F.—1.

In addition to the stations shown in the preceding table, there were 3,763 stations connected by private telephone-lines directly or indirectly with departmental toll stations, making a grand total of 159,170 telephone-stations on the 31st March, 1935.

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The following table shows the number of telephone-stations in each engineering district on the

31st March, 1934 and 1935, respectively:

Engineering District.		Number of Telephone Stations on 31st March,									
		1934.			1935.			manager and the second of the second of the second			
		Main Stations.	Extension Stations.	Total.	Main Stations.	Extension Stations.	Total.	Percentage Increase.			
Auckland		39,441	7,772	47,213	40,247	8,256	48,503	2.7			
Wellington		49,161	11,481	60,642	49,917	12,163	62,080	2.3			
Canterbury		18,869	4,695	23,564	19,188	4,897	24,085	$2 \cdot 2$			
Otago		17,034	3,230	20,264	17,393	3,347	20,740	2.3			
Totals		124,505	27,178	151,683	126,745	28,663	155,408	2.4			

The number of telephone-stations (main and extension) connected with each of the fifteen principal exchanges on the 31st March, 1935, was—Auckland, 21,971; Wellington, 19,910; Christchurch, 12,719; Dunedin, 8,350; Wanganui, 3,376; Palmerston North, 3,161; Hamilton, 3,100; Invercargill, 2,907; Gisborne, 2,633; Hastings, 2,609; New Plymouth, 2,206; Timaru, 2,030; Napier, 2,026; Masterton, 1,957; Nelson, 1,782.

The number of party and rural lines on the 31st March, 1935, was 12,074, to which were connected 46,033 main stations—an increase of 227 and 824 respectively on the figures for the previous year.

The following table shows, for each class of exchange, the respective percentages of business and residential stations, also the respective percentages of individual- and party-line stations, on the 31st March, 1935:—

Percentage of	Class I Exchanges.	Class II Exchanges.	Class III Exchanges.	Class IV Exchanges.	Dominion Percentages.
Business stations	38	33	27	20	31
Residential stations	62	67	73	80	. 69
	100	100	100	100	100
Individual-line stations	86	74	48	31	63
Party- and rural-line stations	14	26	52	69	37
	100	100	100	100	100

PUBLIC CALL OFFICES.

During the year the number of public call offices (coin-in-the-slot telephones) in use increased by 9. The first installation of this kind was made in 1910; the number in operation at the 31st March, 1935, was 796. The revenue derived from the installations during the year was £41,686, an increase of 6·2 per cent. over the previous year and of 3·9 per cent. over the previous highest return. The average return per machine for the year was £52 7s. 4d.

AUTOMATIC TELEPHONE EXCHANGES.

EXISTING SYSTEMS.

The existing automatic telephone exchanges continue to render satisfactory service, and it has not been necessary to provide additional switching equipment for any of the systems with the exception of the Strowger automatic exchange at Wanganui, where an incomplete 100 two-party-line group has been fitted with the necessary line switches and brought into use.

PRIVATE BRANCH EXCHANGES.

The steady demand from large business houses situated in automatic-telephone areas for private branch exchanges continues, and during the year three of the automatic type and four operated on the central-battery system were provided. In addition, orders have been placed or are about to be placed for a further eleven units of the automatic type.

"Interphone" Installations.

The introduction by the Department some ten years ago of a system of telephone intercommunication particularly suited to business houses requiring up to twenty extension positions has been amply justified. The large number of such installations in existence, over a hundred of which were installed during the year, demonstrates the popularity of the "interphone" system.