

It is essential that the Department should render the fullest possible assistance to the Board to carry out schemes that may be decided upon, and every effort will be made in this direction. All facilities available to my Department are at the disposal of the Board.

Up to the present the local bodies in the centres of population have been largely depended upon to provide relief works. Such works are becoming increasingly difficult to find, and indications are that whatever relief will in the future be provided will have to be somewhat further afield. The Public Works Department has the necessary organization and staff in the country districts to efficiently undertake and supervise such works, which would certainly be of a more useful character than many of the relief works which up to the present have been undertaken adjacent to the towns.

The unemployment-relief works carried on by my Department were, in the early stages of the unemployment problem, the sole avenue of Government relief work; but with the increase of unemployment and the creation of special machinery in the form of the Unemployment Board to deal with the question, the relief works of my Department are now only supplementary to the operations of the Board. In this connection it has lately become apparent that there now exists a position which gives to the small number of relief workers under my Department the monopoly of full-time employment, while the less fortunate majority are restricted to the intermittent relief available from the limited resources of the Unemployment Board.

The construction of roads, particularly the widening and improving of existing roads, provides the simplest channel for the employment of unskilled labour, particularly with reference to the fact that it involves the purchase of very little material, thereby allowing the money to be utilized for wages as far as possible.

Even although the metalling of roads may not fulfil the above requirements quite so completely as improvements of alignment and grade, nevertheless the decided advantages to settlement of metalled roads has prompted a decision to utilize relief funds in the providing of metalled surfaces to roads giving access to rural properties, and during the past few months quite a lot of work of this nature has been in hand.

A continuation of the policy of the past, it may be pointed out, is contrary to the principles embodied in the Unemployment Act, where it is definitely laid down that relief is to be financed from taxation. To the extent that the Public Works Department expends loan-money on relief works that principle has been violated. From every angle, therefore, from which the position can be viewed it is deemed desirable to diminish loan-expenditure under this head and to so arrange that any works carried out by my Department for the relief of unemployment should be at the request and on behalf of the Unemployment Board.

HYDRO-ELECTRIC OPERATIONS.

Hydro-electric development and operation has again been one of the most important functions of the Department. The year under review has been a most critical one, owing to special circumstances which developed during the preceding year, and which were discussed in my previous Statement. Following on the report received from the expert engineer brought from abroad by the Government to investigate the failure at Arapuni, remedial measures to recondition these head-works were commenced on the lines of his suggestions. The severe drought at Lake Coleridge continued well into the summer and a fuel generating plant was installed on that system as an emergency measure to safeguard the position for the immediate future. Despite the adverse effect these events have had on the operating results of the hydro-electric system, the account generally still shows quite a reasonable return on the capital operation. In the following table, giving a summary of the year's operation, the average capital cost includes the whole of the capital expenditure on any part of the system which is in operation or capable of earning money. At Arapuni, for example, the capital represented by the dam and headworks which, for the time being, are out of operation is included for the first quarter of the year during which the plant was in operation, but the capital represented by transmission-lines, substations, &c., is included, even though these assets are operating only to a partial extent owing to the limited amount of power available on the system.