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On the 31st March, 1949, Mr. A. C. Owen retired from the position of District Electrical Engineer, Palmerston North, and I wish to place on record my appreciation for the long and faithful service he has given to the Department.

Mr. L. F. Withers was appointed Assistant General Manager on the 26th July,

1948.

The shortage of design staff, combined with inadequate working-space, has not made matters any easier in Head Office, Wellington, while housing-conditions in all the main district centres have made the transfer of staff a most difficult and distressing task. Running equipment at full load continuously has demanded a high standard of service on the operating side, and the fullest co-operation of all members of the staff, often under very adverse conditions, was required to overcome the considerable difficulties encountered during the year.

For the full measure of loyal support given by all members of the State Hydroelectric Department staff, and by their associates in the Ministry of Works, it is my

duty and privilege to record grateful thanks.

Much has been done, but much yet remains to be done, to make available an adequate supply of electrical power, upon which the development of New Zealand so largely depends.

I have, &c.,

A. E. DAVENPORT, B.E., M.I.E.E.,

General Manager.

APPENDIX B—ANNUAL REPORT OF THE RURAL ELECTRICAL RETICULATION COUNCIL FOR THE YEAR ENDED 31st MARCH, 1949

The CHAIRMAN to the HONOURABLE MINISTER IN CHARGE.

Wellington, 10th May, 1949.

Sir,--

In accordance with the requirements of section 21 of the Electricity Act, 1945, the Rural Electrical Reticulation Council has the honour to submit its third annual report for presentation to Parliament.

GENERAL

It is now slightly more than two years since the Council first commenced to consider applications for subsidies to meet part of the annual costs of supplying electricity to the people situated in the unreticulated and sparsely-settled parts of the country. To date the Council has approved subsidies being paid on 1,050 route-miles of line. The total annual subsidy provisionally amounts to £27,098, and the estimated capital cost of constructing the lines is £528,111. Altogether 27 Electric Supply Authorities in the North and South Islands are constructing lines under the subsidy scheme, and 1,743 new consumers will receive an electric supply when the work already approved is completed.

At the end of last year 77 miles of subsidized line had been built. During the year under review an additional 122 miles were completed, bringing the total length of subsidized lines which have been put into operation to 199 route-miles. There are, of course, a number of miles of line in excess of this figure which are in operation but which have not yet been costed and therefore cannot appear in the statistics quoted here. Compared with the position last year, there has been an improvement in the progress made in building lines, but shortages of materials and skilled labour are still causing delay.