

It may be mentioned that the £2,960,000 shown for public works is the amount of loan capital involved in the programme for the year. This amount will be augmented from the Unemployment Fund for certain classes of work, and there is also the expenditure on highways out of revenue. In fact, the estimates provide for a gross expenditure of £5,630,000, an increase of £1,480,000 over the actual expenditure for last financial year.

This increase is desirable for several reasons. In the first place it will have direct and indirect effects in relieving unemployment and increasing the national income and taxable capacity. Further, many works, otherwise unremunerative, can be made profitable at the present low rate of interest if financed partly from unemployment funds.

The time has now arrived when it is desirable to formulate a long-range public-works programme covering a period of years. In order to provide the basis for such a programme it is proposed to undertake a survey of suitable developmental works. This will enable works to be selected well in advance in order of urgency, after estimates of capital costs and probable returns and of labour requirements have been prepared. An important advantage of such a programme is that the use of unemployment funds for the promotion of full-time work can be planned in advance. In this way we can be sure of getting the utmost value for the money expended.

#### LAND-DEVELOPMENT.

##### Land-development.

During last financial year the Land Development Board concentrated attention upon the prosecution of work on areas where operations had already been commenced and upon the granting of loans in approved cases to Crown tenants who had chosen to select undeveloped sections. The £150,000 set down in the capital programme for this year will enable these operations to be continued.

##### Progress recorded.

Summarizing the situation from a financial point of view, it may be stated that to 31st March last the Board had expended a sum of £317,400 in the surface development of twelve blocks of Crown land, the erection of fencing, buildings, &c., thereon, and in the survey and roading of thirty-four blocks, making provision for approximately 592 farms. The net expenditure on live-stock for farming-operations stands at £21,700. Sections permanently selected number 304, and the total arrears of rent and deferred-payment instalments outstanding at the end of last financial year were £1,492 against annual charges of £3,420.

In addition, loans totalling £210,000 have been granted to 488 Crown tenants to assist them in developing their own selections. In the North Auckland district particularly, settlers have taken advantage of the financial accommodation that has been made available for the conversion of waste areas held by them into productive pasture. The general financial success of the loan scheme may be gauged from the fact that, as at the 31st March last, arrears of interest outstanding amounted to only £7,830, despite comparatively adverse markets and the fact that loans have been made on lands not immediately productive. In the latter cases the return from the properties will rise as areas in pasture are increased and the grass becomes established.

The disturbed economic conditions that have existed have operated against settlement in some cases, and the four larger blocks of land which have been or are being developed, comprising the Galatea, Ngakuru, Kakariki, and Tapuwae estates, have not yet been permanently selected. In the meantime, the Board is farming these blocks or has arranged for share milkers to occupy portions of them. With the exception of one of the blocks where dairying is predominant, the farming-operations over the last two years taken together have resulted in surpluses after providing for interest on the capital invested. Thus practically without loss it has been possible to test and demonstrate the developmental possibilities in the districts concerned.

##### Native land development.

Good progress has also been made with the development of Native-owned lands for the settlement thereon of the owners or other selected Natives. The number of separate holdings in active production has increased from 1,050 at the 31st March, 1933, to 1,541 at the 31st March, 1935.