

about £150,000; the balance therefore available this year, should my estimates not be exceeded, would be only £50,000. Sir, it seems to the Government that, in starting such a scheme as we have under consideration, it would be unwise to attempt to launch it without sufficient funds to enable the Board to make a good beginning. The prospects of the surplus Land Fund for this year reaching £150,000 being but small, it is proposed to ask the House to make a grant to the Board of £150,000 out of the loan, so as to place it in funds for the work of next spring and summer. The fund thus created is to be applied to the following purposes: First, the payment of the rates on the waste lands of the Crown and Maori country lands; second, grants-in-aid for constructing main roads, and repairing damage done by flood or tempest. The rates, estimated at a shilling in the pound—supposing every Road Board and every county to levy a shilling rate—would amount to about £60,000, or to about £74,000 if rates on Maori lands are included; but I much doubt if the amount of rates payable by the Board will often reach £50,000 a year. The balance remaining, whether it be £80,000 or £100,000, will be applicable to main roads, and main roads only. The main roads, I should have said, will be defined by Proclamation. I have had sketch-maps prepared for the information of honorable members, showing the roads it is proposed to declare at once, power being given in the Bill to proclaim others from time to time, as circumstances may require. The grants-in-aid will be limited by the funds at the disposal of the Board, and will be made in this way: I will suppose, for the sake of illustration, that a county wishes to construct—and construction means forming and metalling roads or building bridges—a section of main road over which it has control, or to repair damage done to a main road by flood or tempest. The Council must obtain an estimate of the cost of the work proposed to be executed, which we will suppose amounts to £6,000. The Council will then make an application to the Board for a grant-in-aid. But, before the Board can make the grant, the Council must show that it has one-quarter of the £6,000, that is, £1,500, at its disposal, which it undertakes to spend upon the work; or the ratepayers of the county must impose upon themselves a special rate which will repay one-fourth of the £6,000, namely, £1,500, in twenty half-yearly instalments, without interest. In other words, three-fourths of the cost of the construction of the main roads will be paid by the Board, and one-fourth by the county, either in cash or by way of a special rate, extending over ten years. Honorable members must bear in mind that waste lands of the Crown and Native lands are subject to the special rate, as well as private lands. The reason for making no grants unless the county is prepared to contribute a fair proportion of the outlay will be obvious to the Committee, and honorable members will, I think, admit that the contribution has been made as small as is compatible with prudence.

I now turn to the proposed assistance to be given to district roads, that is, to all roads other than main roads. The Bill provides that the Board of Local Public Works may borrow from time to time, at 5 per cent. interest, of the Postmaster-General or Government Insurance Commissioner, any sum not exceeding in the whole £100,000—the colony being liable for its repayment—and lend it to the local bodies for the purpose of constructing district roads. The terms upon which grants are to be made are, that a special rate is to be levied by the local body desiring to borrow, which will produce 9 per cent. per annum upon the proposed loan. The interest charged is to be 4 per cent., so that 9 per cent. paid half-yearly will cover both interest and sinking fund, and will extinguish the loan in fifteen years. It will be observed that the rate of interest is very low, and the terms of repayment easy. I think, however, honorable members will approve of substantial assistance being given to local bodies for the purpose of constructing roads throughout the country, if only we keep within our legitimate means. But the Committee will say, How can the Board borrow money at five per cent. interest and lend it at four? Sir, this difficulty can only be got over by the same means as is proposed in the case of the fund for the construction of main roads, by making a grant from loan to start the fund. I shall, therefore, ask for £50,000 to be so granted for the purpose. The Board will then be in a position, should the grant be made, to lend £150,000, or any less sum, at four per cent.