

It is of primary importance to the country as a whole that there should be no considerable measure of unemployment. Fortunately, there are already indications of a return to more normal conditions, and as quickly as circumstances permit concentration on works of first importance will be continued. Such a policy is undoubtedly in the best interest not only of those works selected for completion but those which will be temporarily deferred, for I have no doubt it will mean that they also will be completed at an earlier date, and at less cost, than would otherwise be the case.

It may be of interest to honourable members for me to mention a few railway-works which have had special attention and which will continue to be pushed forward to completion or to a payable point.

On the North Auckland line the Golden Stairs Tunnel has within the last few days been pierced through on the bottom heading. The heavy work referred to in my last Statement, between the railheads running north from Auckland and south from Whangarei, is now so far advanced that rails should be laid over the whole length, with the exception of a mile, by the end of the year; and shortly thereafter the through connection of 130 miles of line will be made between Auckland and Whangarei. Owing, however, to the extremely unstable nature of the country in this locality, it will probably be many months before the formation can be brought to a condition of stability to enable the line to be worked by the Railways Department.

On the East Coast Main Trunk line—Tauranga eastwards—good progress has been made; while as to the westwards section, between Tauranga and Katikati, the Department is pushing ahead with the preparation of plans for work to enable the isolated section of over forty miles from Tauranga eastwards to be connected up with the general Working Railways system. I purpose inviting tenders for the construction of this twenty-two-mile section and to have the work completed, and through communication established, with the least possible delay.

Unfortunately, the history of big constructional contracts in New Zealand has not been a satisfactory one, and in future, before letting a contract, the Government will have to be thoroughly satisfied that to do so will be in the best interests of the country.

Many large works are in hand, and great progress is being made, but the completed results will come into next year's Statement. Work has been continued on a small scale on the Waipu Branch Railway; nothing has been done on the Waikokowai or Waipa gravel-pit access lines. The Waihi line eastwards to Tauranga has not been suspended as intended, but, on the contrary, the large number of unemployed in the Auckland District has led to an increased number of men being placed on this section of railway. The Gisborne-Wairoa line has also been continued as a relief work, and a considerable amount of work has been done on the Napier-Eskdale Section and beyond. The Tutira Section of the Napier-Wairoa line is one which I should like to have taken in hand vigorously and completed to a point where a branch off the main road would enable a large area of profitable country to be served, but I regret that the ways and means available, after providing for liabilities of work already planned, have not permitted it.

Two works of considerable importance which last year I indicated would be concentrated upon with a view to early completion were the Midland Railway and the Waikokopu line. Unfortunately, essential material for both of these works was lost in the wreck of the "Wiltshire" some months ago, and the delay in obtaining duplicate supplies has to some extent affected the time of completion. Every effort is being made, however, to minimize this unavoidable delay.

The good results that were anticipated from the use of modern mechanical construction plant have been fully realized, and are dealt with later. The most significant feature is a reduction in earthwork costs of 30 per cent. The large expenditure necessary for this plant has already been mentioned. In addition, I might here state, in order to provide for unemployment, the number of men on construction-works generally has been very largely increased, with the natural result that this year's expenditure exceeds last year's by over three millions. It may be as well to explain, however, that some of this expenditure will not be recurring. I refer particularly to the item "Additions to open lines," where an expenditure of £1,856,380 has occurred. This, however,