

During the last session I informed honourable members of what had come to my notice in respect of the Turakina and Fordell railway tunnels, and in my preliminary statement indicated that a thorough investigation would be made in view of the fact that grossly unsatisfactory and inefficient work appeared to have been directly responsible for the situation which had arisen. I have already conveyed to this House the report of the special investigating Committee, of which the Public Service Commissioner was Chairman. The question of disciplinary action based on the Committee's findings is now receiving attention, and measures have been taken which are calculated to ensure that similar incompetence will not recur.

In my statement last year I expressed the hope that a number of catchment districts would shortly be constituted in terms of the Soil Conservation and Rivers Control Act, 1941, as a preliminary step towards the election of Catchment Boards for such districts. I am now in a position to record that six major districts have been established, and the election of representative members for those districts took place in conjunction with the local-body elections in May, 1944. Most of the newly formed Boards have held their initial meetings, and the enthusiasm shown at these meetings by members gives good promise of progress towards the objectives underlying the passage of this legislation—viz., the planned conservation of our agricultural and pastoral areas and the application of scientific remedial and preventive treatment in areas where for years the elements have been destroying the soil and plant life of our Dominion.

Other districts are in the process of delineation, and I hope that within the next twelve months I shall be able to announce the coverage of the greater part of New Zealand by catchment districts. Whole-hearted co-operation is desired in the establishment of catchment districts, but it may be necessary in the event of a break-down in negotiations for the setting-up of districts to use statutory powers for their establishment, since their existence is necessary to a co-ordinated plan for the preservation and regeneration of the soil resources of the Dominion.

Arising from the necessity to replace the bridge over the Hutt River near its mouth, a Commission has been appointed principally to inquire into the question of whether or not harbour facilities should be provided in the vicinity and also to advise on the site of a new traffic bridge. The rapid development of the Hutt Valley area during the past decade or so, both as a residential and as an industrial district, and the prospects of further expansion in the early future, were material factors in deciding to have certain important issues considered by a Commission specially appointed to hear evidence from all interested parties.

It is now over thirty years since the State embarked upon its first major scheme for the supply of electricity in New Zealand, and I am sure that honourable members do not need to be reminded of the enormous development which has since taken place, nor of the important part which this enterprise has played in the expansion of industry and the general well-being of the Dominion. In both the North and South Islands there are now several large inter-connected generating-stations in operation, and practically the whole of the bulk supply of electricity is derived from State-owned plants. In addition, the Public Works Department has been responsible for the retail supply in the large area of Southland, and the whole of these operations represent one of the largest commercial undertakings in New Zealand.

In view of the fact that this industry is now well established it appears that consideration might soon be given to the question of the State's electrical business being administered as a separate Department. Under present circumstances it may not be found practicable to implement such a proposal, but I am of the opinion that the matter should receive further attention as soon as conditions will allow with a view to determining whether it would prove of advantage to constitute a State Department to handle this large and important business.

Despite difficulties experienced in obtaining plant from overseas, the power-producing plant installed by the Hydro-electric Branch of the Public Works Department has increased by 37 per cent. from 31st March, 1939, to 31st March, 1944. In the North Island the plant in operation on 31st March, 1939, was capable of generating 171,000 kW. During the past five years plant to generate an additional 20,000 kW. has been installed at Tuai, while plant to generate 40,000 kW. has been installed at Piripaua. In the South Island installed plant as at 31st March, 1939, was capable of generating 73,560 kW., whilst in the five-year period mentioned plant to generate an additional 30,000 kW. has been installed at Waitaki.

In the North Island two additional units for Arapuni to generate 21,600 kW. each have been on order since 1938. They were expected to be delivered and in operation by 31st March, 1941 and 1942, respectively, but complete delivery has not yet been made, and present indications are that these units will not be in operation until during the years ending 31st March, 1945 and 1946, respectively. The construction of a power-station at Karapiro is in hand and should be in operation with a preliminary output of 60,000 kW. by the winter of 1946, and an ultimate output of 90,000 kW. by 31st March, 1947. There have been so many postponements of dates of delivery of the plant for this station that it became necessary to send the Inspecting Electrical Engineer overseas to endeavour to expedite delivery. Furthermore, a start has been made on a third power-station at Kaitawa, Lake Waikaremoana, while preliminary work is being undertaken for the erection of a third station at Maraetai on the Waikato River.

In the South Island the Cobb Hydro-electric Scheme, generating 9,000 kW., has been completed since the end of the year under review. This scheme is not connected with other hydro-electric schemes in the South Island and will serve only Nelson and Marlborough Provinces. The Highbank Scheme, near Methven, to generate 25,000 kW., will be ready for operation within the course of the next month or so, whilst work has been recommenced on the Lake Tekapo Scheme, which will generate 25,000 kW. These two latter schemes will be inter-connected with the general South Island system.