

exhaustively pursued. I am still convinced that this is one of the best classes of work from which the country will benefit.

Among the problems facing the Dominion is that of river-control and river-maintenance, and I have given a good deal of thought and attention to this. Major works of river-control and flood protection have to be largely justified on economic grounds. Works of this class have been carried out in the past by the State and also by local authorities, the provision of finance generally being adjusted to the needs of each case.

The matter of river-maintenance and the prevention of deterioration of stream-channels, and of destruction of valuable land, is a more difficult problem, in that existing legislation regards such work as largely a local responsibility.

The Department has had this matter under careful examination, and a comprehensive statement on the problem has been prepared. In my opinion, the time has arrived when the State should, to a much greater extent, assume the direction of this class of work. Work would be done in collaboration with a local authority, or with the settlers of the area affected, and finance would have to be arranged to suit each particular case. One difficulty in respect to this class of work is the large number of small local authorities in any particular area dealing with river and drainage matters, and the question of merging these is one that must receive the serious attention of the Government.

The whole question of river-control and river-maintenance policy is now under review by Cabinet. I can anticipate next year's Public Works Statement with the information that the Government has just authorized the immediate putting-in-hand of river-improvement and willow-removal works in the Waipa Basin of the Waikato River, and in the Hoteo Valley in Rodney County. Both these works are major ones, and the need for them has been apparent for some time.

The use of mechanical plant, modified as I have already stated by a consideration for employment of men, has been extended during the year. With the exception of that still needed for the new State highways and for renewals, most of the plant immediately required has now been purchased. Works of a special nature will, of course, still necessitate the use of suitably designed plant, and some provision for this will be made.

Since I presented my last Statement, more than sufficient time has elapsed to enable me to say with confidence that the Engineer-in-Chief of the Public Works Department and his staff have made wonderful progress with the Government's programme of public works.

Severely handicapped for want of trained staff, by lack of materials, by scarcity of up-to-date plant and skilled workmen, it is remarkable that in so short a time such an efficient organization as the Public Works Department now is should have been created, and as Minister in Charge I am proud of what has been done.

I am grateful to the Department's officers for the energy and willingness they have displayed in carrying out the Government's intentions with regard to public works.

FINANCE.

The payments and receipts for the year 1936-37, and accumulated totals, in connection with the Public Works Fund and other associated votes and accounts are shown in the tabulation below. The gross expenditure amounted to £12,261,215, of which £2,009,881 was expended by other Government Departments; the recoveries in reduction of expenditure amounted to £2,288,639, of which £846,300 was recovered by other Departments; the net expenditure totalled £9,972,576, of which £1,163,581 was expended by other Departments. In addition the Department collected £1,199,589 from sales of electricity and from other forms of revenue.