

And a substantial proportion of that money is expended in the country and paid for by the towns, and the people in the towns never use the country roads?—We say that a heavy-traffic vehicle operating in a rural district will do more damage to the road in a day than it will do to a road in the city in a year. I suggest that when these regulations come out the Department should take into consideration whether they could divorce the city from the counties in the matter of this distribution. That is to say, that, say, certain licenses are issued in the city for the city, let the owners operate only in the city.

You agree to that?—Personally, yes.

I am afraid the country would lose?—But we would know what we were getting.

What is the proportion of heavy traffic in the country as against the town?—It is very small in the country. But you get heavy traffic in the city operating from the wharves to the warehouses, and *vice versa*. You can afford to put down any type of road for that.

My point is that the proportion of heavy traffic in the country is negligible?—I would not agree with that at all.

*Mr. Sullivan.*] You say you would give to the cities the heavy-traffic fees in those cases where the heavy traffic was confined to the cities?—That is my own personal view.

Would you do the same with regard to the petrol-tax?—No, I would not.

If the principle should apply in one case, why not in the other?—All I can say is that the principle of taxation for the purpose of constructing high-class roads as obtaining in the United States and Canada is that the cities are taxed directly through the rates for a contribution towards the construction of roads leading to the cities, otherwise they would never have had them; and that is the fairest way. The cities live on the country districts.

In other words, you say it is the duty of the cities to assist in the construction of the rural roads?—I say that it is the practice in the United States and in England, where many of the towns are not in county boroughs.

Rural traffic uses the city streets?—Precious little. They come into a town and put up at a garage.

What contribution does the country traffic pay towards the upkeep of the city streets?—They pay plenty in the way of buying materials from the cities.

Does the city pay anything for the goods it purchases from the country?—Yes, but as traders they do not get much from the country without making a substantial profit out of it.

With regard to the Main Highways Board and the question of separate representation, do you know of any agitation in the South, apart from the counties themselves, for the establishment of a separate Board?—Yes; two Christchurch papers made a lot of talk about it, and in spite of statements made to the contrary they kept on repeating it.

Is it a fact that the amalgamated progress leagues of the South Island have asked for a separate Main Highways Board?—I have not seen that, but it is possible; I do not know. I know that the amalgamated counties have not asked for it.

You do not know whether the amalgamated leagues have asked for that?—No.

And what about the automobile associations: have they asked for a separate Board?—Yes; they are the people who promoted the suggestion.

In other words, are you aware of the fact that there is a general demand on the part of public opinion for a separate Board?—I do not think there is. I know there are various parts of the South Island where they are very vehement against it.

I do not dispute your contention that some of the counties, or most of them, have decided not to ask for a separate Board?—But it is the counties who are providing the share of money necessary to go on with the different works. It is not the progress leagues.

Is it a fact that the people who use the roads are asking for separate Boards?—Some of them. The County Councils are comprised of motorists, even though they do not belong to any of the leagues.

Are you aware of the fact that the Canterbury Progress League consists of representatives of County Councils?—Yes.

And that the Canterbury League has asked for a separate Board?—I am not so sure that they have.

Well, I can give you my assurance that they have?—It is possible.

Has there been any dissatisfaction in the South Island in regard to the work of the Highways Board?—You will have to be more specific. Do you mean that somebody puts in an application to get five for one and is only entitled to three for one?

I mean that the motorists have pressed on the counties the need for greater activity in the carrying-out of main highways. The counties reply is that they are not satisfied with the returns they get from the Main Highways Board?—I cannot tell you as to that.

If there were a special representative of the South Island on the Board, would it not tend to smooth over any friction and a certain amount of futility in regard to the work?—I do not think it would. As a matter of fact, the counties in the South Island are getting into their stride because of the alteration in the legislation which has enabled the Highways Board to meet the South Island counties' objections to loans by spreading the payments for their contributions over a period of years. The difficulty is that there is so much activity at present to embark on these schemes that we cannot keep pace with it. The counties are working excellently in conjunction with the Highways Board in their programme.

Even in regard to the accelerated progress, how does it compare with the progress in the North?—Quite well.

I mean recently?—Yes, quite well.