

For the current financial year 1943-44 a sum of £500,000 will be provided from the Consolidated Fund for expenditure on maintenance of public works and services. The expenditure on main highways (including permanent appropriation estimated at £317,800) is estimated to reach £2,000,000, of which a sum totalling £1,700,000 is expected to be raised by way of special revenue. It is anticipated that the revenue from the supply of electrical energy will reach a sum of approximately £2,490,000, which will be utilized for the payment of sinking fund instalments, operating-expenses, interest, and income-tax, &c.

HYDRO-ELECTRIC DEVELOPMENT

The supply of electricity in both Islands continued at its usual high standard of efficiency and the revenue therefrom maintained the same buoyancy as in previous years. The generating-stations on the North Island system were hard pressed to meet the increased peak demand.

With the assistance and co-operation of distributing authorities and consumers, various economies were effected, and these enabled the demands for essential industries and defence purposes to be met without that degree of restriction which has unfortunately been necessary in some other directions.

The completion of one machine at the new station at Waikaremoana Lower Development has made a further 20,000 kW. available this coming winter, but this will only be enough to meet the increased demands of our essential services and those of our Allies.

The purchase of the King's Wharf steam-operating station from the Auckland Electric-power Board marks another step in the scheme for the whole of the generation of electric supply becoming the function of the Government.

A scheme to meet the anticipated demand for electricity in the immediate post-war period has been prepared and is under consideration.

All development loans, including those raised for the Electric Supply Account, were merged upon the passing of the National Development Loans Act, 1941. This has resulted in an increase in the interest payable for the year by the Electric Supply Account. Under the new method of pooling, however, the average rate will include all costs in connection with the raising of loans and exchange payments.

Owing to departmental circumstances arising from the war, it has not been found possible to include an audited statement of the Electric Supply Account with this report, but the matter is now in hand and the statement, duly audited, will be included in paper B.1 [Pt. IV], in terms of section 57 of the Finance Act, 1932.

MAIN HIGHWAYS

Every effort has been made by the Main Highways Board during the year to keep the main traffic arteries up to a high standard of efficiency. Curtailment of new highway construction has increased the maintenance requirements by making impossible replacement of old lengths of highway that are rapidly cutting up under the increased load of war traffic.

While the operations of the private motor-car have been greatly restricted, heavy-truck traffic has increased, thus accelerating the rate of wear on highways in localities where this truck traffic is greatest. Loss of men to the armed forces and the shortage of bituminous supplies have added to the difficulties of the Board and local bodies, but it has been possible to keep the 4,000-odd miles of State highways, under the direct control of the Main Highways Board, in a reasonably satisfactory condition. In some areas local bodies have not been able to obtain sufficient labour, transport, and maintenance metal to adequately meet requirements, and the highways have suffered as a consequence. Wherever possible, an attempt will be made to rectify this position during the current year.

There are numerous bridges requiring urgent renewal, but again the man-power position and shortage of materials have limited operations, and a large bridge-building programme will require to be undertaken when conditions improve.

The funds provided for the current year are intended to cover the cost of maintenance and fixed charges only, together with a limited amount of urgent bridge renewals.

RAILWAY-CONSTRUCTION

As was the case in the preceding year, active construction works were largely curtailed in order that men and materials could be utilized on the more urgent requirements of the defence programme.

The Railways Department continued the operation of freight and passenger services on the Dargaville Branch line during the year, while the final construction work was being carried out by the Public Works Department, and took over full control towards the end of March, 1943.

Also, on the Westport-Inangahua section, freight and passenger services were operated by the Railways Department throughout the year under review, and the completion of the remaining items of construction on this section is receiving attention as circumstances allow.