

service ; and because the charge on the individual consumer is something less than the price at which he could obtain a similar service from elsewhere, he pays without demur. The result is that the consumer is paying more than he should, and the profit is being utilized in reduction of the cost to ratepayers of other works and services which should be financed on their own ways and means. This, it must be understood, is a general statement having particular reference to hydro-electrically-developed power distributed by local authorities other than Power Boards.

An Electric-power Board, having only one interest, has no object other than to supply the consumers at the cheapest possible rate, and is therefore to be infinitely preferred as a distributing medium.

It is to be regretted that some local authorities, particularly certain municipalities who hold licenses to distribute power developed from existing plants, are showing a tendency to stand out of Power Board schemes, hoping, no doubt, to carry on with their own power development (meantime making what profit they can out of the sale of power) and later on to take power in bulk from any scheme developed by the Government, or to bargain with a Power Board developing its own power, and continue, in the event of a satisfactory bargain with either party, making a considerable profit out of the retailing of power and light. This is not in the interest of the consumer.

OTHER LOCAL ELECTRIC-SUPPLY AUTHORITIES.

Several of the existing local electric-supply authorities are making arrangements to extend their plants and have works under construction, but, following on the difficulty of obtaining supplies during the war period, they now find the existing financial stringency hindering them considerably in some of the works contemplated. Seven additional licenses to erect plants have been issued, mainly to isolated districts which cannot hope to be connected to the general Government supply for some time, but no new plants have been put into operation during the year. Care is taken in all these cases to see that the works and plant are being designed on lines which will allow of these undertakings working in with the Government supply when available.

GOVERNMENT HYDRO-ELECTRIC PROPOSALS.

The Government has adopted a general scheme of power-supply to the North Island as laid down in a report (1918) by Mr. Parry, previously Chief Electrical Engineer, which provided for three main generating-stations, at Mangahao (24,000 h.p.), Arapuni (96,000 h.p., capable of extension to 162,000 h.p.), and Waikaremoana (40,000 h.p., capable of extension to 136,000 h.p.). This scheme was adopted after consideration of many alternatives of a general supply from a number of smaller stations, or of an initial supply from one large central generating-station, as being the one best suited to fill the conditions which are likely to arise within the next few years, without unduly loading the cost of initial development, or without causing the prospect of having to incur further heavy liabilities at a later date when the supply from smaller sources should become overtaxed.

The cost of operation and organization for delivery of power to Power Boards are practically the same for a 50,000 h.p. delivery as they are for a 5,000 h.p. delivery ; and let it be borne in mind that in actual working these are the costs that count and for which the consumer pays.

I am aware that an attempt is now being made, by parties not wholly disinterested, to induce the general public to believe that it is better to go ahead with a large number of small schemes than to await the development of the main Government schemes.

The measure of development of Government schemes must be dictated by the ability of the country to finance them. The Government's margin of credit and security is immeasurably greater than that of any local effort.

If the public is convinced by the agitation to which I have referred, then it must believe that fifty power schemes can be financed, constructed, organized, and run, and supply the same amount of power, as five power schemes developing an equivalent amount of power. Such a conclusion is, to my mind, unsound, and I feel assured that the public will realize it before they enter into commitments for which they will pay for all time, or, alternatively, have to scrap their plants and cut the loss incurred by impatience.