

SESSION II.

1923.

NEW ZEALAND.

PUBLIC WORKS STATEMENT

BY THE HON. J. G. COATES, MINISTER OF PUBLIC WORKS.

MR. SPEAKER,—

The operations of the Public Works Department during the past year have resulted in very material progress in the works of railway-construction, hydro-electric development, irrigation, road construction and improvement, as well as in other works individually smaller but none the less of importance.

The costs of construction materials and plant have receded to some extent. To this, and the application of mechanical apparatus wherever possible, is due the fact that, compared with last year, a much greater extent of work has been obtained for an equivalent expenditure of money.

Assuming an efficient works organization, progress in the shape of completed works is mainly a matter of money available for expenditure. Given unlimited funds more might have been done. Although the works to which our loan-moneys are devoted are developmental and open the way to increased productivity, and consequently increase the country's capacity to bear the burden of interest and sinking-fund charges on capital expenditure, we must on no account lose sight of the fact that loan indebtedness must be kept well within the country's capacity to honour its obligations. To this end the earning-capacity of works created out of loan-money must be carefully considered and weighed, and progress of expenditure on development-works regulated to our ways and means. It is necessary for us to demonstrate to our own satisfaction, as well as to those from whom we borrow, that the progressive expenditure on our development is carefully considered and fully justified by the increased productivity induced by such works. It would be unwise, and indeed impossible, for this country to raise and spend the money necessary to build, in the minimum of time, all the works necessary for the full development of areas which at present, owing to lack of means of transport, are in a partially developed state. As in all young countries whose financial resources are limited, the settler must be the pioneer, not the railway or the high-class road. These can follow only as the country's financial position and the return from partial development of land by the settler make the expenditure justifiable. This must be regarded as the position, at any rate, for the present. I have no doubt that within reasonable time the more intensive development of natural resources and secondary industries within the areas already served by adequate means of transport will result in the creation of a balance of national assets over liabilities sufficient to enable us to confidently undertake the construction of first-class roads, or even railways, to follow developmental settlement much more closely than at present.