

I refer later on in this Statement to a new system which is proposed in connection with appropriations for roads and bridges. Under this system the money available for roads and bridges will be spent to the very best advantage, and where it is most urgently needed in the development of the Dominion.

Much attention is being given in other countries to the subject of road improvements in relation to motor traffic. With the development of this means of transport the value of good roads cannot be overestimated, and future railway construction must be considered in the light of possibilities in this respect. The experience of some countries goes to show that satisfactory communication can sometimes be provided by motors on good roads in less time and at considerably lower cost than by railways; and this new factor in the development of the country must be kept in view.

During the war period the purchase of bridge material, rails, and sleepers was restricted as much as possible, and our stocks became depleted. Heavy expenditure has therefore been necessary for large quantities of material during the year; in fact the total public-works expenditure for the twelve months has been greater than at any period in the history of New Zealand. On railways it exceeded the record of the past forty years, while on hydro-electric development it was two-and-a-half times greater than in any previous year. The present financial circumstances demand that expenditure must be reduced; work can be undertaken only according to the money available.

Last year I announced a policy of concentration in regard to railway-works. A perusal of this Statement will reveal that this principle has been followed, though not as far as I had hoped. It will be adhered to in future; and I again emphasize the necessity and wisdom of such a course. It was not possible or reasonable during the year to discontinue work on many lines; the Kaihu Valley line, the Waiuku Branch line, the Tahora Section of the Stratford—Main Trunk line, and the Otago Central line, for instance, were so nearly finished that common-sense demanded their completion. The Waipu Branch was discontinued for a time, though certain work was afterwards done there.

No work has been or will be commenced on the Waikokowai or Waipa gravel-pit access lines. The Waihi Eastwards will be suspended when Athenree is reached, but possibly financial considerations will necessitate an earlier cessation. Work from Tauranga westwards had been suspended, except in the vicinity of the wharves and station. Work on the Wairoa—Gisborne Section has been stopped, and a halt will be called at an early date on the Ngatapa Section of the Gisborne—Wairoa line, except in regard to maintenance and preliminary work on the tunnels. No further work has been opened up on the Napier end of the East Coast Railway, but efforts have been directed to finishing the first length so that work on this line also can be stopped. Work on the Waimate Branch Railway was discontinued. Otago Central Railway was completed to Cromwell and discontinued.

Thus, in accordance with the policy of concentration, work on five lines has been suspended, while on four construction was so far advanced as to enable them to be completed this year. With due regard to the money likely to be available for 1921–22, it was necessary to suspend operations on eight additional lines, though in order to make provision for possible unemployment sums will be allocated for certain works distributed over the Dominion.

The works upon which effort will be concentrated will be the Midland line, North Auckland connection, and the East Coast Main Trunk; but financial provision will also be necessary for the completion of the Waikokopu Branch (the excavation work being now nearly finished) and for the Stratford—Main Trunk as far as Matiere.

EXPENDITURE.

The expenditure for the financial year ended 31st March, 1921, under all votes and accounts appearing on the public-works appropriations was £3,866,027. If, however, the expenditure under the special accounts (which have their own ways and means) is deducted, the net charge against the Public Works Fund is £3,140,758.