

on the Waitaki River, in order to be ready for the time when the increasing demand of the east-coast district exceeds the capacity of Coleridge. What is regarded as the last unit for Lake Coleridge Station is being obtained. It would be possible to still increase this station by the diversion of other streams, but it is considered that another station in South Canterbury, dividing the distance between Coleridge and Waipori, best fits in with the general scheme of development.

As honourable members know, the Government has taken over the Arapuni works from the contractors; good progress is being made, and I am confident that when I present my next Statement, I will be able to state that the northern part of the North Island is being supplied by the generators of Arapuni, and also that the southern part of the North Island has been put beyond the power of being effected by the vagaries of the weather, owing to the connection on to the present transmission system of the station now approaching completion at Waikaremoana.

It is expected that the total expenditure this year will be £1,260,000.

Roadwork, both on ordinary roads and on highways, has been pushed on in an endeavour to absorb a large number of men who were unable to find work in civil avenues of employment, and, though this has resulted in works being undertaken which would not otherwise have been undertaken this year, no work has been done which could be criticized as wasteful. Every work is a work which will be an advantage to the Dominion as years roll on, and I am of the opinion that it is better to employ men on useful work, even though that useful work is not immediately necessary, rather than to face the alternative of having to pay what is commonly known as a "dole." I hoped when making my last Statement that it would not have been necessary to make such large provision for relief workers this year as was necessary last year. Unfortunately, the reverse has been the case, because the local labour-market always lags to a certain extent behind the returns from produce sent abroad; in other words, when there is a slump in receipts works then in hand are not stopped immediately, and, conversely, when, owing to better prices and crops, a larger amount of money flows into the country new enterprises are not started immediately; but I am quite confident that, with the many millions of additional wealth which has flowed into the country in the last few months, as the winter passes away avenues of employment will be opened up which will enable all the relief workers to be absorbed. Already there are indications in that direction. To give one specific instance: where one of my Engineers was authorized to place 120 relief workers on a fairly convenient work, only thirty-six men could be obtained.]

Many genuine cases of hardship were met with and relieved by the employment offered by my Department and other Departments, notably the Forestry. My Department, however, must not be looked upon as a dumping-ground for unemployed. The large body of loyal and efficient workers who now follow public works as a permanent occupation must be protected from being flooded out at certain periods of the year when work at other callings is short. A policy of throwing open work on public works to all unemployed would be to the disadvantage of the State for the reason that it would mean a shortage of work for the regular Public Works employees, and build up in the minds of outside casual workers the idea that work in the Department would readily be available, and that there was little need to either hold down a job or make preparation for possible forced idleness.

One of the very extensive activities that has been thrown upon my Department during the year has been brought about by the passing of the Local Bodies' Loans Act. Under that Act it is necessary for the Board to obtain expert reports on almost all the projects for which local authorities wish to borrow money, and, while all Departments of State are at the disposal of the Loans Board for its purposes, the greater weight of the work falls naturally upon the Public Works Department, because the greater number of the loans of local bodies are for the construction of works. It is necessary, therefore, for my officers to investigate all local bodies' proposals, not only looking into the engineering soundness of the proposals technically, but also going into the question of probable life of the asset to be created and its necessity or otherwise for the community at large. Naturally, the sinking fund which it is necessary to set aside must be governed by the probable life of the asset, and not, as has been the case in the past, by the ideas of the local authority as to their ability to pay, or the willingness of the money-lender to wait for his money.