

TELEPHONE-EXCHANGE SERVICES.
DISCONTINUANCE OF "TIME" SERVICE.

With a view to economy, the service of furnishing "time" to telephone-exchange subscribers was discontinued during the year. The saving in salary costs has justified the action taken. In no country in the world is a service of this nature provided free of charge.

NAPIER TELEPHONE EXCHANGE.

As mentioned in last year's report, the Hawke's Bay earthquake entirely disrupted telephone-exchange service in Napier. At the close of the year a reasonably efficient but not entirely satisfactory manual service was being provided from the building erected near the site of the old telephone-exchange building. This building continues to house the telephone exchange; but at midnight on the 8th July the subscribers were "cut over" to a branching multiple switchboard, which continues to provide a most satisfactory service for the subscribers who have renewed their connections. All phases of the Napier telephone-exchange question will be reviewed, however, when rebuilding in the devastated area has advanced sufficiently to enable the Department to judge future requirements.

DEVELOPMENT OF TELEPHONE-EXCHANGE SYSTEMS.

The telephone business in New Zealand, in common with most other businesses, has been retarded in development by the prevailing economic depression. The adverse effects of the depression did not begin to make themselves felt appreciably until the closing months of last financial year, the month of January, 1931, being the first for a considerable number of years in which there was not a gain in subscribers. The falling-off in new connections and the increase in relinquishments that commenced towards the close of last year has, as was to be expected, been continued this year, although it is a matter for congratulation, in view of the difficult conditions obtaining, that the relinquishments have exceeded the new connections by only 3,700, representing approximately 2.88 per cent. of the paying main-station telephones in use at the beginning of the year. The loss of subscribers is, of course, but another reflex of the decreased purchasing-power brought about by the diminished income of the Dominion. Viewed in relation to the steady progress of telephone development over the past decade, a net loss of some 3,700 subscribers is a retrograde step; but, having regard to the difficult nature of the existing situation, the percentage loss cannot be regarded as serious.

Taking into consideration the telephones of all kinds relinquished as well as new telephone stations connected, the total number of telephone stations at the end of the year was 156,972. If to this number is added the private-line telephones connected with toll stations and non-departmental exchanges (3,807), the number of telephones in service on the 31st March, 1932, was 160,779.

The restoration of telephone service in the Hawke's Bay District has been proceeded with throughout the year, and the temporary loss of approximately three thousand subscribers referred to in last year's report has now been made good to a large extent.

The following is a brief summary of the year's operations in regard to the development and maintenance of the telephone-exchange systems in the Dominion:—

- The extension of the switching equipment at six automatic and eight manual exchanges, and the conversion of the manual exchanges at Hastings and Marton to automatic working.
- The increase in facilities for direct dialling between a number of exchanges.
- The laying of 22 miles of underground cable ducts.
- The laying or erecting of 91 miles of lead-covered cable containing 33,589 miles of wire for subscribers' circuits.
- The erection of 164 miles of pole-line and 2,282 miles of open aerial wire for telephone-exchange subscribers' circuits.
- The reconstruction or partial reconstruction of the open wire systems at twenty-four exchanges.
- The installation of twenty-one public call offices, including the restoration at Napier and Hastings of sixteen public call offices destroyed during the earthquake.
- The installation of additional secondary batteries at the Miramar and Dunedin automatic exchanges and the replatal of the battery at the Khandallah automatic exchange.
- The installation of a motor and ringing generator at Invercargill.
- The installation of frequency converters at Taumarunui, Te Kuiti, and Te Awamutu Exchanges, in replacement of motor-generator sets or pole-changers, for the purpose of improving ringing facilities.

In addition to the work enumerated in the foregoing summary, a number of extensions to the switching and cabling portion of local telephone-exchange systems was commenced but not completed during the year. The length of various items of telephone-exchange plant in existence on the 31st March, 1931, and 1932, respectively, was as follows:—

	Pole-line.	Single Duct Line.	Cable.		Wire.			
			Under-ground.	Aerial.	In Under-ground Cable.	In Aerial Cable.	Open Aerial.	Under all Headings.
	Miles.	Chains.	Chains.	Chains.	Miles.	Miles.	Miles.	Miles.
In existence on 31st March, 1931	15,126	41,270*	88,632	44,758	363,065	57,684	107,069*	527,818*
Erected during year	164	1,738	5,241	2,019	31,218	2,371	2,282	35,871
Dismantled during year	27	..	742	2,366	3,291	2,860	803	6,954
In existence on 31st March, 1932	15,263	43,008	93,131	44,411	390,992	57,195	108,548†	556,735

* Revised figures. † Includes 133 miles of earth-working circuit.