

When it is remembered that business develops under settled conditions, it will be realized that any sudden disturbance is fraught with far-reaching consequences. The reduction in expenditure from loan-money of £6,661,453 in two years was disastrous, as when public works should have been expanding an opposite policy was being followed. The present Government is attempting to remedy the position by providing for a reasonable development of the national resources, using ordinary revenue to assist where the works are of such a nature as not to realize a full return of the annual cost.

A study of the proposed expenditure on public works for this year, as indicated in the Public Works estimates, shows that much the greater portion thereof is needed for means of transport and travel. Under broad headings the proposed expenditure is as follows :—

(1) Construction of means of communication and transport (railways, highways, roads, harbours, and aerodromes)	£
	5,605,700
(2) Land-development, including settlement of unemployed workers	959,000
(3) Erection of public buildings	1,215,000
(4) Development of electric power	764,000
	<u>£8,543,700</u>

Railways will this year form a much larger proportion of the cost of the first item than they have for the past few years. Work has been recommenced on the Napier-Gisborne Railway, the South Island Main Trunk Railway, and the Westport-Inangahua Railway. Additional railway construction under the control of the Public Works Department will be the Turakina-Okoia Deviation on the Wellington - New Plymouth Railway.

The proposed expenditure on road communications is very much larger this year than it has ever been in the past, and is more than half the total for all public works. On main highways alone it is proposed to expend £3,050,000, but more than £2,000,000 of this is received from revenue.

The Government is anxious to embark on an extensive programme for the elimination of railway level-crossings over main highways, and is prepared to place a very considerable sum of money on the estimates for this purpose. The design of these crossings, however, involves in each case a problem of its own, and some time must elapse before the full effect of the programme is felt, but I have instructed the Department to expedite the work as much as possible. In a few months' time a very large number of these works will be under way.

I am particularly anxious to improve the roads to our backblock settlers in order to give them easy access to their markets and ports of export, and this year over a million pounds will be provided for this purpose, and for the opening-up of further lands for development. With the policy of land improvement and reclamation, and improved methods of transport, our roading-system must be brought up to a higher standard than has existed in the past.

As Minister of Transport I have a particular interest in improved road conditions, and propose to do all I can to render our roads safer for modern methods of transport and travel. Railways and roads are our chief means for the transportation of the products of the country, and the necessities of the community in general, and are still our principal means of passenger travel, but I believe the day is not far distant when travel by air will play a big part in the passenger traffic of this country.