

GENERAL.

Although the various electric-supply authorities throughout New Zealand have not made the expansion that was customary two or three years ago, most of them report, at least, some expansion of business. The prevailing economic conditions have undoubtedly caused some consumers to reduce their consumption of power, but a supply of electricity is now becoming such an essential to all classes that increases, particularly in domestic consumption, have more than counterbalanced the slight reduction due to curtailment of industry.

In a business in which capital charges on plant represent such a large proportion of the total cost, the recent legislation reducing the rate of interest on internal loans has been of very material assistance to many of the supply authorities. It is estimated that during the past year interest charges on electricity loans have been reduced by £61,000, and it is anticipated that during the current year there will be a reduction of £74,600 as compared with what would have been payable on the 1931 basis. This reduction, although it does not come from the revenues of the Government Electric Supply Account, has enabled supply authorities to reduce prices or improve their general position.

There has been considerable agitation, particularly by the smaller Power Boards, that the Government should make some reduction in its bulk-supply charges. So far it has not been found possible to comply with this request. The Government's schemes have been designed on comprehensive lines and have cost large sums of money on which capital charges must be paid, and as the loans which have financed these schemes have all been raised abroad the Public Works Department has not secured any of the advantages of interest-reduction which have been available to most of the supply authorities. Prices have been such that in the earlier years of operation the various schemes, though paying net interest and operating expenses, have accumulated considerable deficiencies in the reserve accounts which are essential to the financial success of a business of this nature. Until these deficiencies have been reduced considerably I am afraid that it will not be possible to make reductions in the bulk-supply charges. Although a reduction in the price of electricity supplied to the consumers may be much desired, it might be well to point out that the average revenue per unit received from the actual consumers of electricity is only 1·28d., and from the ordinary domestic and farming consumers connected to the Government schemes the average revenue received per unit is only 1·143d. These are figures which will compare more than favourably with the revenue per unit received by authorities operating in much more thickly populated areas in other parts of the world.

RELIEF-OF-UNEMPLOYMENT WORKS.

As indicated earlier, there has been close co-operation between the Public Works Department and the Unemployment Board in providing useful and productive work for unemployed; and the combined efforts of the two organizations have resulted in large numbers of men being placed under the control of my Department on metalling of roads to provide improved access to settlers in outlying districts and on land-reclamation, including irrigation, drainage, flood protection, rivers-improvement, stumping and logging, scrub-cutting, &c. Most of the married men employed on these country works are either paid wages at the rate of 10s. per day for a full working-week or, as is usually the case, let co-operative contracts based on that rate of pay.

The Public Works Department has also, at the request of the Unemployment Board, arranged for the employment of men under the No. 5 Scheme, mostly near the main towns. In these cases the No. 5 Scheme was adopted to enable assistance to be given to as many men as possible, and also because the prosecution of some of the works would not in ordinary course have been entrusted to or have been a function of the Department.