

It will be noted that income from revenue sources for the year 1937–38 was £221,000 greater than for the year immediately preceding when the amount was the highest on record.

The receipts from the Customs tax on tires and tubes amounted to approximately £20,000 more than for the previous year, and is the largest sum obtained from this source since the year 1928–29.

Compared with last year, registration and license fees, &c., show a small decrease as regards the amount paid into the Main Highways Account for the financial year ended on 31st March, 1938. Actually the number of vehicles registered was greater than for the preceding year, but the difference in revenue credited for highways purposes is due to the fact that this revenue is collected in the first instance by the Post and Telegraph Department. The amounts shown in the statements relate only to the period covered by the financial year and exclude balances not transferred to the Main Highways Account within that particular period.

The proceeds from motor-spirits taxation were £220,000 in advance of the amount received under this heading in the previous year, and represent the largest sum which has been credited to the Main Highways Account in any one year up to the present.

Revenue from the mileage-tax levied in respect of motor-vehicles using other than motor-spirits, and trackless trolley-omnibuses, increased by nearly £3,000, or approximately double the amount received in the previous year. The steadily growing income from this source over the past few years indicates particularly the increasing use of passenger and general transport vehicles having Diesel or electricity power units.

The gross importations of motor-spirits since 1927 have been as follows, and these figures are usually accepted as providing an index of maintenance and construction requirements:—

	Gallons.		Gallons.
1927 (January to December) ..	48,000,000	1933 (January to December) ..	55,400,000
1928 ..	54,500,000	1934 ..	64,600,000
1929 ..	62,400,000	1935 ..	65,300,000
1930 ..	68,300,000	1936 ..	86,800,000
1931 ..	61,800,000	1937 ..	85,700,000
1932 ..	58,400,000		

It will be seen that for the last calendar year the gross total importations are somewhat less than for the preceding year. The decrease is not reflected in the revenue from this source owing to the fact that considerable importations occurred during the latter months of the financial year 1937–38. The receipts from motor-spirits taxation for the financial year, as shown in the income table set out earlier in this report, are a definite indication of the very substantial increase in mileage travelled by motor traffic.

The following is a summary of expenditure from the Main Highways Account for the year ended 31st March, 1938:—

	Expenditure. £
Maintenance—	
North Island	713,882
South Island	360,230
Renewals—	
North Island	95,385
South Island	42,889
Construction and improvements—	
North Island	1,270,546
South Island	909,781
Administration and general charges	175,312
Loan charges (including commutation of toll-gate charges and of Hutt Road fees)	338,493
Subsidy on rates	206,528
	<u>4,113,046</u>

An analysis of the expenditure for 1937–38 by the Board and by local authorities on **maintenance** of main and State highways, as distinct from renewals, construction, interest on loans, and other overhead charges, is shown in the tabulation below:—

	Board's Contribution.	Local Authorities' Contribution.	Total.	Percentage Board's Contribution to Total.	Percentage Local Authorities' Contribution to Total.
	£	£	£		
North Island	713,882	93,236	807,118	88·45	11·55
South Island	360,230	60,207	420,437	85·68	14·32
Total	1,074,112	153,443	1,227,555	87·51	12·49