

35. Figures prepared for us indicate that the length of such roads within the corporation areas which may be considered as highway routes may be taken as 215 miles, as compared with 11,000 miles of highway outside them. This is slightly less than 2 per cent. of the whole. Owing to the concentration of traffic on these routes, no doubt larger sums in proportion are spent on their construction and maintenance, but even allowing for four times as much as the subsidy paid on highways per mile, it will be seen that the cities are in an advantageous position.

36. On the question of apportionment of funds between cities and rural districts, the American authority already cited, quoting from a report of the National Tax Association, suggests: "Allow cities that proportion of the receipts applicable to the highway funds, after deduction of administrative costs, as the proportion of miles of highway routes in cities bears to the total miles of highways." On this basis the cities and larger boroughs in New Zealand are getting four times as much as they should. The same authority also points out: "Cities derive benefit from the stimulation of trade by the presence of good roads. Many types of business in the cities such as hotels, theatres, garages, accessory stores, and filling stations are directly dependent upon highways." We fully concur with the last statement, and in view of the foregoing remarks we recommend that no change in the proportion of 8 per cent. and 92 per cent. be made.

37. As regards the smaller boroughs, it was suggested, somewhat half-heartedly, and without tendering evidence, that a fixed sum of 4 per cent. from the Highways Fund should be paid them instead of their present subsidy on maintenance. In the absence of evidence to the contrary, the apparent fairness of the present system is such that we have not thought it worth while to investigate this question further.

38. As to the apportionment of heavy-traffic license fees, no objection was made by any one except the Municipal Association, counsel for whom advocated a return to the former system of a final decision, in case of dispute, being made by a Magistrate, instead of by the Minister of Transport. The result is, probably, not very different in either case, though it is hard to see any reason for the change made from the former method. We are not aware of the reasons which caused the change, and make no recommendation.

MAIN HIGHWAYS CONSTRUCTION IN RELATION TO MOTOR-TAXATION.

39. Much valuable and interesting information was given to us by representatives of the Main Highways Board. One cannot help noting the general appreciation which has been expressed by all parties to the inquiry on the results of the Main Highways Board's operations since its inception.

In connection with the general roading policy, we feel we should refer to the question of the classification of roads. This no doubt presents an administrative difficulty so far as the Highways Board is concerned. Local bodies throughout the country have generally accepted the position with regard to the necessity of classifying roads, but in some instances County Councils have steadfastly refused to have roads under their jurisdiction classified. The result has been the development of an unnecessarily heavy type of vehicle, and a consequent impediment to the general development of the main-highways system. It appears to us that a classification of the whole of the highways system in New Zealand should be completed without delay.

40. From the point of view of the ultimate purpose which highways serve, in essential respects all are part of an inter-related system. Trunk-line highways do not exist for their own trunk line, nor do lateral and branch ones. Each type affects the other. This fact seems to be overlooked to a large extent, and as a result the public, which pays the transportation bill, is more and more broken into segments, some of which gain advantage from the resulting segregation, others of which suffer severely. The present system of varying classification creates a number of unnecessary difficulties with regard to the passage of through traffic. The system of requiring special permits over intermediate sections of road is, we think, entirely against the interests of the general development of an efficient and economic transportation system in New Zealand. We cannot stress too strongly our views that a complete classification, and in some instances a reclassification, of the main-highways system of New Zealand should be carried out at the earliest possible opportunity.

TRAMWAYS.

41. We must now refer to the position of certain tramways. Both the Auckland Transport Board and the Christchurch Tramway Board gave evidence before us, and both ask for a share of the Highways Fund—either out of the 8 per cent. paid to the larger boroughs or out of the 92 per cent. left. This proposal is essentially unsound, because, if acceded to, two bodies—the local authority and the Transport (or Tramway) Board—would administer the same Fund over the same roads, and there is no reason either for this double control or double share of the same Fund. Any relief given to either Board (if such is necessary) can be given more properly by making the burden of other charges lighter, rather than by an additional subsidy.

42. With regard to the Auckland Transport Board, we make no recommendations, but we point out that this Board has two main burdens:—

- (i) To pay rates on the area covered by the tram tracks:
- (ii) To maintain the road covered by the tram tracks up to a width of 18 in. on either side of the rails.

The two obligations are incompatible. No doubt the use of the roadway by the trams causes strain on the road surface, and involves extra maintenance; but, since the whole maintenance of the portion affected falls on the Transport Board, it seems wrong they should also have to pay rates on the same portion. If the Board needs assistance, which we do not know, relief from payment of rates rather than help from the road fund seems clearly indicated as the proper remedy for the case.

43. As to the Christchurch Tramway Board, this Board pays no rates on its tram tracks, but it has the same responsibility for maintenance as the Auckland Transport Board has. It seeks relief, especially with regard to its trolley-buses. We agree with the Christchurch Tramway Board that the