

This decrease in total expenditure must, of course, necessitate a decrease in the staff employed by the Department. A reduction of nearly 40 per cent. has been made in its members, which is approaching a rate proportional to the expenditure-reduction. A careful search into the possibility of further staff reorganization is well in hand.

Quite a noticeable feature of my present Statement is the great reduction in railway expenditure as compared with the Statements of former years. Last year £590,543 was spent on new construction, and this year will not exceed £100,000. The Stratford Main Trunk Railway is now the only railway work in hand as a charge against the Public Works Fund, and it should be completed by the 31st March, 1933. The Wellington—Tawa Flat Railway Deviation is still under construction by the Public Works Department, but the allocation for this work will be reduced to less than half of what it was last year, as only a sum of £110,000 can be provided under the vote for improvements and additions to open lines.

Hydro-electric development this year will undergo overhaul and curtailment. It is anticipated that about one-third of last year's expenditure will be incurred. The large portion of this will be required for the construction of the dam on the Waitaki River, a work which it would be most unwise not to carry on at a sufficient rate to ensure its safety from floods.

It will be seen under the heading "Expenditure" that there was still a fairly large sum of money expended last year on roads and bridges. Local bodies have been able to employ a considerable number of men on roadwork who would otherwise have been thrown on to the lists of unemployed. The Department also carried a fairly large number of men on its road relief works, which again reduced the number of unemployed, but this year it is not possible to continue this policy, and the Government has had perforce to reduce the Road vote this year to less than half of what it was last year.

Similarly with respect to construction work on main highways carried out under the control of the Department, heavy reductions must be made in the year's expenditure, although all urgent works, such as the repair or renewal of badly deteriorated bridges, will be undertaken where there is danger to the public.

Generally it may be said that the expenditure on roads and highways has as far as possible been limited to works that will tend to increase the country's productivity, or to works that must be undertaken to ensure public safety. Any expenditure of loan-money apart from these principles has had to be incurred to relieve the distress of unemployment until such time as the revenue of the Unemployment Board could be made available for this purpose.

One class of work which I have not hesitated so much to undertake, and which will be more particularly referred to later on, is that of irrigation of land. Expenditure in this direction is such as will result in an ultimate increase in economic farm production, even though it may not immediately bear fruit, and I have therefore endeavoured to keep a fair number of men employed in this way.

The erection of public buildings in times of financial depression must be restricted, and activity in this respect will be no more than a third of what it was last year, and will be confined to cases of absolute necessity.

There is no need for me to refer here to other votes under the Public Works Fund, details of which are given in full in the following pages. It is sufficient to note that proportionate reductions will be made under all votes.

The Public Works Department is undertaking the building of the greater portion of the small cottages which are being erected on the 10-acre plots of land acquired for unemployed workers. To date 288 cottages have been built by the Department on 10-acre plots, at a cost of approximately £49,000.

The Unemployment Board is also entrusting to the Department the expenditure of a small part of its funds for relief of unemployment. This money has until recently been expended mostly on road-construction, but a proportion of the funds is now being used for the reclamation of land, chiefly on drainage-works and on land-clearing. Out of a total of 3,421 men employed by the Department with monetary assistance from the Unemployment Board, more than half are now engaged on land development.