

At intervals throughout the year exceptionally bad weather caused widespread damage. In some cases streams rose to heights never before recorded, destroying protective structures which had proved adequate for half a century. This will necessitate bridges, new protective works, &c., of more generous proportions and of a greater cost than those which have been destroyed. Similar catastrophes have occurred in countries settled for hundreds and thousands of years, therefore, however unfortunate, it is not surprising that such things should happen in New Zealand, where we have the records of but a few years to guide us. At the present stage of the development of our country it may prove more economical to put up structures suitable enough for all ordinary conditions, even at the risk of a similar occurrence, than to pay interest on the larger sum necessary to build above recorded flood risks.

The increasing amount of money which is being expended annually by the Government and by local bodies is a matter which arrests attention and demands the consideration of all concerned. To my mind this is a subject of paramount importance, and should command the most earnest attention not only of members of this House, but of all local bodies and of the public generally. I may best open discussion on this question by observing that in 1920, when I became Minister of Public Works, I undertook a critical investigation of all works then in progress. The further I investigated the firmer I became convinced that the capital costs of works was being piled up by following a policy of diffusion—finance available being spread over too many undertakings, instead of being concentrated upon the most urgent and pushing the same forward with all possible speed, commensurate with efficiency, to a point which would ensure a return upon capital costs. The result is obvious. Capital expended not only failed to earn revenue at the earliest possible moment or provide equivalent benefits, but, by added interest and other charges on unproductive expenditure, the cost of such undertakings was considerably increased. With these facts before me it became my duty to select such works as were most urgent in the public interest, and promised the best and speediest return, and to push them to completion with all possible expedition.

What sum would be considered a reasonable amount for us to spend annually on public works ?

Ours is a young land and but partially developed. Our prosperity, both in town and country, depends on the successful marketing of our primary products. We are far from the world's markets, and it consequently behoves us, in the best way we can, to cheapen the cost of internal transport from the farm to the consuming, manufacturing, and shipping centres. The quality of our products will avail little unless we can place them on the world's markets at prices equivalent to their use-value. True, we cannot afford to spend too much ; but it is equally true that we cannot afford to spend too little. Indeed, the latter is likely to be the more costly in the end. It seems to me that the best mode of procedure is to see that every proposed expenditure is thoroughly analysed and considered from the point of view of its net economic result to the country. If the conclusion is favourable, then do the job, and do it as efficiently and as speedily as possible. Thus costs will be kept at a minimum, and those to be served by the undertaking benefited without undue delay.

The providing of public utilities and increased population are complementary of each other. Better communication by road and rail means closer settlement and greater productivity of our lands. Increased population necessitates the extension of the telegraph, the telephone, the electric light and electric power for domestic use, and the economic working of our farming and subsidiary industries. And the facilities have an aesthetic as well as an economic value to the community, which enhances and renders more attractive living and working in the country, and thus helps to stem the drift of population to the towns.

In this matter a Government is in much the same position as the directorate of a producing and manufacturing company whose undertaking as it grows and