

the recent earthquake has affected the position, and it is not possible to give any definite indication in regard to this scheme pending further investigations, which are now in hand.

The roading operations of the Department, particularly the provision of communication facilities for the people in the backblocks, as previously stated, has been one of my closest studies. The ultimate goal to which I aspire is that of providing every landowner with such access as will enable him to transport his produce from the farm to the seaboard with celerity and economy at all times in the year, and which will furnish to him and his household the convenience of easy access to their ordinary markets and to their fellow-citizens of the Dominion. The graph contained in this Statement shows that the steady increase in the cost of roading which has been manifest in the ten years prior to my taking office is still maintained. The ever-increasing number of motor-vehicles using the roads precludes the possibility of any decrease in roading expenditure if the present high standard is to be maintained. Honourable members are perhaps aware, but there will be no harm in repeating the fact, that, when considered in proportion to the population and the number of motor-vehicles, New Zealand is in the forefront amongst the nations in its mileage of roads available for traffic in all states of the weather—in other words, hard-surfaced roads.

In preparing the public-works roads estimates for this financial year I have amended to some extent the system of allocation of the roads vote to the different districts which has been in use for some years past. A careful review of the operation of this system indicated quite conclusively that it was not applying as equitably as could be wished, and it was quite apparent that while some districts were receiving unduly liberal treatment others were being penalized. The governing factor responsible for this position appeared to be that known as "paper roads." A perusal of any standard county lithograph will show the great number of legalized but unformed roads, a great many of which there will be no necessity to construct for very many years. Under the old system of allocation of funds these were all taken into consideration in allotting the roads vote, and the greater the mileage of unformed roads the greater the amount of money the district would receive, even though perhaps many of the roads would never be formed. This appeared to be hardly reasonable or fair, and the incidence of this factor to a great extent appeared to upset the balance of the other factors. I therefore amended the system in this respect and took into consideration only those legal unformed roads which a careful review indicated might be expected in the course of development to receive attention in the next few years. Other amendments to the automatic system of a more or less minor nature have also been made, and, although a certain amount of criticism has been received as a result of the alterations from those districts whose allocations have been reduced, it is felt that so far as the whole Dominion is concerned the system will now operate in a much more equitable manner than formerly, and those districts most in need of development will get the assistance from the roads vote to which, when all factors are considered, they are justly entitled. Further details regarding this automatic allocation scheme appear further on in this Statement.

The Main Highways Board has continued the excellent work which it has done in the past, and I found that it enjoys the confidence of the local bodies with whom it is in such close touch, and that the local authorities and motorists generally are not stinting in their appreciation of the great improvement that has taken place in the roading of New Zealand since the Highways Board was constituted.

During the year the main-highway system was extended to include 3,753 miles of secondary highway, while the general maintenance subsidy for the whole system, which now comprises 10,403 miles of main highway, was increased from £1 10s. for £1 to £2 for £1. The Board in its report (which is attached) shows that, mainly in consequence of the increase in the rate of maintenance subsidy, local authorities were able to considerably reduce the amount which they paid towards the cost of maintenance of the primary highways system. The amount of this reduction, however, does not approach the amount of the increase in local-authority rates which