The district contained 2,182 miles 60 chains of poles and 5,732 miles 60 chains of wire at the close of the financial year.

The following is a list of authorised lines either in hand or yet to be begun:—

Lines in course of erection-

Clifden-Wairoto, new line.

Dunedin - Waipori Falls, new wire.

Invercargill-Otautau, second trunk wire.

Riversdale-Kaweku, new line.

Tuatapere-Puysegur Point, new line.

Lines authorised, but erection not yet begun-

Drummond-Otautau, new wire.

Dunrobin - Moa Flat, new line.

Edendale - Seaward Downs, new line.

Hakataramea - Rocky Point, new line.

Outram-Clark's, new line.

Patearoa-Paerau, new line.

Submarine Cables.

This matter is dealt with under "New Zealand Cable Services."

Maintenance.

The condition of the lines throughout the district has continued satisfactory. No faults of any consequence occurred during the year. About 400 miles of line were overhauled.

Telephone Exchanges.

A new exchange was opened at Tapanui, with 7 subscribers, making the total number of ex-

changes in the district 26.

At Invercargill larger poles have been erected and lead cables run out, in preparation for the conversion of the exchange to metallic - circuit working, to be ready for the new central battery switch-board, expected shortly.

The annunciators in use at Gore will shortly be replaced by others more suitable, and a special

bureau board now ready is to be installed.

The connections with the Dunedin exchange total 2,162, an increase of 167 for the year. Of these, 2,063 are paying, 26 free, and 73 bureau-connections. There are also 551 extension telephones, making a total of 2,713 telephones in use on the exchange, an increase for the year of 212.

Good progress has been made in substituting the metallic-circuit system for the earth circuits in Dunedin. 1,999 subscribers' connections have been made metallic circuit, leaving 163 yet to be converted. It is expected that the whole exchange will be changed over to metallic circuits at an early date.

The number of miles of poles in use in this exchange is 79 miles 40 chains, and of wire 2,482 miles 40 chains. Of the latter 1,981 miles 40 chains are in metallic cables, 371 miles are metallic open aerial, and 130 miles earth circuit aerial, and there are 692 miles of metallic circuit wires in cables for future use. 200 miles of dead wire displaced by metallic circuits are to be dismantled.

The total number of connections in the district increased from 3,227 to 3,663, an increase of 436 for the year. 3,130 are paying, 46 free, and 487 bureau-connections. The extension telephones numbered 718, an increase of 71, making the total number of telephones connected to the exchanges in the district 4,381.

The total length of lines in the district is 164 miles 50 chains, and of wire in use 3,146 miles, exclusive of 902 miles 38 chains of dead and unallotted metallic circuit wires.

Offices.

Twenty-eight new offices were opened during the year, bringing the total in the district up to 340, of which 72 are Morse and 268 telephone offices.

The offices at Owaka and Ranfurly were converted from telephone to Morse.