

for two of the four stations mentioned in the regulations (one at Auckland and the other at Christchurch) to be in operation within six months after the date of the agreement. The right was retained, however, to extend the time beyond six months, provided that all reasonable steps were taken by the company to have the stations erected within that period. Further, the trustees undertook to erect stations at Wellington and Dunedin when requested by the Minister of Telegraphs so to do, and to form a company with a capital of £20,000 to ratify the agreement within a month. Except in regard to the time allowed for the erection of the Auckland and Christchurch stations the conditions of the agreement have so far been met. Although an order for the apparatus for the Auckland and Christchurch stations was placed in England by cable immediately the agreement was signed, and every effort was made to hasten delivery, the manufacturers have not been able to ship the order. It is expected, however, that shipment will not be much longer delayed. The delay is disappointing; but, in view of the circumstances, it was agreed to extend the time allowed to the 30th June.

From the beginning of April, 1925, when the annual license fee for a receiving station was raised from 5s. to £1 10s., and when radio-dealers' licenses were first issued, up to the 31st July, 1925, the broadcasting stations operating in Auckland, Wellington, Christchurch, and Dunedin were subsidized out of those fees to the extent of £15 per week each. Since the signing of the agreement by Messrs. Goodfellow and Harris on the 1st August, 1925, £1 5s. out of every license fee of £1 10s. and 90 per cent. of the fees received in respect of the radio-dealers' licenses has been paid to the Broadcasting Company. The company purchased the existing Auckland, Christchurch, Dunedin, and Wellington broadcasting stations, and with the aid of additional apparatus and various improvements has carried out a satisfactory broadcasting service. There is no doubt that when the new stations are in working-order broadcasting in the Dominion will be improved.

When the New Zealand and South Seas International Exhibition opened in November, 1925, the Dunedin station was transferred to the Exhibition buildings, and was able to broadcast excellent vocal and instrumental items rendered at the Exhibition.

TELEPHONE-EXCHANGE SERVICE.

EXTENSION OF TELEPHONE-EXCHANGE SYSTEM.

The demand for telephone-exchange service was consistently steady throughout the year, and to provide telephone facilities for the 13,368 new subscribers joined up extensive construction work was necessary. As a result many rural areas previously unserved are now enjoying the benefits of telephone service.

One of the most popular features of the present rating-system is its operation in suburban and rural areas where the reasonable charges for residential connections encourage the residents and settlers to avail themselves of this increasingly popular public utility.

On account of the erection of power-lines having rendered inefficient many privately owned earth working sections of exchange lines, numerous requests were received for the replacement of privately owned lines by metallic circuits owned and maintained by the Department. Settlers are evidently finding this course more satisfactory and profitable than undertaking on their own account the erection and maintenance of new circuits on the metallic-circuit principle. Although this form of development is revenue-producing, it involves a good deal of construction work without any corresponding increase in the number of subscribers' stations.

The amalgamation of small exchanges for the purpose of obtaining more extensive local service and longer hours of attendance has resulted in the local exchanges at Aratapu, Northcote, Southbridge, and Tangowahine being closed, and the subscribers' stations being connected with the exchanges at Te Kopuru, Birkenhead, Leeston, and Dargaville respectively.

A work of considerable magnitude now in progress is the reconstruction of the whole cable system at Christchurch, which is being undertaken preparatory to the conversion of the Christchurch Exchange area to automatic working. Earthenware ducts manufactured locally are being used for accommodating the cables underground. Already 20 miles of ducts have been laid, into which 15 miles of large-size cable have been drawn. Of this cable 10 miles have already been brought into operation, enabling a much improved service to be given to 1,500 subscribers who were previously working through defective aerial cables.

During the year the number of subscribers to the Whangarei Exchange passed the 1,000 mark, and from the 1st November, 1925, the status of the exchange was raised from Class III to Class II. The reclassification had the effect of increasing subscribers' rentals, and also of extending the limits of the base-rate area.

Among other operations, the year's work included—

The opening of new manual exchanges at Kohuratahi, Okaihau, Rai Valley, Tadmor, Te Kauwhata, Upper Moutere, Waitakaruru :

The conversion to automatic working of the Wellington Exchange system by the opening of the Wellington Central (Stout Street) Main Automatic Exchange :

The extension of the switching equipment at 55 manual exchanges and two automatic exchanges :

The erection of 1,606 miles of pole line and 12,159 miles of open aerial wire for telephone-exchange subscribers' circuits :

The laying or erection of 270 miles of lead-covered cable containing 73,770 miles of wire for subscribers' circuits :

The connection of 13,368 new subscribers' stations :

The maintenance of 125,372 telephone stations.