

1931.

NEW ZEALAND.

PUBLIC WORKS STATEMENT

(BY THE RIGHT HON. J. G. COATES, MINISTER OF PUBLIC WORKS).

MR. SPEAKER,—

The Coalition of the two main parties of the House and the consequent changes in the personnel of the Cabinet have caused me to resume the office of Minister of Public Works at a time when my predecessor had already prepared his Statement and estimates for presentation to honourable members.

Although the details of the Statement and estimates show the result of the year's work carried out under his direction, I propose to preface them with a few general remarks on the intentions of the Government in respect to public works.

For a number of years I have felt that an unbalanced industrial condition existed in New Zealand, due to an unduly large proportion of the population deriving a livelihood from works the expenditure upon which was from Government loan funds. The country has been pursuing a policy of development from borrowed moneys for a period so long that men have looked upon public works as a permanent avenue of employment. Many of them engaged in these works in early manhood and have reared their families while in the employ of the State. They have regarded their positions as being permanent, and failed to recognize that the tenure of their work depended upon the continuance of a policy to construct works from capital-moneys.

So long as the progress of the country justified the carrying-on of developmental works, and our industries, particularly the great primary industry, increased at a rate faster than that at which borrowed money was spent, the position was sound; but when uncontrollable causes, especially the fall of world prices of primary products, caused a suspension in the expansion of industry, the justification for developmental works became less apparent. I do not mean to say that developmental works should then cease altogether. There should be a gradual tapering-off to enable those men displaced from one calling to have the opportunity of establishing themselves in other industries.

The financial position in the country to-day calls upon the Government to provide as much work as it can to tide the country over the difficult period until industries are established on a new basis. For this reason it is still necessary that certain public works should be carried out.

Honourable members have my assurance that it will be my endeavour while looking to the ultimate reduction in the expenditure of capital-moneys to see that such borrowed money as is available is spent to the best advantage on undertakings that promise to return the greatest value to the State. More particularly is it desirable that the public works undertaken in the future are of a character to enable more people than at present to earn their living at rural