

During the year the Department has experienced considerable trouble owing to wilful damage and disregard of the instructions by the users of machines. The type of machine is being altered to a uniform design as rapidly as circumstances will permit.

Speaking generally, the slot machines have proved to be not only a great public convenience, but a very considerable success. The total revenue derived from them during the year amounted to £8,893, an increase of £2,550 over the previous year.

AUTOMATIC EXCHANGES.

The completion of the installation of those automatic exchanges that were in progress at the end of last year has not yet been effected. The delay has been due to the non-arrival of material arising out of the war conditions.

The work at Courtenay Place, Wellington South, Masterton, Blenheim, and Hamilton is well advanced. At Courtenay Place and Wellington South it has been necessary to order more apparatus to meet the growth that has been taking place in the telephone requirements of the area that will be served from those exchanges. A considerable quantity of that material has been received and is in course of installation.

At one stage it had been hoped that the difficulty of obtaining material would have been met by the manufacture of the bulk of the apparatus in the Chicago workshops of the contractor, but owing to collateral circumstances even that did not result in the desired rate of output being effected, and now that the United States has entered the war it can only be expected that the output, while continuing, will be still further retarded.

It will be some time, under existing conditions, before the new automatic exchange at Featherston Street, Wellington, will be available.

In the Auckland telephone area the bulk of the material for the three exchanges of Remuera, Ponsonby, and Mount Eden has been received, and a start is being made to erect it. The use of this is dependent on the completion of the Wellesley Street installation, so that the whole of the Auckland area may be connected to automatic working at the one time.

At Christchurch the situation is very much as it was last year, except that the building to accommodate the automatic equipment at St. Albans is completed.

In the Dunedin area buildings have been erected at Roslyn and South Dunedin to accommodate automatic equipment that is under order. The main automatic exchange will be in the new Post-office buildings on the site of the old Post-office.

The bulk of the apparatus for the exchange at Oamaru has been received. It is intended to install that portion of the Oamaru equipment that is to hand. This will be accommodated in space available in the Post-office building.

At Palmerston North an addition is being made to the Post-office building to provide increased space for post-office requirements and for an automatic exchange.

Had peace conditions prevailed the difficulties that are being experienced would not have arisen, as prompt delivery of the several equipments could have been made.

The British Government has prohibited the export of metals, so that it is not at present practicable to obtain telephone cables or the usual copper and iron wire for lines, with the result that the want of these materials, apart from the lack of apparatus at the central exchanges, is rendering it increasingly difficult to continue taking new subscribers.
