

FUTURE OBLIGATIONS.

The attention of honourable members has already been called to the pressure brought to bear upon the Government to provide for an expenditure beyond the capacity of the country to meet. I desire to repeat that warning, and further to state that there was never a time when the necessity for national thrift was greater than at present. Our future obligations are particularly heavy, especially the permanent charges established against the revenue of the Dominion as a result of the war. Interest and sinking-fund charges and war pensions are also very heavy, and have not yet reached their maximum. The requirements for public works, and the expenditure necessary to promote the development of education, and of agricultural and industrial pursuits, must not be lost sight of. Our finance must be established on a solid basis, for without sound finance national progress is impossible.

HYDRO-ELECTRIC SUPPLY.

The continued success of the Lake Coleridge hydro-electric supply system has been of the greatest significance (particularly during the recent coal-shortage) in maintaining the industries and domestic conveniences of the district supplied and in reducing the demand for coal. The plant is now overloaded, and it is proposed to complete the installation up to the capacity of the existing headworks (16,000 horse-power) as soon as the necessary materials can be obtained, and to push on with the extensions to South Canterbury, as well as the necessary surveys for other power services in the South Island. For these works a sum of £100,000 will be provided.

In the North Island the Mangahao works (24,000 horse-power), for the supply of the Wellington Province, are in hand, and will be pushed on energetically. For the Auckland Province investigations are being carried out at Arapuni Rapids, on the Waikato River, where it is proposed to develop up to a capacity of 96,000 horse-power, with transmission-lines extending northwards to Auckland, and ultimately joining up with Wairua Falls power-station at Whangarei, eastward to Rotorua, Whakatane, and Gisborne, ultimately joining up to the Waikaremoana power system, and southward via the Main Trunk Railway line to join up with the Mangahao system at Palmerston, and via the Stratford—Ongarue Railway to New Plymouth. For these works a sum of £500,000 will be provided during the current year. Proposals by certain local bodies are under consideration for the development of hydro-electric power in several parts of the Dominion, but no decision has yet been arrived at, except in the case of Southland, where the local scheme has been taken in hand vigorously. The hydro-electric works at Horahora have been acquired by the Government from the Waihi Gold-mining Company, thus enabling electric power to be supplied very shortly throughout the Waikato and surrounding districts.

RESULT OF THE YEAR'S OPERATIONS.

Consolidated Fund (Ordinary Revenue Account)—					£
Balance brought forward on 1st April, 1918	..	..	..	..	11,560,788
Receipts during year—					
Revenue	..	..	..	22,306,444	
Other receipts—					
Recoveries on account of previous					
years	..	..	..	45,928	
					22,352,372
Expenditure during year—					
Appropriations	..	..	..	18,673,599	
					3,678,773
Balance on 31st March, 1919	..	..	..	£15,239,561	