the co-operation of the Aeradio Committee, the Radio Section of the Post and Telegraph Department, and the Meteorological Branch of the Air Department. The permanent establishment of an aeradio and meteorological reporting station in the Pacific has been commenced, and when in operation the station will be of special value in compiling information for overseas air lines.

OVERSEAS AIRWAY SERVICES.

The Overseas Air Terminal at Mechanics Bay, Auckland, has been completed and brought into active use with the inception of the trans-Tasman flying-boat In addition to the erection of buildings and facilities at the Terminal, new aeradio stations have been completed or commenced. Emergency alighting areas and moorings have been provided in some localities and others are being surveyed.

GENERAL.

My Department has also continued its services in connection with the compilation of the "New Zealand Air Pilot," the plotting of direction-finding maps, aviation strip maps, meteorological information at aerodromes, air photography and aerial surveys, and the inspection of aerodromes in regard to maintenance, &c., for licensing purposes.

TELEGRAPH EXTENSION

The expenditure on telegraph extension by the Post and Telegraph Department during the last financial year in respect of telephone, telegraph, and radio facilities throughout the Dominion amounted to £416,778, as against £575,943 for the year ended the 31st March, 1939.

The long-distance toll service was further improved during the year by the establishment of the following carrier telephone systems:

Whangarei-Kaitaia: One single-channel system. Auckland-Kaitaia: One single-channel system. Auckland-Wellington: One three-channel system. Auckland-Napier: One three-channel system. Auckland-Thames: One single-channel system.

Auckland-Tauranga: One three-channel system.

Hamilton-Tauranga: One single-channel system.

Tauranga-Gisborne: One single-channel system.

Palmerston North - Napier: One three channel system.

Wellington-Wanganui: One three-channel system. Christchurch-Greymouth: One three-channel system.

Dunedin-Cromwell: One single-channel system. Dunedin-Roxburgh: One single-channel system.

In addition to providing improved toll facilities between the terminals mentioned, the establishment of these systems has enabled additional toll outlets to be provided between Auckland and New Plymouth and between Palmerston North and Hamilton, while it has also been possible to provide much-needed direct high-grade circuits between Wellington and Hawera, Auckland and Gisborne, and Auckland and Whakatane.

Other improvements to the plant and equipment used in connection with the toll and telegraph services included the installation of toll switchboards at a number of exchanges, the provision of direct dialling facilities between various exchanges throughout the Dominion, and the provision of new outlets for toll traffic by the erection of additional open aerial circuits between various centres.

Additional multi-channel voice-frequency telegraph equipment was installed during the year, a six-channel system being established between Wellington and Auckland, one eighteen-channel system between Wellington and Palmerston North, and one similar system between Auckland and Hamilton.

There has been a continuation of the demand for telephone-exchange service, and the net gain in subscribers totalled 7,546, as against 9,755 for the previous The grand total of telephone-stations (main and extensions) in the Dominion on the 31st March was 217,869, which is 11,653 in excess of the previous year's figures.