

serve the South Canterbury district, have had to be postponed owing to the cost and difficulty of obtaining material for the purpose. The Department during the year inaugurated a number of local distribution services, which in some cases have been taken over by the local authorities in whose districts the reticulation has been carried out, and the Department has been reimbursed.

In addition to supplying energy for present known requirements the Department is in touch with manufacturers in many branches of industry with a view to introducing new processes or improving existing ones where such possibilities are opened up by the large supply of energy available. It is probable that one result will be the establishment of new industries for the local manufacture of electro-chemicals in common use, and possibly something in the way of steelmaking.

The whole installation is running smoothly and efficiently, and it is satisfactory to record that the cost of the development, machinery, and equipment has been kept very close to the estimates submitted by the Government experts. The capital expenditure on the Lake Coleridge scheme up to the 31st March last amounted to £329,719.

During the past year some progress has been made by survey and investigation towards the formulation of a comprehensive scheme to provide a general supply of electricity for the North Island. There are several schemes showing some promise, but careful investigation at the sources and a good deal of survey along prospective transmission-lines have to be completed before the most economical and effective method of serving the Island can be determined.

IRRIGATION.

A small expenditure was made during the year, in connection with the Otekaike Settlement scheme, on a concrete intake and repairs to siphon, but three miles of new race were surveyed, and construction-works are in progress.

In Central Otago the concrete dam in the Manorburn has been brought up to the desired level, and race-construction along both sides of the Ida Valley has been continued and fair progress made. The old Bonanza Water-race has required a good deal of strengthening and repair to prevent leakage, but only a portion of this work has been completed. Following the custom of recent years, water for irrigation in a modified form was supplied to the settlers in the valley during December and January.

It has been ascertained that a total area of 10,000 acres of irrigable land can be served by the proposed scheme from the Manuherikia River, and survey work in connection with the distributory race lines has been in progress during the year. The position of the intake from the river has not yet been definitely settled, but is under consideration. The construction of the main race is in progress under contract in two places and by co-operative parties in another.

WAIHOU AND OHINEMURI RIVERS IMPROVEMENT.

The dredge designed and built for work on these rivers has been in use throughout the period under review excavating the new Koutou cut to bed-level and full width, also improving the steamer berthage at the new Netherton Wharf near Paeroa, with satisfactory results at both places. A further instalment of stop-bank construction is just being started under two contracts which will cover nearly a mile along the left bank of the Waihou southward of the Ngararahi cut. Much more of this class of work remains to be done before the improvement scheme is carried to completion.

TOURIST AND HEALTH RESORTS.

The expenditure under this heading amounted to £5,167, compared with £8,232 for the previous year. The largest item was £2,266 on improvements at Mount Cook Hostel, including a residence for the guides and several outbuildings. A new laundry was provided at the Waitomo Caves Hostel, and the erection of a bathhouse at Te Puia Hot Springs commenced. There are no other building-works of any importance in hand at present.