

1931.  
NEW ZEALAND.

HIGHWAYS FINANCE COMMITTEE

(REPORTS OF THE).

(MR. C. H. CLINKARD, CHAIRMAN.)

*Presented to the House of Representatives, and ordered to be printed.*

ORDERS OF REFERENCE.

*Extracts from the Journals of the House of Representatives.*

TUESDAY, THE 28TH DAY OF JULY, 1931.

*Ordered*, "That a Select Committee be appointed, consisting, by leave of the House, of eleven members, to examine into and report upon all matters relating to highways finance, including the allocation of portion of the petrol-taxation to local authorities; to have power to call for persons and papers: three to be a quorum: the Committee to consist of Mr. Auesell, Mr. Armstrong, Mr. Broadfoot, Mr. Campbell, Mr. Clinkard, Mr. Healy, Mr. Macmillan, Mr. Martin, the Hon. Mr. Ransom, Captain Rushworth, and the Mover."—(Hon. Mr. RANSOM, for Hon. Mr. TAVERNER.)

WEDNESDAY, THE 21ST DAY OF OCTOBER, 1931.

*Ordered*, "That Paper No. 171 (Industries and Commerce, Department of: Report on Investigation regarding Distribution and Prices of Motor-spirit. H.-44c) be referred to the Highways Finance Committee."—(Right Hon. Mr. FORBES.)

THURSDAY, THE 22ND DAY OF OCTOBER, 1931.

*Ordered*, "That the petition of C. J. Old and others be referred direct to the Highways Finance Committee."—(Captain RUSHWORTH.)

TUESDAY, THE 27TH DAY OF OCTOBER, 1931.

*Ordered*, "That the petition of R. E. Talbot and others be referred direct to the Highways Finance Committee."—(Captain RUSHWORTH.)

THURSDAY, THE 29TH DAY OF OCTOBER, 1931.

*Ordered*, "That the Highways Finance Committee have leave to sit during the present sitting of the House."—(Mr. CLINKARD.)

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## REPORTS.

THE Highways Finance Committee, which was appointed by resolution of the House on the 28th day of July, 1931, to examine into and report on all matters relating to highways finance, including the allocation of portion of the petrol-taxation to local authorities, has held seventeen meetings and heard many witnesses.

I have the honour to report that the Committee has agreed upon the following conclusions and resolutions :—

(1) That a separate fund, now called the Highways Fund, should be maintained, but should in future be designated " Roads and Bridges Fund," and that all proceeds from motor and petrol taxation be paid into this fund ; also that the whole of the funds be earmarked for roading purposes, and that the Act be amended accordingly. That this fund should be called upon to contribute substantially to the construction and maintenance of roads other than highways.

(2) The Committee recommends that a system of automatic allocation should be instituted, and that sums in the aforementioned fund be automatically allocated to road districts, similar to the principles adopted in the allocation of public-works expenditure of a developmental nature, but utilizing factors more suitable to the particular requirements of ordinary main roads and by-ways.

(3) In the opinion of the Committee, based on the evidence that has been heard, there is a definite indication that petrol is a present-day necessity, and that the consumers in New Zealand are being charged too highly for the commodity by those who have control of the supply and distribution. As the Committee cannot recommend the Government to undertake the conduct of this essential industry, it recommends that the following protective measures be adopted by legislative enactment :—

(a) That the maximum buying-price by importers in bulk at terminal points should be fixed at 2d. per gallon, plus import duty above the world parity price.

(b) That the maximum selling-price ex bulk tanks in New Zealand shall be the maximum buying-price plus 2d. per gallon.

(c) That any financial person requiring lots of 200 (two hundred) gallons or more, have the right to buy at these prices.

(4) As an alternative, the Committee suggests that a foreign-corporation tax of at least 3d. per gallon should be levied on foreign corporations operating in New Zealand. The evidence which the Committee received shows that initial invoices, and the charges for freight, &c., have been manipulated, with the result that the revenue has not received the income-tax it would otherwise have received. In the opinion of the Committee the suggested foreign-corporation tax may produce the desired result.

(5) The Committee is in favour of relief being given in the direction of the deration of farm lands for roading purposes.

(6) With reference to boroughs of under 6,000 inhabitants—in particular those who had completed most of their paving without assistance from the Board—it is suggested that legislation be introduced to allow these boroughs the option of applying to be grouped with the cities and boroughs of over six thousand inhabitants for the purpose of receiving a contribution from the 8-per-cent. petrol-tax allocation for direct distribution amongst cities and boroughs of over six thousand inhabitants ; the Main Highways Board to have full jurisdiction in considering and granting such applications. With the exception of Newmarket, all boroughs of under six thousand inhabitants have their arterial routes declared main highways, and they receive subsidies towards the cost of construction and maintenance from the Board. Where the application of any borough under the foregoing proposals are approved by the Board, the Board should have power to revoke the declaration of the main highways under which such boroughs receive a contribution for construction and maintenance.

In arriving at the foregoing conclusions on the major phases of the subject, the Committee has carefully considered the evidence, *inter alia*, of the following important bodies :—

New Zealand Farmers' Union.  
New Zealand Counties' Association.  
North and South Island Motor Unions.  
Main Highways Board.  
Municipal Association of New Zealand.  
New Zealand Society of Civil Engineers.  
British International Oil Co., Ltd.

The Committee desires to acknowledge its appreciation of the assistance given it by the various departmental officers and witnesses who attended.

Having given careful consideration to this important subject, the Committee earnestly recommends that the Government give effect to the decisions arrived at.

4th November, 1931.

No. 63 (Sess. 2).—Petition of L. R. JONES AND OTHERS, in the County of Waitomo.

PRAYING that they be relieved of local taxation for the upkeep of highways, and that provision be made whereby the Main Highways Board will be enabled to finance the whole of the maintenance of the highways in the County of Waitomo.

I have the honour to report that the Highways Finance Committee wishes to draw attention to the fact that the greater includes the lesser, and that if the recommendation on the question of derating contained in the Committee's main report be given effect to the petitioners will obtain the relief prayed for. The Committee therefore recommends that the petition be referred to the Government for favourable consideration.

4th November, 1931.

## No. 184 (Sess. 2).—Petition of C. J. OLD AND OTHERS.

PRAYING (1) that agricultural and pastoral land be completely freed from rates for roading purposes, and (2) that the users of roads shall be required to pay for the services which roads render to them.

I have the honour to report that the Committee recommends to the Government the immediate or, alternatively, the gradual granting of the prayer of the petitioners as and when circumstances will permit, and recommends to the House that the petition be referred to the Government for most favourable consideration.

4th November, 1931.

## No. 185 (Sess. 2).—Petition of R. E. TALBOT AND OTHERS.

PRAYING (1) that agricultural and pastoral land be completely freed from rates for roading purposes, and (2) that the users of roads shall be required to pay for the services which roads render to them.

I have the honour to report that the Committee recommends to the Government the immediate or, alternatively, the gradual granting of the prayer of the petitioners as and when circumstances will permit, and recommends to the House that the petition be referred to the Government for most favourable consideration.

4th November, 1931.

## SPECIAL REPORT.

I HAVE the honour to report that the Committee wish to record their appreciation of the manner in which Mr. L. C. Dawe, as Clerk of the Committee, has performed his duties; and, further, that this resolution be recorded in the minutes of the Committee, and reported to the House.

C. H. CLINKARD, Chairman.

10th November, 1931.

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