

are in train whereby it is hoped that the State system will be linked with the Dunedin plant and draw power-supply therefrom for a period of years until the demand of Dunedin itself equals the power which can be economically generated at its Waipori Station. By that time the Government will have developed one of the several available sources of power which have been investigated, or which may later on be found suitable.

The work of improving the streams of the Waihou and Ohinemuri Rivers and building levees along their banks to protect the adjacent low-lying lands against flood-overflow and thereby permitting their draining, and to prevent further damage from mining-silt and other debris which is emptied into these streams by mining companies and drainage and other operations further up, has been vigorously proceeded with, and fresh plant which has recently been obtained will enable better progress to be made in the future.

The construction of waterworks to lead water on to arid and semi-arid lands in Central Otago has made substantial progress, and during this year water will be supplied to a large additional area. The utilization of water on lands already commanded is steadily increasing, and the revenue while far from the maximum to be ultimately received already renders the scheme self-supporting. It is proposed to proceed with this important work which, in addition to being practically profit-earning, will greatly increase the productivity of Central Otago, and consequently the Dominion as a whole.

A considerable amount of the most up-to-date machinery has been procured and is now mostly at work. The result so far has been good, and as the men working in connection with the machinery become more accustomed to the new conditions further improvement may be confidently looked for. Ample labour has been available, and in view of unemployment considerable work has been opened up which would not otherwise have been commenced. Purchases of material which had been held over during the war were proceeded with, and old orders were filled as the world's markets became easier. As a result of these combined factors the expenditure has been greater than ever before. Financial proposals in connection with the prosecution of public works will be submitted for your consideration in due course.

#### IMMIGRATION.

The Government immigration policy of "open nomination," together with the extra facilities offered under the "applied passages" scheme for special classes of skilled labour and the Imperial Government scheme of "overseas settlement within the Empire," have had the effect of showing a healthy expansion of the immigration movement during the past twelve months. Large numbers have been absorbed without disturbing the industrial conditions of the country, which is evidence of the capacity of the Dominion for absorbing immigrants of the right type.

#### INSURANCE OF PUBLIC BUILDINGS.

On the 31st March, 1921, the balance at credit of the special sinking fund established in 1913 for the purpose of covering losses on public buildings destroyed by fire was £59,727. In addition to the annual contribution of £10,000 out of the Consolidated Fund, a further sum of £3,496, representing interest and bonus, was added to the fund by the Public Trustee, whilst claims amounting to £16,187 were paid, the whole of which, with the exception of £25, represented expenditure on rebuilding and restoring school-buildings destroyed by fire.

#### STATE FIRE INSURANCE.

The State Fire Insurance Office has again had a most successful year, and the previous year's figures have been greatly exceeded. After providing £9,510 for reserve for unearned premiums, £3,000 for investment fluctuation reserve, and £15,567 for income-tax, the surplus for the year amounted to £47,210—over £10,000 more than last year.