

Statement to be brought down later by my colleague the Hon. the Minister of Public Works. I am at present only concerned with the finance of the several undertakings. The expenditure on capital works for the last financial year may be summarized as follows :—

	£
Railway construction, additions, and improvements ..	2,573,252
Main highways and roads	1,297,141
Hydro-electric supply	1,272,575
Telegraphs and telephones	625,540
Public buildings	605,747
Irrigation, land and river improvement	273,452
Other public works	177,983
	£6,825,690

The expenditure on public buildings includes £368,479 for schools.

Highways and roads.

In regard to expenditure on highways and roads, it was necessary to enlarge the scope of operations in the last two years in order to provide employment for additional men. Even so, the State expenditure for roading purposes out of both revenue and capital has risen from about £700,000 in 1923 to £1,945,000 in 1928. The expenditure out of loan accounts, which, as shown above, amounted to £1,297,000 for last year, has almost exactly doubled in this period.

Hydro-electric supply.

The capital expenditure on electric supply last year amounted to £1,272,575, which is a record for the account. It was, however, the peak year of the construction programme; and after the current financial year, when the large works at Arapuni and Waikaremoana will be nearing completion, there should be a considerable decline in capital requirements, although a start is being made on a new scheme on the Waitaki River.

LONDON LOAN, 1928.

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A further loan of £5,000,000 to be expended on public works during the current year was successfully floated in London on the 1st May last. The issue price was £94 10s. per cent., with interest at $4\frac{1}{2}$ per cent. per annum, which with a full half-year's interest payment on the 1st November gave a return to investors of £4 19s. 8d. per cent., as compared with £5 0s. 10d. from last year's loan, which was 5 per cent. at £99 10s. The cost of the new loan to the State, allowing for redemption of the discount and expenses over the period of $19\frac{1}{2}$ years, is £5 3s. 5d. per cent. as compared with £5 4s. 7d. for the 1927 loan.

The loan was subscribed nearly sixfold; and this, in conjunction with the fact that the issue at $4\frac{1}{2}$ per cent. inaugurated a definite break from the 5-per-cent. rate which had obtained in London for some time, was a striking indication of our financial reputation in that great money-market. The comment on the issue in the London financial papers was very favourable.

In terms of the authorities under which it was raised, the loan-money has been allocated as follows :—

	£
Public Works Fund, for railway-construction, telegraph and telephone extension, &c.	3,000,000
Hydro-electric-power works	1,000,000
Railways improvement	1,000,000
	£5,000,000

Along with this issue there was a conversion offer, to which I will refer later when dealing with the debt transactions.