The percentages of the total wire-mileage in underground and aerial cables and open aerial wire respectively for the year ended 31st March, 1927, are as under :-

Telephone-exchange wire in underground cables ... 65 per cent. Telephone-exchange wire in aerial cables 16 Telephone-exchange wire in open aerial wires 19

In the telephone statistics of the world (compiled on the 1st January, 1925) the United States leads as regards density, with 14.2 telephones per 100 of population; Canada is second, with 11.6 telephones; Denmark is third, with 9 telephones; while New Zealand takes fourth place, with 8.7 telephones. Australia and Great Britain occupy seventh and tenth places respectively, with 5.5 and 2.8 telephones per 100 of population. The number of telephones per 100 of population of the world is 1.4.

AUTOMATIC TELEPHONE EXCHANGES.

A noteworthy event in the history of automatic-telephone-exchange development in the Dominion was the cutting into service at Hawera on the 29th January, 1927, of the first all-British automatic exchange installed in New Zealand. The equipment was manufactured by the Peel Connor Telephone Co., England, but the installation work was carried out by the Department's staff. Two more all-British automatic exchanges are in course of erection, at Dannevirke and Stratford respectively, and these will be cut into service within a few months. The equipment at Dannevirke was manufactured by the Peel Connor Telephone Co., England, and that at Stratford by Messrs. Siemens Bros., Ltd., England.

In accordance with the Department's policy, consideration is being given to the question of converting to automatic working several of the larger manually-operated exchanges where the present equipment has outlived its usefulness and where other circumstances warrant the conversion.

A considerable amount of installation work was carried out during the year at various automatic exchanges where additional equipment was required to provide accommodation for new subscribers.

AUCKLAND METROPOLITAN AREA AND DISTRICT AUTOMATIC TELEPHONE EXCHANGES.

Auckland.—Continued satisfaction with the local automatic system is freely expressed by The number of faults showed a steady decline during the year. telephone subscribers.

The manually-operated telephone exchange at Takapuna, with 280 subscribers, was converted to the automatic system of operation on the 21st February, 1927, and the subscribers connected with that exchange are now able to communicate with all other subscribers in the Auckland metropolitan exchange area free of toll charges. The cutting into service of the Takapuna Automatic Exchange completed the installation of the seven automatic exchanges comprising the Auckland metropolitan

Delay in the receipt of apparatus to provide accommodation for additional subscribers at Mount Eden, Remuera, Ponsonby, and Devonport Automatic Exchanges has swelled the waiting-list in The equipment is being installed as it comes to hand, and every effort is being made to join up the waiting applicants at the earliest possible date.

At Mount Eden and Remuera Automatic Exchanges the switch-room accommodation has been

doubled to provide for the housing of extension equipment under order.

During the year all manually-operated party_lines which were previously switched at auxiliary manual boards in the Wellesley Street Automatic Exchange toll-room were converted to the automatic system of operation.

Provision is now being made for the following extension to the switching equipment of exchanges in the Auckland metropolitan area: Mount Eden (1,200 individual lines and 100 two-party lines), Remuera (1,000 individual lines and 200 two-party lines), and Wellesley Street (3,000 individual lines

and 100 two-party lines).

Hamilton.—At the Hamilton Automatic Telephone Exchange various additions to the equipment were effected. An extension of 200 exclusive lines was completed in September. A further extension of the toll and rural section was put in hand in November and is now nearing completion. Extensions to the exchange building are being proceeded with to provide accommodation for additional switching-The installation of an initial extension of 200 exclusive lines and 100 two-party lines is being provided for.

No troubles affecting service occurred at Hamilton during the year.

CHRISTCHURCH METROPOLITAN AREA AUTOMATIC TELEPHONE EXCHANGES.

Christchurch.—Steady progress has been made with the installation of the Western Electric automatic-exchange equipment, and all the material at present available in Christchurch is in position and is being cabled and wired. It is anticipated that the remainder of the equipment will be available shortly, and every endeavour will be made to have it installed and ready for working during the year 1927-28.

The auxiliary automatic apparatus at present in use is giving satisfactory service, and when the exchange is converted to full automatic working this apparatus will be available for use elsewhere.