

shortages are not so acute as in the metropolitan areas, a very satisfactory delivery service was maintained. Increasing use was made during the year of the telephone in disposing of messages. This service is very acceptable to telephone subscribers in that it reduces the delay appreciably.

It is pleasing to note that the number of telegrams handled during the year showed a small increase compared with the previous year (see Table No. 4 in Appendix).

MACHINE-PRINTING TELEGRAPHS

The policy of the Post Office in the development of the telegraph service follows closely the world-wide trend towards the use of modern machine-printing telegraph systems and voice-frequency telegraph circuits. Wherever warranted, existing machine-printing facilities will be extended and new installations provided as soon as the necessary equipment now on order comes to hand from overseas.

On the 27th November, 1948, a direct machine-printing press circuit was established between Wellington, Hamilton, and Whangarei.

On the 21st September, 1948, Gisborne was converted from Murray Multiplex to Creed teleprinter working, resulting in greater flexibility in the machine-printing facilities at that office.

CONVERSION TO MORSE WORKING AT SMALLER OFFICES

The improvement of facilities for the handling of traffic at the smaller offices has been continued by the conversion to Morse working of thirty offices which formerly disposed of their telegraph traffic by telephone.

FACSIMILE TELEGRAPH SYSTEM

A facsimile telegraph circuit has been under trial between a Wellington suburban office and the Central Telegraph Office, primarily for the purpose of gaining practical experience in the operation of such apparatus. The equipment reproduces at the receiving end on specially-prepared paper a facsimile of the telegram handed in by the sender.

PRIVATE PICTURE-TRANSMISSION SERVICE

The Department has agreed to allow private picture-transmission services to be operated over toll circuits. The picture transmitting and receiving equipment, which will be privately owned, will be connected with toll circuits as required. The charges for the use of the Department's toll circuits will be in accordance with the ruling rate for toll calls, plus a small setting-up fee.

TELEPHONE-EXCHANGE SERVICES

The year 1948-49 has been one of very substantial progress in the telephone field despite the shortage of skilled labour and the many difficulties that continued to be encountered in obtaining supplies of equipment and line material. Never before were so many new subscribers connected in one year. Altogether 21,067 new subscribers were joined up. After allowing for relinquishments of service, the net increase in subscribers was 15,788, as compared with the previous year's record achievement of 12,999.

During the year particular attention was given to telephone development in rural areas. Six additional exchanges were opened providing service for some 695 subscribers, while the number of subscribers connected with existing exchanges serving country areas was greatly increased. The establishment of