It is well known that the shipping which trades here is not fully utilized. For instance, the tonnage of ships cleared in 1922 was 1,782,987, but the actual cargo outwards was only 701,560 tons. Similarly, for 1927 the tonnage of vessels cleared was 2,200,763, while the cargo was only 804,619. The contrast between the increase of exportable goods and the bill for motor transport is startling.

Between 1914 and 1927 over sixty millions of money was sent out of New Zealand for the purchase of motor-vehicles, tires, spares, and petrol. When to this sum is added the road expenditure during the same period, we arrive at the stupendous figure of £106,905,577. If the figures up to the 31st March of this year were available they would undoubtedly swell the previous total by well over twelve millions, and from this we see that there has been spent in providing for motor transport in New Zealand since 1914, when it may be fairly considered that the motor began to be an important factor of the life in the Dominion, in round figures the sum of £119,000,000. It should be noted that the immediately preceding figures are not the whole cost of motor transport, but only what is spent on the roads, plus what actually goes out of New Zealand for the purchase of motors and their fuel from overseas.

This is not the whole story either, because during the same period—from 1914 to 1927—the loan indebtedness of the harbour authorities of New Zealand increased by two and three-quarter millions, over one and a half millions of which was spent on the minor harbours, the goods from and to which could quite well have been carried on the railways. The fixed charges on this extra indebtedness and all the working-expenses connected with the new facilities are a still further charge on the increased tonnage referred to above.

It is estimated that all the goods and passengers carried by motor transport on routes where railways are available could have been carried on the railways with almost no additional expense, while the estimated revenue from this business—some £630,000 per annum—would have made the railways practically self-supporting. The significance of this fact from a community point of view cannot be overlooked. Looking at the matter broadly from the point of view of the country as a whole, it is undoubtedly uneconomical to transport goods by road which can be transported by railway, unless the circumstances are exceptional.

If the railways are placed in the position that as a result of their higher-tariffed goods being carried by another agency they are unable to be self-supporting, then, naturally, the Dominion cannot expect the overseas investors to supply loan-money for any further railway development, either in the way of extensions, improvement of present lines, electrification, or other works to increase and cheapen facilities.

There is no doubt that there is a legitimate field for the motor-vehicle, particularly the commercial motor-vehicle, but the foregoing facts are simply put forward to impress on the public that in this matter there is something more to be considered than just the price at which some lorry-owner will agree to carry goods from the warehouse to a customer up the country.

Increased expenditure on roads with the advent of mechanical traction was inevitable, but the roading bill, not only from a *maintenance* point of view but more especially from the point of view of *capital* expenditure, has been immensely increased by the necessity for providing for the relatively few heavy vehicles.

In connection with roading, I propose this year to provide the sum of £908,500, an increase of £60,250 on last year; while the Main Highways Board proposes a vote of £940,000 for construction, as against £675,000 last year, and £975,000 for maintenance, as against £725,000 last year.

The Main Highways Board, as in the past, has co-operated cordially with the local bodies, with which it has such intimate contact, and, conversely, has received loyal co-operation not only from the County Councils, with which it has always had to deal, but also with the Borough Councils, which now come into the scheme of highway administration. By its system of providing free advice to local authorities concerning the quality of the materials which go to the make-up of road-surfacing, it has, wherever the local bodies have been far-sighted enough to seek its co-operation, been able to ensure that their money is spent in the most economical manner. It is hoped that more local bodies will avail themselves of this service. The Main Highways Board, having access to the accounts and keeping a close watch on the methods used and results obtained by every local body of importance throughout New Zealand, is in a unique position to advise any local