

and the Government requirements for post-offices, Courthouses, police-stations, hospitals, schools, &c. Restrictions on this latter class of building result in an ever-increasing accumulation of demand which cannot indefinitely be postponed.

So far as State housing is concerned, building has followed the applications made in the various centres. These applications do not represent actual needs, and in a general way to provide for cases of necessity the applications could be reduced by approximately 50 per cent. Applications for State houses create a demand which to some extent snowballs upon itself, and has resulted in an undue proportion of houses being built in the North Island, and of this number an undue proportion in the proximity of Auckland and Wellington. It is difficult to arrest this trend with the conditions at present prevailing, but if steps in this direction are not taken very soon, in a few years undesirable conditions will arise prejudicial to the interests of the country as a whole. The Government has recently approved of the policy of decentralization of industry, and the benefits of this are already becoming apparent in regard to proposed industrial expansion in the South Island. If more active steps in this direction can be taken, further movement can be expected away from the larger metropolitan areas and towards the South Island. There is difficulty also in getting houses built in the rural areas on account of the amount of metropolitan work offering and on account also of the scarcity of materials, contractors being reluctant to take up country work, which, on account of its isolation, is more affected by material shortages and consequent stoppages.

Generally, on the question of housing, the attempt which is being made to secure houses up to the standard of State housing for all those people living in indifferent accommodation, is fraught with difficulty in a period when there is such a shortage of available man-power and materials. The solution can only be attempted on the basis of priority of need whilst this condition continues.

TRANSIT HOUSING

During the year past applications were dealt with from nineteen local bodies, resulting in a further 443 family units being made available, at a cost to the State of £129,265. To date transit accommodation has been made available for 1,031 family units, at a total cost of £281,000 to the State.

A further survey has recently been made of all camps and other military establishments remaining, and disposal of buildings thereby revealed as surplus is now under consideration with a view to providing more temporary accommodation.

PUBLIC WORKS POLICY

The Public Works Department is the principal constructing agency of the State and has throughout the year been very seriously handicapped in all its activities by lack of supplies and man-power. The structure of the Department is such that it could undertake a very much larger programme of work than is likely to be available to it for the next year or so ahead. This particularly refers to the engineering division, which is concerned with the construction of developmental works, as distinct from the erection of Government buildings and State housing. So far as engineering works are concerned, to prosecute satisfactorily work which should be commenced within the next twelve months and to accelerate work on projects already in hand a total of 4,100 additional men will be required—viz., 2,700 labourers, 330