

For the current financial year 1942-43 a sum of £500,000 will be provided from the Consolidated Fund for expenditure on maintenance of public works and services. The expenditure on main highways (including permanent appropriations estimated at £307,800) is estimated to reach £2,000,000, of which a sum totalling £1,700,000 is expected to be raised by way of special revenue. It is anticipated that the revenue from the supply of electrical energy will reach a sum of £2,300,000, which will be utilized for the payment of arrears of sinking-fund instalments, interest, operating-expenses, and income-tax, &c.

HYDRO-ELECTRIC DEVELOPMENT.

The electric-supply systems in both Islands operated smoothly throughout the year and were remarkably free from interruption. The gross financial result was maintained at approximately the usual level.

The establishment of further war industries and the increased demand from other consumers have severely taxed the capacity of the generating-stations, making it necessary to insist on new installations being confined to the more essential purposes. By means of appeals an endeavour was made to eliminate all extravagant and wasteful uses of electricity. The response from consumers was such that a compulsory rationing of supply to individual consumers was avoided.

The development of further schemes has naturally been retarded by loss of man-power to the fighting services. Some progress has, however, been made, and sufficient labour has been available to install the plant coming to hand from overseas.

Owing to departmental circumstances arising from the war, it has not been found possible to include an audited statement of the Electric Supply Account with this report, but the matter is now in hand and the statement duly audited will be included in paper B.-1 [Pt. IV], in terms of section 57 of the Finance Act, 1932. A statement of the accounts and balance-sheet which are subject to audit are attached.

MAIN HIGHWAYS.

Outside of urgent and essential bridge renewals and the improvement of sections of highways to meet Army requirements, no new highway works have been started during the year, and the principal activities of the Main Highways Board have been to see that its assets are preserved by adequate attention being given to maintenance requirements.

Although the volume of car traffic on the roads has decreased considerably, traffic by the heavier type of vehicle has shown a marked increase in certain localities, and this has necessitated greater expenditure in those areas.

Materials, wages, and the cost of operating plant have all shown an increase during the year, but despite these factors the average cost of maintenance per mile has shown a substantial reduction.

Out of the funds provided for the current year, after allowance has been made to meet fixed charges and the cost of commitments already entered into, a very reduced amount will be available for the Main Highways Board to attend to maintenance requirements.

RAILWAY-CONSTRUCTION.

It was found necessary throughout the year to transfer men to special works, and consequently progress on railway-construction was retarded.

The driving of the last spike on the Westport-Inangahua Railway was marked by an official ceremony in December, 1941, and it is expected that traffic will shortly be possible on the Gisborne-Waikopu section of the Gisborne-Napier Railway.

Although the Dargaville Station buildings are not completed, a goods and passenger service is being operated by the Railways Department over the Dargaville branch line.

Most of the construction work on the South Island Main Trunk Railway has been suspended temporarily, but during the year a number of bridges were completed.

RAILWAYS: IMPROVEMENTS AND ADDITIONS TO OPEN LINES.

The expenditure out of the Public Works Fund for the year ended 31st March, 1942, was £147,641, as against £1,087,337 for the previous year. The principal activities were the duplication of line between Papakura and Horowai, grade and curve easements on the Henderson-Swanson-Waitakere section, and the Turakina-Okoia deviation.

In view of the present condition of emergency, these and other works have been suspended with a view to releasing workers for essential industries.

ROAD-CONSTRUCTION.

Road-works carried out during the year were limited to sections which were already in hand at the outbreak of hostilities, and bridge or minor access requirements of primary urgency. Where practicable, construction was suspended in order to facilitate the prosecution of more important works.

IRRIGATION AND WATER-SUPPLY.

The practice of irrigation in Central Otago was well maintained and a total of 52,620 acres were irrigated, from which an annual revenue of £27,600 was derived, being £870 in excess of last season's revenue.

In Canterbury, 3,400 acres were irrigated, bringing in a revenue of £605, or slightly less than last season, but, as mentioned in my previous Statement, the war period is not conducive to the change of methods in farming.

The construction work on the Mayfield-Hinds Scheme and the Ashburton-Lyndhurst Scheme has practically ceased, due to shortage of labour and plant, which has been diverted to the war effort.

The Rangitata diversion race has, however, proceeded favourably, and it is hoped to continue this work to make water available to the Highbank Hydro-electric Scheme for next winter. The year's work was mainly concentrated on the completion of the large reinforced-concrete structures for controlling the water in this forty-two-mile race.