki, and two miles of line shifted at Akiteo. The section, Katikati to Thames, has also been repaired and strengthened.

New offices have been opened at Patutahi, Te Arai, Waipiro Bay, Tokomaru Bay, Atiamuri, and Wairakei.

New office-buildings have been erected and provided at Te Puke, Whakatane, and Tokomaru Bay.

It is probable that, during the ensuing year, provision will be necessary for extension of telephonic communication to Pourerere, Waimarama, and Wanstead, and extra wire accommodation between Napier and Woodville.

The lines throughout are in good working order.

WELLINGTON DISTRICT.

The lines in this section still remain in good condition and call for no special comment. During the year the second wire from Palmerston North to Ashurst has been extended through the Manawatu Gorge to Woodville Railway-station for the use of the Railway Department. There are four telephone stations on the wire used solely for railway purposes. The two terminal stations—Palmerston railway and Woodville railway—have their offices so arranged that they can use the same wire as a Morse or telephone circuit.

Cook Strait Cables.

On the evening of the 24th December, 1890, the No. 3 core in the old Cook Strait cable developed a fault in its insulation, which did not, however, seriously interfere with its being made available for work. It remained in this condition till noon of March the 10th, 1891, when all three cores parted. The Eastern Extension Company's cable-ship "Recorder," being at hand for the purpose of repairing one of the company's cables between New Zealand and Australia, her services were kindly placed at the disposal of the Government by Sir John Pender after completion of her own repairs. Repairs were effected and communications restored on the night of the 18th May, at 10.30 p.m.