

the major works at present contemplated, although extensions and other additional expenditure on all of the schemes will be necessary from time to time. For instance, £74,000 is being provided this year for various additions at Lake Coleridge, £45,500 for Mangahao-Waikaremoana scheme, including £24,000 for lake control, and £102,500 for Horahora-Arapuni. The latter item is for power station extensions and a transmission line to Stratford. I may add that the remedial measures following the hold-up at Arapuni have been successfully completed at well below the estimated cost.

The revenue received by the Public Works Department from hydro-electric schemes last year amounted to £864,630, and after providing for all expenses, including interest and ample depreciation, there was a small deficit of £1,077. In view of the slight falling-off in demand and the necessity for maintaining a special stand-by plant to reduce the overload on the Coleridge plant, this result was satisfactory, and indicates that the financial position of the schemes as a whole is a sound one.

Miscellaneous
works.

Then there is £230,000 for telephone exchanges and various additions and improvements in connection with the telegraph and toll systems.

Irrigation works in Central Otago mostly on the Omakau Dam and Race will absorb £80,000 during this year, while for drainage and other land improvement works it is estimated that £142,500 will be required. With assistance from the Unemployment Board it is anticipated that a considerable amount of useful work will be accomplished in the reclamation of valuable harbour flats in North Auckland, swamp drainage, river diversion, stop-banking, and various other works.

As may be seen from the estimates, various smaller amounts are set down for other votes. To summarize the position, I may say that the capital programme amounts in the aggregate to £3,500,000, broadly made up as follows:—

	£
Public works, including provision for contingencies ..	2,590,000
Small farm plan	500,000
Additional capital for land development	200,000
Native land development	135,000
Forestry	75,000
	£3,500,000

LAND DEVELOPMENT.

Land development.

The additional capital provided for this purpose is being invested under the supervision of the Lands Development Board and satisfactory progress is being made under a programme aimed at the development of 26,000 acres of various blocks. Of this area some 16,000 acres are now in new grass, while a further 9,000 acres are in various stages of development. At times upwards of one thousand men have been engaged in fencing, roading, and cultivation, and at the present time over two hundred men are employed on the various blocks. Approximately £286,000 has been expended on development operations and on roading works, surveys, &c.

One of the most interesting areas is the Ngakuru Block of over 14,000 acres, near Rotorua, where light pumice country, typical of large areas hitherto regarded as incapable of economic development, is being successfully converted into dairying land. Excellent pasture has been established, and the demonstration farm run on the block by the Lands Development Board has returned a profit after interest has been charged on the capital involved. The average butterfat return per cow on this farm was 239 lb. The block will provide about fifty dairy farms, and it is proposed to offer the bulk of the land for selection early next year.

I might also mention that on the Galatea Estate of 22,000 acres a good deal of improvement work has been effected, and it is proposed to offer twenty sections in February, 1934, not less than thirty sections early in 1935, and a similar number in succeeding years until the whole estate has been settled. A demonstration farm is being established, and the remainder of the estate is at present being run as a mixed farm with satisfactory results. The prospects for successful settlement of this estate are considered to be very bright.