

these exchanges are brought into service considerable relief to the operating staff will result, and it will become practicable to accept connections that have had to be refused for some months in the southern portion of the city.

Portion of the apparatus for the Stout Street main exchange has arrived. Arrangements are being made for the erection of the necessary building.

Buildings at Kelburn and Khandallah to accommodate exchange equipments at those places will be put in hand during the year.

Masterton Exchange is nearing completion. It is expected that it will be in operation in a few months.

Blenheim: Only a small quantity of apparatus has now to arrive for this exchange. With that exception the equipment is installed. When it will be finished depends on the time of arrival of the rest of the material.

Palmerston North: The switch-room and other rooms to accommodate the automatic equipment have been ready for some time. About half of the equipment has arrived. The outside plant is being converted to provide for metallic circuit.

Wanganui: A contract has been let for the erection of a new exchange building to accommodate an automatic installation. The Strowger system has been adopted for this exchange. A large quantity of material and the telephones are to hand, and a start will be made to install the apparatus as soon as the building is ready.

Auckland District: At Ponsonby, Remuera, and Mount Eden the bulk of the equipment has been installed in suitable buildings, and the work is still going on. A contract has been let for the Wellesley Street combined post-office and automatic-exchange building. A large quantity of automatic material has arrived. Its installation will begin when the building is ready. Sections have been secured at Devonport and Takapuna upon which suitable buildings will be provided. The Onehunga apparatus will be housed in the post-office building.

At Hamilton the bulk of the apparatus is in place. Some has still to arrive to complete the equipment. This is one of the exchanges that may be expected to be brought into operation in a few months.

For Christchurch 1,200 lines of Strowger equipment have been obtained, and will be installed in a building a short distance from the existing exchange. This is to enable business to be carried on until the Western Electric Company's apparatus for St. Albans and Sydenham Exchanges is received, installed, and ready to operate. Alterations are being made to the large upstairs room of the Sydenham Post-office to render it suitable for the equipment.

At Dunedin apparatus has not yet come to hand for the buildings at South Dunedin and Roslyn, which are ready. It is expected about the end of the year.

The Oamaru installation is well advanced, and the work is still in progress. A portion of the post-office building has been used to accommodate the equipment.

Telephones of the Western Electric system have not yet been received. It is expected, however, that sufficient will be received early to enable exchanges that are nearing completion to be brought into service.

The delays that have occurred in the delivery of goods for these works are attributable to the war.

SLOT TELEPHONES.

During the year twenty-five new slot-telephone installations have been made, bringing the total number in the Dominion up to 261. It is found that wherever these instruments are erected in business centres the revenue pays the expenses of management and upkeep, while the reverse is usually the case in purely residential areas.

During the year the Department has experienced considerable trouble owing to wilful damage and to 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.

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 £11,264, an increase of £2,371 over the previous year.