

Waihou, and the destruction of willows which impeded the free flow of the water between Te Aroha and Netherton has been carried on whenever weather-conditions permitted. The dredge specially designed and built for the work is now at work deepening the canals, the excavated material being used for the extension of stop-banks where required. A large amount of preliminary survey-work is necessary in connection with this canal and stop-bank work, which has been attended to during the year when qualified members of the staff were available.

Tenders will be invited shortly for extending the stop-bank along the right bank of the Ohinemuri and the Waihou from the railway-station at Paeroa down to and below the Netherton Bridge, and also along the left bank of the Waihou in the vicinity of Tirohia, to join the stop-bank formed out of material obtained from the Ngararahi cut. When this is completed the lands to the westward will be protected from Tirohia downward.

A contract has been let for the construction of a new wharf below the Netherton Bridge, so as to avoid the necessity for steamers passing through the bridge to reach the existing wharves above.

#### TOURIST AND HEALTH RESORTS.

The expenditure under this heading amounted to £8,232, compared with £14,989 for the previous year. The sum of £2,971 was spent in completing and furnishing the new hostel at the Hermitage, where the Chief Guide's cottage was also completed. Improvements at Helensville and to electrical works at Rotorua accounted for £720 and £570 respectively. Additions to the Rotorua Sanatorium cost £671, and improvements at Waitomo Caves £588. The expenditure on the proposed New Sanatorium at Hammer and drainage-works at Rotorua was held over.

#### TELEGRAPH EXTENSION.

The expenditure on telegraph and telephone extension during the year amounted to £288,395.

Among the larger works undertaken may be mentioned the construction of the following land lines — viz., Opotiki—Cape Runaway, Cambridge—Rotorua, Taumarunui—Ohura metallic circuit, Pahiatua—Palmerston North metallic circuit, Palmerston North—Waipawa telephone-line, Waitara—Stratford, Waitara—New Plymouth, New Plymouth telephone service, Wellington—Masterton metallic circuit, Waikaia—Waiatu, and Sockburn—Christchurch underground.

No less than twelve new exchanges were opened, and the number of exchange-connections increased by 4,846.

Three hundred and ninety miles of pole-line and 2,136 miles of wire were added to the telegraph and inter-urban telephone system, and 515 miles of pole-line and 34,325 miles of wire to the telephone-exchange local systems.

One thousand six hundred and thirty-seven miles of telegraph and inter-urban telephone lines were overhauled and reconstructed.

During the year forty-six coin-in-slot telephones were installed, making a total of 139 slot telephones open for public use.

Motor-lorries, suitably fitted up, were obtained and are now being used for general construction-work.

The substitution of underground cable for aerial cable and the conversion of earth-working exchanges for the metallic circuit system are proceeding steadily.

On account of the abnormal conditions caused by the war some delay has been experienced in obtaining equipment for automatic telephone exchanges, but the provision of suitable building accommodation and underground cable equipment has been steadily proceeded with.

The necessary apparatus and material for the re-erection of the wireless station at Samoa were sent forward with the first Expeditionary Force. This station has been reconstructed, and is now being operated by officers of the Department who accompanied the Forces.