

upkeep, has led the Department to adopt the principle of subsidizing the cost of bitumen or tar-sealing or other improved surface. At the same time, in view of the fact that such improved surfacing is particularly in the interests of local bodies, who are primarily responsible for maintenance, it is considered that the scale of subsidy on such work should be lower than that for ordinary macadam road-surfacing. On main highways the Main Highways Act lays down the rate of subsidy. The factors involved in arriving at the subsidy basis are the cost of laying down a gravelled or metalled road as compared with the cost of providing a sealed or more permanent type of surface, the annual cost of upkeep of the several classes of surface, the amount of traffic using or likely to use the road in question, and the ability of the district concerned to pay the capital and maintenance costs involved.

The general question of maintenance has assumed considerable importance since the advent of fast motor traffic. This has rightly received careful consideration by the Department, and I cannot too strongly stress the importance of constant and sufficient maintenance. The initial cost of construction is now not the only factor to be considered in connection with a metalling scheme, but the ability of the district to adequately maintain the road once it is metalled is by no means the least important consideration. The principle has therefore been adopted of investigating a local body's capabilities in this direction before any comprehensive metalling scheme receives the approval of the Department, and in future no authorization of approved grants or subsidies will be made for metalling purposes until the local body satisfies the Department, by a resolution of the Council, that it has arranged to provide and set aside annually sufficient funds to efficiently and effectively maintain the work. Although maintenance of roads is, strictly speaking, the function of local authorities, it is my Department's duty to watch the interests of the State, and by directing attention to necessary maintenance safeguard the value of the State's investment in such roading scheme. Usually the State has as much invested in the road surface as the local authority. It is pleasing to note that local bodies are themselves, to a greater extent than has been the case in the past, moving in the right direction so far as maintenance of roads is concerned.

The system of preparing the public-works roads estimates in accordance with each district's claims for consideration under such factors as area, population, rating, loans for roading purposes, values of undeveloped lands, and estimated amount to fully complete all legal roads has again been adopted. This system, which is the most fair and equitable yet devised, and under which no one district receives at the expense of other localities a greater amount of Government financial assistance than that to which it is justly entitled, is proving entirely satisfactory. Its operation takes the various local bodies very much into the confidence of the Department, and by being made aware before the estimates are actually prepared what amount of assistance may be obtained for that financial year a local body is able to map out a comprehensive programme for the year's operations, and have all arrangements made in time for an early commencement with work as soon as weather conditions permit. A most important feature of the application of this scheme of allocation in connection with the annual roads estimates is the arrangement whereby officers of the Department and the local body confer as to the general requirements of the district concerned. By this means more cordial relations are established between the Department and the local bodies generally, and the advantages to the Dominion from the resultant linking-up of local-body operations are obvious.

MAIN HIGHWAYS.

The Main Highways Board, which was launched last year, has now completed a year of operation. Although it has not had time to make any very decided alteration in the transport systems of the Dominion, it is apparent in travelling throughout the country that the additional finances which this organization provides, and the assistance to maintenance of the main avenues of traffic have already had their effect. The Board is functioning well. Its relations with local bodies are of the most harmonious character, and all the officers of the local bodies,