

The Government's programme for the development, improvement, and settlement of the land comprises various divisions such as swamp-drainage, irrigation, flood-protection works, works in aid of the flax and kauri-gum industries, the settlement of unemployed workers under the small-farms scheme, the establishment of the Maori as reasonably efficient farmers on their own land, and the opening-up and settlement of Crown lands generally.

Lands improvement.

The principal activity during the year in connection with the small-farms scheme was the development of the blocks already in hand, only a comparatively small area being added during the year. The results have been somewhat impressive from the point of view of increase in production. Many of the blocks have reached the stage where they have been subdivided into sections, and the occupiers provided with herds of cows to milk on the basis of a share in the cream cheques.

Small-farms scheme.

The individual farms already settled are proving very satisfactory. Generally speaking, the majority of the settlers are making good incomes, which will increase from year to year until their farms reach their maximum capacities. The settlers on the whole are contented with their prospects, and are appreciative of the opportunity which has been afforded them of permanently establishing themselves on the land.

The total area under development is now 59,560 acres, the average number of men employed during the year being 1,067. It is anticipated that a further 26,000 acres will be developed during the current year, which will provide employment for an additional 400 men.

Another major activity controlled by the State is that of hydro-electricity. The Dominion is particularly well endowed with facilities for the generating of electricity by water-power, and every advantage should be taken of these facilities to improve the amenities of life. It is unfortunate that in the earlier years a large portion of the funds were raised at high rates of interest, which has resulted in the Government accounts showing an accumulation of losses and substantial arrears of sinking fund. These deficiencies are now being rapidly wiped out. With the taking-over of the Southland Power Board's supply area during last year, there was naturally an increase in the total revenue and in the expenses of the Electric Supply Account. The estimated revenue for this financial year is shown as £1,355,000. The constructional expenditure for the current year for extensions in both Islands is expected to amount to a total of £1,087,000, which with £358,000 for working-expenses necessitates a total provision of £1,445,000. After charging depreciation, the actual profit which accrued to the State as a result of last year's operations was £136,000, which will be utilized in reduction of the accumulated losses already referred to.

Hydro-electricity development.

In total, the works and development programme, including maintenance of highways and certain other items of a revenue nature, requires provision for an estimated sum this financial year of £17,367,000, as follows:—

Total public works programme.

	£
Railway construction and improvements	4,295,000
Highways and roads	5,708,000
Public buildings	1,689,000
Hydro-electric development	1,445,000
Small-farms settlement	450,000
Telegraph extensions	750,000
Native-lands settlement	677,000
State-forests development	475,000
Lands development and improvements	825,000
Other works (aerodromes, plant and material, &c.)	1,053,000
	£17,367,000