

It is true that local body loans must have the sanction of the ratepayers, and that the ratepayers' land is held as security for loan charges. While I do not for one moment suggest that ratepayers' consent should be eliminated, I do assert that the ratepayer's vote is a poor and unsatisfactory system of control. It is common knowledge that a great many loans—I venture to say, a majority—are carried not only by a minority of the ratepayers, but that the total of votes polled for and against the proposal is a minority of the total number of ratepayers concerned. Too often proposals to raise large sums of money are put forward without any real investigation as to the general economic result of the expenditure and its real advantage to the district concerned. Not infrequently expenditure "schemes"—and I use the word advisedly—are put forward by enthusiastic "boosters" who entirely mislead the people, who will have to pay in the long-run. It is usually asserted that so long as ratepayers are prepared to tax their land the scheme must be sound, and in any case it is the ratepayers' concern. It is the ratepayers' concern if those who vote for the loan stay to pay its charges. I have little hesitation in saying that these works are often commenced to give an inflated prospective value to lands, which, having been created temporarily, the promoters sell out at enhanced value and leave some one else to carry the burden. I may be permitted to recall a case which is typical. The promoters of a big expenditure scheme were addressing a meeting of settlers with a view to obtaining their signatures to a statutory petition. One of the leading settlers assured the promoters that the settlers were willing to sign any petition and vote for any loan in order to get the railway which would enable them to sell their land. When I asked the promoters to produce the data on which they assured themselves that the railway would be a payable proposition, they had none to produce. Needless to say, that railway is still only a proposal. If the sum of all charges on land, and the capacity of the land to pay, to any degree approximate one another under prosperous or even normal conditions, it is obvious that under any condition of adversity the margin of security disappears. Unless there be some means of comprehensive survey and regulation of total public indebtedness to considerations of population, land-values, productiveness, and average value of products, the position will remain unsatisfactory and may even become one of grave concern. I do not suggest that such a position has been reached or anything approaching it, but I do suggest that it is better to plan now some method of control which will obviate such a possibility than to bewail when it is too late. I have sufficient knowledge of the wealth with which nature has endowed this country and faith in its people and their resource to believe that it can bear with comfort a considerably greater indebtedness; but the money must be spent wisely on a plan which has had the most careful consideration of the factors I have mentioned, and which fits in with a comprehensive scheme of development-work. What we cannot afford is piecemeal, ill-considered expenditure dictated by local ambitions and without reference to what work is being planned or under way in the next watertight compartment.

The Main Highways Act is the first direct legislative step in the direction I have indicated. Instead of each county working independently, the District Highways Council considers roading from the point of view of best serving the interests of a number of grouped counties, while the Highways Board is enabled to co-ordinate the work of groups. But this measure of control operates only in regard to one avenue of expenditure—namely, roadwork—and that only on roads which are declared main highways. There still remain all other roads.

I have great hopes, when once this scheme is in full operation, and its benefits realized, that it will result in amalgamation of many counties, even perhaps to the extent of amalgamation of all counties within the various groups. By this means it will be possible to vastly improve the standard of staff efficiency and organization, and that must surely result in better and cheaper work on a more comprehensive plan.

I believe it to be an urgent measure of local-government reform that we should reduce the total number of local governing bodies which exist within one another's boundaries, overlap, and to a considerable extent duplicate one another's work. As