

The position existing when I took over could not be tolerated, and I immediately took steps, which have already resulted in some improvement from the point of view of both the administration and the workmen. Some of these steps, as already announced, were:—

Installation of new methods of doing work on aerodromes, and in some cases lifting contract rates. (Gangs previously earning 10s. and 11s. per day on piece-work rates are now in some cases earning nearly twice that amount);

Stopping payment of 4s. 6d. per week rent for tents for married couples; Increasing the pay for Maoris from about 7s. 6d. per day to the same rate as that for Europeans;

Giving relief workers on public works seven days' holiday at Christmas-time on full pay—amounting to £25,000;

Giving workers pay for Labour Day, which had been denied them—amounting to £2,000 or £3,000.

The effect of these concessions is apparent in a better feeling on the works. A more reasonable return for their efforts is already being received by the men, and I am satisfied that a greater output of work has been the result.

PLANNED PROGRAMME NECESSARY.

It became apparent to me at an early date that for the efficient functioning of a Department of this nature a planned programme of work over a period of years was essential. Only by such a means could maximum efficiency in administration and operation be achieved. I therefore instructed my Engineers to make a careful selection of all possible works, taking them in their order of urgency and importance, over, firstly, a three-year period, and, secondly, over a longer period. The programme already decided upon, comprising a three-years' scheme, will involve expenditure of approximately £17,500,000, and includes roading, bridging, irrigation, aerodrome-construction, completion of certain railways, river-protection works, drainage schemes, sand-dune reclamation, elimination of dangerous railway-crossings, electric-power works, and erection of public buildings. A feature of this programme will be extensive activity in roading and bridging in the backblock areas, and it will be my endeavour to provide more reasonable access to all back-country settlers. In fact, the provision which I propose for this year's operations in this direction will be double the provision of any previous year.

MAIN HIGHWAYS CONTROL.

My visits of inspection to various parts of the country have convinced me of the necessity for the control of the main arterial roading system being under the one administration, and I propose shortly to introduce a Bill which will give effect to this. As a first step, some four thousand miles of main highways, comprising the main traffic routes only, will be placed under the sole control of the Main Highways Board and administered as State highways. By this means it will be possible to bring about uniformity of construction, maintenance, and control. The Main Highways Board is at present preparing a planned programme of work covering a three-year period, and it is proposed to give the Board a certain definite income, based on a greater contribution from petrol-tax revenue. At present only about 4d. of the 10d. petrol-tax is expended on the roads. No increase in the present tax is proposed. By means of this Bill the dictation of the Main Highways Board's policy will become the function of the Government through the Minister in charge of the Board.

MEN EMPLOYED.

When I assumed office approximately twelve thousand men were employed, the majority of them being relief workers. The complement to-day is sixteen thousand men, and when the full programme is in active operation I anticipate considerably