

To sum up, the Government's policy in regard to transport is—

- (a) To complete the trunk lines as the backbone of the system :
- (b) Not to build any more short branch lines where the transport needs can be adequately catered for by motor services on a good motor-road :
- (c) To investigate the position of the present branch lines with a view to doing away with those that are found to be obsolescent :
- (d) To write down the Railway capital by the amount contributed thereto from revenue, and cancel the present subsidy from the Consolidated Fund :
- (e) To co-ordinate the railway and motor-road construction policies :
- (f) To take steps to bring about co-ordination between road and rail transport services.

Policy in regard to transport.

The benefit of this policy lies in the checking of the present dangerous drift into economic waste, which, if allowed to go on, bids fair to increase the railway losses to be borne by the Consolidated Fund from the present figure of £500,000 to £2,000,000 a year within a few years; a charge on taxation that, to say the least of it, is most disturbing to contemplate. I am satisfied that when the policy that I have outlined is carried out the drift will be checked, and the operation of the completed trunk railway system of the Dominion will earn full interest on its capital and thus will not entail any burden at all on the taxpayers.

LAND-SETTLEMENT.

The Government is doing everything it can and spending large sums of money for unemployment relief, all of which is admittedly very necessary because we cannot stand by and see men, women, and children suffer while the breadwinner is unable to obtain work. Such measures are, of course, only temporary expedients to tide over the unfortunate citizens concerned until we can deal with the basic causes of the trouble. Apart from the humane aspects of the problem, unemployment is only the most prominent indication that our economic machinery is out of balance, for no thinking person would assert that there is not sufficient potential wealth in the Dominion to comfortably support a million and a half of people, for such a statement would be ridiculous. What, then, is the cause of the trouble? I say unhesitatingly that it is the neglect to foster land-settlement. We have secondary industries and they are expanding, but they cannot compete in the world's markets. The prosperity of the whole country is bound up in the products of the land. The widespread effect of a drop in the price of wool or butter is striking evidence of this. Accordingly, the only real cure for our present difficulties lies in the old slogan, "Back to the land." Increase the production of our primary products, and also the number of people on the land, and the market for our secondary industries is widened and stimulated, which means more work and trade for the people in the town.

Land-settlement.

Recognizing these basic facts, the Government placed land-settlement in the forefront of their election programme, and the people endorsed it. The Government accordingly will vigorously foster land-settlement in any and every way that is feasible. It is a matter that will take time, but I can assure honourable members that the Government will spare no effort to obtain the desired end.

The State holds some millions of acres of waste land, but a great deal of it, for various reasons, is not suitable for immediate settlement. Some of it is inaccessible, and roads will have to be constructed before it can be utilized; while in other areas the nature of the land is such that considerable developmental work will have to be done before a settler can go on it and make a living for himself and his family. The Minister of Lands, however, has been taking stock of the position, and the Government proposes to take steps to bring some of these waste lands into cultivation.

Waste lands.

Capital, of course, is required, and in addition to existing authorities I propose to ask the House to authorize the borrowing of up to £5,000,000 for land-settlement. In this connection legislation will be submitted to the House to enable the funds of the Lands Department to be used for the preliminary development

Development of selected areas.