

of £2,772 towards depreciation. Having regard to the fact that this is only the third year of working, and also that the growth of the business has been checked for the last two years because of the difficulty experienced in getting machinery, the result is to be regarded as a most satisfactory one.

During the year investigations have been made of suitable sources of supply for current to haul trains through the Arthur's Pass Tunnel, the completion of which is now within measurable distance. Alternative schemes have been evolved for carrying the train service through the tunnel only, and over considerable lengths of the mountain section of railway on both eastern and western sides, but no definite decision has yet been reached as to which scheme will be adopted.

The provision of an adequate general supply of power for the North Island has engaged the attention of the Electrical Engineering Staff throughout the year, and preliminary investigations of possible sources, as well as of prospective demands, indicate that the most effective means of meeting the requirements of the community will be the development of three main schemes in different parts of the island. Mangahao and either the Awapuni Gorge or the Aratiatia Rapids, both on the Waikato River, offer prospects which make their selection practically certain, to be followed later by linking up with Waikaremoana. Investigations as to the volume of power available at all three locations have been made, and surveys of routes for transmission-lines from the sources to the main centres of demand are in progress. Much valuable information is being compiled to facilitate arrival at a definite decision as to the best order in which schemes for the North Island should be developed when financial conditions permit of construction-work being undertaken.

DEPARTMENTAL.

The total number of permanent officers and employees in this Department on the 31st March, 1918, was 660, and of these 21 have been discharged from the Expeditionary Forces as unfit for active service and 136 are either in camp or serving abroad with the Expeditionary Force.

The total casualties suffered by the permanent officers of the Department since the outbreak of war are as follows: Killed in action, 6; died of wounds, 10; died of sickness, 2; missing (believed to be dead, result of Court of Inquiry), 1; wounded, 55; gassed, 1.

In place of permanent officers and employees who have joined the Forces the Department has taken on 50 officers, most of whom are employed in a temporary capacity.

CONCLUSION.

We have every reason to rejoice at the victorious termination of this most barbarous war. New Zealand has done its share right nobly. It may well be proud of those who have taken part in this struggle for freedom. It remains now for all of us to bind up our wounds and exert out utmost energies in building up the prosperity and happiness of this Dominion.

Good roads, railways, irrigation, and an abundant supply of cheap electric power throughout the land are each and all important factors in this direction. May they soon be accomplished facts.
