

Can you tell us the views of the people in the South Island on the matter?—I can only speak for the county portion of the South Island. We represent the counties, and the Highways Board's relationship with other bodies is very trifling and quite incidental. Now I come to clause 53, which deals with the expenditure out of the Revenue Fund for maintenance purposes. I may be a little slow in picking up what this clause means, but it does not seem to me to read that the revenue is to be apportioned but the expenditure. It says, "The Minister of Transport shall fix the proportion to be borne by the moneys to be expended in the ensuing year out of the Revenue Fund in respect of the maintenance, repair, and control of main highways in the North Island to the moneys so to be expended in respect of main highways in the South Island, and the proportion so fixed shall be observed so far as it may be found reasonably practicable so to do." I may say in regard to the Revenue Fund for the purpose of dealing with the maintenance and repair of roads, that those are the particular items of expenditure over which the Board has the least control. We can take it as an axiom that any road under the control of the Main Highways Board should be adequately maintained, and yet our expenditure on maintenance—which to-day is two parts by the Board and one part by the county—has to be made to accord with the requirements of the particular counties. If a county makes an application for certain expenditure on roads in its district, then it is imperative that we find £2 for £1; so that it will be seen the genesis of the expenditure lies with the local bodies, who have to provide their third of the share of the cost. The local authority's Engineer consults with our representative in the district, and it is our business to see that the amount required, on the basis of £2 for £1, is provided. A large portion of the Revenue Fund, not being immediately required, has from time to time been transferred to the Construction Fund. There is nothing in this clause, as I read it, that would prevent the revenue being used for construction work, and it is needful at times that that should be so, but what I wish to point out is that this, after all, is the Minister's desire to give some reasonable interpretation to the request for a North and a South Island Board. Sub-clause (4) further provides, "The proportion fixed as aforesaid may at any time during the year be varied by the Minister if in his opinion it is equitable so to do." I would like members of the Committee to understand that when these proposals come before Parliament practically half the money has been expended, and it is expended at the instigation of the local bodies, the Board being compelled to contribute £2 for £1, and it is a matter over which the Board has the least amount of control, except to see that the road is properly maintained. I feel that this provision for dividing the expenditure will not effect what is sought. I do not suppose it would be likely that the Minister would in any arbitrary way vary the expenditure between the North and South Island after the Board had made the commitments for the year, as it might embarrass not only the Board but the local bodies themselves. I feel that all this goes to show that, wrapped up with the desire to secure some variation in the constitution of the Board, a number of provisions have been included that are likely to make for a considerable amount of discord, disability, and inefficiency. I will not say any more on that point. I now come to clause 54, which is one that we feel should be deleted altogether. The counties are quite aware that a statement has been made—I think, by the Minister of Public Works—that he thought it desirable in the interests of the backblock portion of the country that a proportion—somewhere round about £100,000—of the highway revenue should be devoted to that purpose. There was no suggestion, I understand, in that connection that the administration of the expenditure of that £100,000 should devolve on the Main Highways Board.

*Hon. Mr. Veitch.*] You notice it is entirely in the hands of the Board?—Yes; but I feel, if there is to be any deduction from the main highways revenue to be used in a manner quite different from the ordinary administration of the Main Highways Board, then it ought to be taken out of the Board's funds and administered by some one else altogether. If the administration were left with the Board, it would no longer be a Main Highways Board. Under this clause the Board would be a target for every rural and urban district in the country to have a cut at the £150,000. The counties take it that when the Minister of Public Works was talking of this—for he was talking to counties—his idea was that the money should be for the purpose of assisting in the construction of backblock roads. This grant will not provide 2s. to backblocks roads for construction. This £150,000—which is the maximum amount to be granted—is to be used in the maintenance of any road or street that is not a main highway. Any bush track that has had a bit of metal on it, or any suburban street that the local body might declare had fourteen motor-cars over it the previous week, would be entitled to a portion of the grant. Not a yard of metal could be put on a bush track under the clause. This is how the clause reads: "Notwithstanding anything to the contrary in the principal Act, the Main Highways Board may in any year pay out of the Revenue Fund to the local authority having control of any road or street that is not a main highway, a subsidy to be expended in the maintenance thereof, and not exceeding twenty-five per centum of the estimated cost of the maintenance of that road or street in that year. The total amount to be expended by the Board in any year under the authority of this section shall not exceed one hundred and fifty thousand pounds." Just imagine the enormous amount of additional work you are going to throw on a body you call a Main Highways Board under this clause. To begin with, the amount it is proposed to take is equivalent, roughly, to one-fifth of the total petrol-tax that the counties are getting, after allowing for the other deductions. Every city could make an application under the clause, and, if I am any judge of the cities, they will not be slow to come along with their applications.

*Mr. Harris.*] Such applications would not be entertained by the Main Highways Board?—Then, why put the obligation on the Main Highways Board to make an investigation into all the little streets and by-roads of the whole of the country? From the administrative side the Board simply cannot do it. I am going to say now, as a rural man, what I have been warning the rural districts of for years—"Watch the cities." It is no use blinking the fact that the cities are clamouring for a greater share of the petrol-tax, and the cities are being built and maintained by the activities of the people