

DEVELOPMENT OF WATER-POWER.

The first stage of the development of the Lake Coleridge scheme has now been practically completed.

The total expenditure to date amounts to £218,633, and the commitments to £34,805, and a further expenditure of about £10,000 will be required to complete, making a gross total of £263,438, which, I am glad to say, is substantially in accordance with the original estimate.

The tariff for the supply of electrical energy has been fixed on as low a basis as possible, and allows only a small margin for contingencies and profit, and it is found that the prices are acceptable to power-users, even in cases where the user already has an efficient steam plant. It follows, therefore, that the prices quoted should ensure a strong demand and ready sale for current where new industries are being established.

Contracts have already been entered into which will require the output of from 3,000 to 4,000 horse-power in from two to three years' time, which approaches the capacity of the machinery now installed, and arrangements will accordingly have to be made to add to the plant from time to time in order to keep pace with the demand. The prospect of business is good, and steps will be taken to extend the use of electricity to the farming community and settlers generally.

It is scarcely anticipated that the works will be able to pay interest and depreciation on all the capital charges as well as all the working-expenses at the present stage—that is to say, with only three units of plant in the power-house—but there is every indication that the business will be self-supporting when four units of plant are installed and working.

There is an excellent prospect of obtaining cheap fertilizers for our farmers by combining the electro-chemical production of these commodities with the business of the freezing-works. By this means that part of the plant which is perforce idle during part of the year under present conditions could be profitably utilized for the production of manures.

Last year's expenditure on the development of water-power was somewhat heavy, having amounted to £142,827. For the current year a vote of £52,000 is proposed.

LICENSES FOR ELECTRIC LIGHT AND POWER.

Numerous licenses have been issued to local authorities and companies to enable them to distribute electricity for light and power, also a number of water-power licenses, and numerous inspections have been made of existing plants.

A considerable development has taken place in the use of electricity throughout the Dominion, and the demand for this form of power and light is still increasing.

IRRIGATION.

At the Otekaike Settlement fair progress has been made with the construction under contract of the six miles of water-race on the eastern side of the river, commenced last year, and the work is approaching completion. The water should be available for the settlers during the coming summer. Up to the present full use has not been made of the water which has already been brought to the holdings on the western side of the Otekaike River.

The important scheme to irrigate a large area of fertile land in the Ida Valley, Central Otago, was advanced a stage by the completion of about half the concrete-work on the Manorburn Dam before last winter set in. Excavation for the diverting-weir at Moa Creek was finished, and concrete-work at this point and at the Poolburn Weir will be carried on vigorously during the summer months. The construction of the main race, known as Black's No. 3, was started from the upper end at Moa Creek, and during the year has been carried, by flume and rock-cutting, over nearly ten miles of its course. The German Hill Race, on the other side of the Valley, has been partly constructed for a length of nearly three miles. The widening of the old Bonanza Race was continued when weather-conditions would permit.