

The question of the artificial production of nitrates is receiving much attention from scientific men and others. It is estimated that in the next quarter of a century or so the world's consumption of nitrates will be many times the present rate—viz., about a million and a half tons per year—and processes are being perfected for their production in hydro-electric works. A considerable measure of success appears to have been attained, and in Sweden it is claimed that, with the cost of energy at from £1 to £2 per horse-power per year, nitrates can be artificially manufactured at a profit. There are places in New Zealand where power can be got within the above limit of cost at the power-house, and, in addition, some of our schemes would have the power-house on the seashore, within easy reach of limestone-deposits available for sea transport. If present anticipations as to the development of the nitrate industries are realised, there is no reason why New Zealand should not be able to manufacture and export many million pounds' worth of the product, and some districts now desolate may yet become centres of industry supporting directly or indirectly a considerable population.

It may be interesting to state that Sweden has passed an enactment conserving to the State the ownership of all water-power, and it appears to be the intention to charge a substantial royalty in any case where private persons or companies are allowed to use the same, the amount proposed to be charged per horse-power per year being about the same as has already been suggested for similar proposals in New Zealand.

Except as they may be modified by the amount of power found to be available, or to supply more power for shorter periods, the estimates previously given for the various schemes proposed to be undertaken do not appear, after more complete surveys, to require much modification. The cost of a power scheme where storage of water is possible will vary greatly with the nature of the demands to be met. A plant for part-time service may cost for conduits, machinery, &c., up to twice or more that of a plant for continuous working—that is to say, the cost of energy to consumers using power intermittently and in small quantities must be higher than to those using large volumes of power continuously. The costs at the various centres in New Zealand to which it is proposed to deliver power may be taken at from £6 to £8 per horse-power per year for full-time working of 168 hours per week. There would be a proportional increase in the rates for small quantities or for power intermittently used. These rates increase up to two and a half and even three times in some power services. It is not possible yet to say whether the rates in this colony would require to be framed on quite the same basis; but I hope to place some further information before honourable members prior to the close of the session.

The expenditure last year under the head of Utilisation of Water-power amounted to £2,902; but, as it is hoped to make a start with some of the works this year, a vote of £53,000 is now asked for.

PUBLIC BUILDINGS.

The total expenditure on public buildings out of votes under the control of the Minister for Public Works amounted last year to £187,094—namely, £26,880 under the Consolidated Fund and £160,214 under the Public Works Fund. This is an excess of over £44,000 on the previous year's figures. For the current year votes totalling to £39,437 under the Consolidated Fund and £248,500 under the Public Works Fund are proposed, the increase in the Consolidated Fund vote being due principally to the fact, as already announced in the Financial Statement, that the larger items of expenditure under the head of Maintenance and Renovations of Public Buildings, hitherto borne on the Public Works Fund, are now to be transferred to the Consolidated Fund. In future, therefore, all items for maintenance and repairs will be charged directly to revenue.

GENERAL.

The expenditure under this head amounted to £2,303, none of the items being of any magnitude. For the current year a vote of £18,000 is pro-