

training-school to prepare teachers for the outlying islands. Schools will also be opened at the Islands of Aitutaki and Mangaia, and later on it is hoped to extend the system to other islands of the Group.

The individualization of land titles is a matter which is essential, and this will be expedited during the current year.

The health of the people is receiving careful attention, and during the year an additional trained nurse was appointed to the hospital at Rarotonga.

Inspection of fruit and orchards has received every consideration, and an additional Inspector has been appointed, so that fruit from the outlying islands may be carefully inspected before shipment. An experimental orchard is well under way, and it is hoped that the planters, both Native and European, may reap great advantage from its operations.

The laws of the Islands are under revision by the Solicitor-General and will be the subject of a Bill to be introduced later in the session.

INSURANCE OF PUBLIC BUILDINGS.

The special sinking fund established by the Government to cover losses by fire, which were previously met out of loan-moneys, is invested with the Public Trustee, and now stands at £19,767. Claims on the fund totalling £1,011 have been paid on account of the Gore and Huntly Post-office buildings which were damaged by fire.

This fund was established for the purpose of covering all fire losses of the Government with the exception of losses on school buildings, which are met by proportionate contributions from the Consolidated Fund and from Education Boards.

RAILWAY-CONSTRUCTION.

As soon as the flotation of the loan of last year was assured railway-construction throughout the country was prosecuted vigorously, and by the end of the financial year the amount expended approximated the total of the previous year. The expenditure amounted to £606,448 for new lines and £498,448 for additions to open lines—a total of £1,104,896 for railway-construction during the twelve months.

No time has been lost in commencing construction-work on some of the new branch lines authorized by Parliament in 1912, and contracts have already been let for works on the first sections of five out of six new lines included in that year's Authorization Bill.

A vigorous construction policy will be maintained during the current year, and proposals to provide the necessary funds will be submitted to Parliament.

ROADS AND BRIDGES.

The expenditure on roads and bridges from all funds during the year by grant and subsidy, on the same system as has prevailed for many years past, amounted to £496,291.

DEVELOPMENT OF WATER-POWER.

The scheme undertaken by the Government at Lake Coleridge for the development of electrical energy up to 10,000 horse-power is now approaching completion, and it is anticipated that the power will be available in the City of Christchurch within the next two or three months. Contracts for the supply of power in wholesale quantities have been arranged with the City Corporation, and other public bodies outside the city boundaries. Feeder lines are being extended towards Lyttelton and in a southerly direction from Christchurch. A large demand for the power is anticipated, and it is probable that an addition to the generating plant now installed will shortly be required.

Investigations and surveys in regard to other likely sources of power within the Dominion are being made by the Government's experts.

Requests have been made to the Government from time to time by local bodies for the right to utilize for local purposes the water-power which is at present