

TELEGRAPH EXTENSION.

Expenditure on telegraph extension by the Post and Telegraph Department during the year in respect of telephone, telegraph, and radio facilities throughout the Dominion amounted to £173,149 as against £256,054 for the preceding year.

Additional toll outlets were provided between Wellington and Palmerston North and between Seddon and Nelson.

Improved facilities were also provided between various centres by the erection of new lines and/or the rearrangement of existing circuits.

It was necessary during the year to impose drastic restrictions on the provision of telephone facilities for civilian purposes. Notwithstanding these restrictions the net gain in subscribers totalled 3,895, as against 6,814 for the previous year. The grand total of telephone stations (main and extension) in the Dominion on the 31st March, 1942, was 235,888, which is 7,542 in excess of the previous year's figure.

The automatic-telephone exchange switching-apparatus at Gisborne was completed and the exchange cut over to automatic working on the 5th July, 1941.

The first stage of the comprehensive programme initiated in 1939 covering the extension of the automatic switching-system in the Auckland metropolitan area was completed during the year, and the second stage, comprising the establishment of new exchanges at St. Helier's, Mount Albert, and Birkenhead, and the installation of additional switching-equipment at the Takapuna and Remuera exchanges, is being proceeded with as rapidly as possible. In addition, a commencement will be made shortly with the installation of equipment to enable an exchange to be established at Avondale.

Additional switching-equipment was also provided during the year at several other automatic and magneto exchanges throughout the Dominion.

DEVELOPMENT OF TOURIST RESORTS.

The principal works carried out were extensions to the Rotorua electrical and water and drainage systems. The expenditure for the year was £12,207, as against £21,575 for the preceding year.

LANDS-IMPROVEMENT.

The reduced scale of operations under this vote consisted principally of schemes which had already been commenced. Apart from sand-dune and tidal-flat reclamation, the major works were the Awatere Water-supply Scheme, the Ashley River Control Scheme, and the excavation of the Whirokino Cut on the Manawatu River. However, these projects are only partially completed.

Rehabilitation of Flax-milling Industry.—In furtherance of the policy for rehabilitation of the flax-milling industry, there has been continued development of the flax lands in and around Moutoa. Special attention has been paid to the propagation and thickening of existing plantations, while steady progress has been made in clearing and planting, both by mechanical ploughing and disking and by hand-cultivation.

The care taken in ring-barking willows, clearing and extending drains, and the removal of weeds have all contributed to the regeneration of and improvement in the flax-leaf.

LINEN-FLAX DEVELOPMENT.

In connection with the further development of the linen-flax industry, my Department provided professional and technical services in respect of the selection of sites, the acquisition of land, the design and construction of buildings, and the installations essential to this important enterprise.

Following on the commencement of the original ten linen-flax factories in the preceding year, the demand from Great Britain for linen-flax fibre necessitated an increase in the factory-construction programme by extending the existing factories and constructing six additional factories.

Apart from the factories, including retting-tanks, and water-supplies and effluent drainage, 602 subsidiary buildings were also erected, the construction work having been practically completed by the end of the year under review.

SMALL FARMS DEVELOPMENT.

Owing to the increasing difficulty in obtaining adequate supplies of essential materials, development operations on the blocks controlled by the Land Settlement Board of the Lands and Survey Department had to be severely curtailed, and this, coupled with the shortage of labour, led to a decision to concentrate on the maintenance of the existing grassed lands. With reduced quotas of manure, production from these must necessarily fall.

The expenditure for the year on the development and farming of the blocks, including the purchase of live-stock, was £408,298, and the credits-in-aid were £260,064.

The number of men employed at the 31st March was 399, as against 721 at the end of the previous year.

LIGHTHOUSES AND HARBOUR-WORKS.

For obvious reasons it is not possible to give details of the nature of the works carried out last year under this vote. However, despite difficulties in supply of material from the United Kingdom, definite progress has been made with several essential works. Some works in progress at the end of the preceding year have been completed, and others which were commenced during the period under review are still proceeding.

NATIVE-LAND SETTLEMENT.

The gross expenditure from the Public Works Fund for the year under review was £862,104 (compared with £1,010,871 for the previous year), the finance for which was provided from the following sources: New loan-moneys, £107,915; grant from the Consolidated Fund, vote "Native," for the promotion of employment of Maoris, £247,500; miscellaneous refunds, £4,437; and farm and other receipts from Native land in course of development and settlement, £502,252.

With the exception of £25,493 expended under the Native Housing Act, 1935, the above figures represent expenditure on the development, settlement, cultivation, and improvement of Native lands, and the progress achieved in regard to these activities is set out fully in the report of the Board of Native Affairs, which is contained in parliamentary paper G.—10.

Further information concerning public works carried out during the past year is included in the attached reports by the Engineer-in-Chief, the Government Architect, and the Chief Electrical Engineer.

In accordance with section 24 of the Main Highways Act, 1922, the annual report of the Main Highways Board for the year ended 31st March, 1942, is also attached, *vide* Appendix E.