

For the current financial year 1940–41 a sum of £650,000 will be provided from the Consolidated Fund for expenditure on maintenance of Public Works and Services, including £100,000 for housing workmen engaged on farm production and £100,000 for national emergency purchases. The expenditure on main highways (including permanent appropriations estimated at £316,800) is estimated to reach £3,850,000, of which a sum totalling £2,150,000 is expected to be raised by way of special revenue. It is anticipated that the revenue from the supply of electrical energy will reach a sum of £2,050,000, which will be utilized for the payment of arrears of sinking-fund instalments, interest, and operating-expenses.

The proposed expenditure from loan-moneys and revenue for votes comprised in the Public Works Fund coming under the control of other Ministers of the Crown is set out hereunder:—

Vote.	Loans.	Consolidated Fund.	Special Revenue.	Total.
	£	£	£	£
Railway Improvements and Additions to Open Lines (Minister of Railways)	1,500,000	..	1,250,000	2,750,000
Education Buildings (Minister of Education) ..	700,000	700,000
Telegraph Extension (Postmaster-General) ..	325,000	325,000
Swamp-land Drainage (Minister of Lands) ..	9,000	9,000
Small Farms Development (Minister of Lands) ..	370,000	..	180,000	550,000
Native Land Settlement (Minister of Native Affairs)	350,000	350,000	300,000	1,000,000
Total	3,254,000	350,000	1,730,000	5,334,000

MAIN HIGHWAYS.

I have on many occasions pointed out the necessity for an adequate and safe highways system, and never before in the history of this country has it been so essential that our internal communications should be up to a high standard of efficiency.

Our national existence at the present time demands that our main arterial routes be of sufficient material strength and of adequate capacity to transport men and material in the most expeditious manner, otherwise we are likely to be severely handicapped in any military operations that may be necessary for the defence of this country.

The wisdom of the Government's policy in taking over approximately 4,000 miles of the principal arterial highways as State highways, and placing them under the direct control of the Main Highways Board, with authority to provide the full cost of improvements to a high standard of efficiency and proper maintenance of that standard, will now be apparent to honourable members.

Although the number of motor-vehicles licensed during the year constitutes a record, the consumption of motor-spirits was slightly smaller than for the previous year, this, of course, being due to the restrictions placed on the purchase of motor-spirits after the outbreak of war. Had it not been for these restrictions the consumption of motor-spirits would undoubtedly have exceeded that of any previous year. The activities of the Main Highways Board for the past financial year are described in its annual report, which is appended to this statement.

The report indicates that £2,758,808 was received from revenue sources, compared with £2,814,939 for the previous year. The total expenditure from the Main Highways Account for the financial year ended 31st March, 1940, on actual works, as distinct from loan and special charges, amounted to £4,599,000 as against £4,369,000 in the previous year.

Construction and improvement works, including the elimination of level railway-crossings, accounted for £3,106,000, whilst £1,302,000 was expended on maintenance and £190,000 on the renewal of bridges.

Notable examples of improvement work carried out on State highways during the year are to be seen on the Ngahauranga Gorge section of the Wellington–Paekakariki Centennial State Highway and the Hutt Road section of the Wellington–Masterton State Highway.

In addition to the actual works expenditure quoted above, interest and loan charges amounted to £671,154 and general rate subsidies paid to local authorities to £206,514.