

SURVEYS, ETC.

The surveys between Lakes Manapouri, Te Anau, and the Western Sounds, which have been going on for some time, were completed during the past summer. It will be remembered that a concession was granted to a syndicate to develop one of the large water-powers in this area for large chemical or metallurgical works. Representatives of this syndicate and of another one which is also desirous of developing works of this nature are at present in England with a view to interesting the necessary capital and manufacturing concerns in the proposals.

RAILWAY ELECTRIFICATION.

Work on the electrification of the Christchurch railway has been proceeding on the lines indicated in my last year's Statement. The main substation at Woolston and the line to supply that point are being constructed by the Public Works Department.

The Chief Electrical Engineer of the Public Works Department has also been associated with the Railway Department as chairman of a committee of railway experts to advise on a complete scheme of electrification of various sections of the railway system radiating from Wellington, and also in connection with the electrical equipment of the various railway workshops.

MAIN HIGHWAYS.

In my last report I pointed to the fact that additional revenue should be made available to the Main Highways Board for four main reasons: Firstly, to enable an additional mileage of roads to be declared main highways, primarily for the purpose of giving relief to County Councils in the matter of maintenance; secondly, to enable the Board to continue to pay substantially towards the cost of maintenance of the original highway system, notwithstanding the increased mileage of highways referred to above; thirdly, to assist in a much greater proportion than heretofore in the paving of roads in the vicinity of the large centres of population; and, fourthly, to help boroughs, more particularly the smaller ones, in the construction and upkeep of the main highways.

To provide money for the foregoing, a petrol-tax of 4d. per gallon was approved by the House during the session of 1927, and as a result of this County Councils are now being relieved to a much greater extent of the heavy charges involved in maintaining the roads up to the standard necessitated by the continuous and heavy motor traffic. In addition, the construction programme of the Board is being greatly accelerated, and, fortunately, I am able to say that although the expenditure on construction will be considerably increased it is not necessary, at least in the meantime, to extend the borrowing-powers conferred on the Minister of Finance by the Main Highways Act, 1922.

Since the close of the last financial year the Board has recommended that the general maintenance subsidy, which is at present £1 10s. for £1, be increased to £2 for £1, and legislation will be introduced for the consideration of the House giving effect to the Board's recommendation. The power vested in the Board enabling it in special cases to pay more than the usual rate of subsidy has been exercised in a number of cases during the year under review, and I hope that the Board will give special consideration to those cases where local rating is proving a hardship on the ratepayers.

The Board, recognizing that bridge finance, more particularly in the case of large bridges, often presents difficulties to local authorities, has since 1926 been subsidizing the cost of erection of bridges on a scale ranging from £1 for £1 to £2 for £1, according to the cost of the work. The Board has now suggested that bridges costing up to £10,000 be subsidized on the basis of £2 for £1, and that it (the Board) be given authority to pay such subsidy as it in its discretion thinks justified in the cases of bridges costing more than this figure. The Board in fixing the rate of subsidy will require to go thoroughly into special traffic features and the ability of the ratepayers to find their proportion of the cost. The House will be asked to consider legislation to give effect to this proposal also.