

95. We wish to state particularly that, in our opinion, the future control of highways expenditure should be rigid. The budgetary position demands this, and, just as non-essential schemes and services in other directions must be curtailed or eliminated, so also must non-essential roading projects be postponed until the general financial position improves. We cannot accept the view that motor taxation should be wholly spent on roading schemes, irrespective of the amount of general taxation available for other services. The development of the highways system must, in our view, be strictly limited to what the Dominion can actually afford.

96. We recommend that new construction should cease for the present, and that no new works whatever should be undertaken during the present period of financial depression. If this recommendation is adopted, a large sum should be available for general purposes. We note that for the year ended 31st March, 1931, the sum of £300,000 was transferred from the Highways Revenue Fund to the Construction Fund for use on capital works.

97. We have ascertained that the cost of the renewal of bridges has hitherto in general been charged against capital, and has been met partly from loan-money and partly from the amount transferred from the Revenue Fund. We consider that the replacement cost of worn-out bridges should, as a matter of principle, be met always from revenue, and recommend that no further loan-moneys be used for this class of work.

98. We further recommend that the amount available in the Construction Fund at present should be earmarked to meet commitments in respect of work already commenced or in respect of the reconstruction of such bridges as must be replaced in the near future.

99. In regard to the maintenance of existing highways, a considerable sum could be saved annually if only essential works were undertaken. Possibly the present high standard of maintenance could be lowered without detriment. The existing highways should not be allowed to deteriorate, but ordinary maintenance should be carried on as economically as possible.

100. It is generally recognized that the progressive and rapid improvement in our highways system has been largely responsible for the drift in railway finances, and, while we do not advocate a policy of retrogression in respect of highways, we consider that the present highways system, if reasonably maintained, is sufficient to meet the needs of the transport system of the Dominion for some years to come.

101. It is difficult to estimate what saving can actually be effected, firstly, by the cessation of capital works, and, secondly, by confining attention for the present to only essential maintenance. We believe, however, that if rigid control is exercised the sum of at least £500,000 per annum should be made available from motor-taxation to assist towards Budget equilibrium.

#### MISCELLANEOUS ADVANCES.

*Education Reserves Act, 1928, £200.*

102. We recommend that the two items of compensation for improvements should be subject to annual appropriation by Parliament.

*Finance Act, 1929, Section 8 : Advances to Native Land Settlement Account for Loans to Natives, £8,500.*

103. We consider that there is no necessity for a special loans branch for the purpose of making advances to Natives, and that such loans should be dealt with under the ordinary provisions of the State Advances Act, through the State Advances Office. That Office was specially constituted to deal with this class of business and has the organization to control it. If such business were controlled by the State Advances Office the loans would be made from capital under proper supervision and the Consolidated Fund would thus be relieved of an inappropriate charge.

Estimated saving, £8,500.

#### MISCELLANEOUS.

*Appropriation Act, 1925 : Maintenance of Overseas War Graves, £15,375.*

104. Expenditure under this heading ceases during 1931-32. This will relieve the Consolidated Fund to the extent of £15,375.

*Slaughtering and Inspection Act, 1908 : Compensation to Owners of Stock condemned, £14,500.*

*Stock Act, 1908 : Compensation for Diseased Stock destroyed, £17,000.*

105. The amounts provided under the above headings total £31,500. The first of these items covers compensation to owners of stock slaughtered for food and found on inspection to be diseased. We see no reason why the practice of paying compensation should be continued, and accordingly recommend that the statutory provision for payment be repealed. Vendors of other foods which are condemned or become unfit for consumption have themselves to bear the loss which is generally recognized as a loss incidental to trading, and there does not appear to be any reason why the Government should extend special consideration to one class of the community.

106. The second item is to provide compensation where a living animal is condemned by a Stock Inspector and destroyed. The Act provides for compulsory notification by the owner and a fine for non-compliance. The compensation payable is half the fair market value at the time of inspection. We hold the view that an obviously diseased animal has no market value, and that there should be no compensation where disease is definitely visible.

107. It is, however, necessary to make provision for cases where animals are destroyed and where a post-mortem examination discloses no disease. Such cases do occur, and it is only just that the owner should be protected in such an event.

108. We also consider that it would be reasonable to pay compensation in cases where an Inspector is called in to examine stock and where an apparently healthy animal is found to be diseased and its destruction is ordered.