

still remaining necessity to start afresh to plan again what should have been planned in the beginning.

It will serve no good purpose to criticize what has been done or left undone in the past, nor would it be just to do so. Times are changing rapidly—motor transport has enormously increased the range of travel, and organization that has served in the past must give way by a natural process of evolution to broader administrations resulting in well-considered and co-ordinated effort of all concerned.

FLOOD DAMAGE.

During the whole of the year the progress of work generally has been considerably hampered by persistently bad weather. In certain localities very serious floods occurred, resulting in heavy damage and destruction of roads, bridges, and river-protection works. In many cases the cost of restoration has been of such magnitude as to be altogether beyond the resources of the local-governing authorities. It has therefore been necessary for the Government to come to the assistance of local bodies, which will mean a heavy addition to normal expenditure.

HYDRO-ELECTRIC DEVELOPMENT.

Substantial progress is being made with the development of the hydro-electric power of the Dominion. The total outlay on all schemes during the year has been £450,247, and the total outlay at the end of the year was £2,170,100.

Two schemes, Lake Coleridge and Horahora, are in full operation and are being extended. The construction power plant for Waikaremoana has been installed, and is being used pending construction of the main plant to supply the local demand, and two of the larger schemes are under construction, viz., Mangahao and Arapuni.

LAKE COLERIDGE ELECTRIC-POWER SUPPLY.

Satisfactory supply has been maintained from Lake Coleridge during the year. The financial result is as follows :—

	£
Capital outlay	843,033
Revenue for year	69,153
Working-expenses	19,271
Interest	35,275
Depreciation	9,307
Total annual costs	63,853
Profit for year	£5,300

This enables the accumulated deficiency on the Profit and Loss Account to be reduced from £29,176 to £23,876. But it must still be noted that no provision has yet been made for the sinking fund, the accumulated deficiency on which is now about £37,765, which, in accordance with the State Supply of Electricity Act, must be paid before the installation can be considered as paying its way. The total deficiency is therefore £61,641.

The installation at the Lake Coleridge power-house has been brought up to full capacity of the present tunnel—viz., 12,000 kilowatts, or 16,000 horse-power—by the recent addition of two new generating units each of 3,000 kw., and the further extensions for which provision has been made will entail a second tunnel and intake works.

The Harper River diversion has been completed and is operating satisfactorily. In order to give the additional storage required for the future extensions the outlet-weir has been raised, and the water has already overflowed the higher level.

The proposed extensions beyond the present capacity will consist of two units each of 7,500 kw. (10,000 h.p.) with the provision for the future addition of a third similar unit. Towards this increased capacity the necessary transformers at the power-house and the transmission-lines to Addington have now been completed,