

The estimated net expenditure under the General Purposes Account for the current financial year, 1936-37, is £4,686,700, and arrangements are being made with the Minister of Finance to provide the necessary funds. This is the amount shown on the Public Works estimates, which also show an estimated net expenditure of £764,000 from the Electric Supply Account and £2,752,000 from the Main Highways Account, a total for all these accounts of £8,202,700.

MAIN HIGHWAYS.

I have already indicated that main-highways requirements account for the largest proportion of the expenditure which is entrusted to my Department, and this fact in itself goes to show how important is this phase of its activities.

At present the main-highways system is comprised of some 12,000 miles of the most important urban, arterial, and rural roads, and the control of this system is exercised under the jurisdiction of the Main Highways Board by local authorities and the Public Works Department. The Main Highways Board has been responsible for directing and assisting local authorities in the improvement and better maintenance of main highways in a way which has given a great measure of general satisfaction. The improved standard of the principal roads of the Dominion to-day has been brought about only by the co-operative efforts of the Board and the local authorities concerned, but, while the position is as I have stated, it is considered, nevertheless, that the existing methods of administration do not adequately cater for present-day needs. I refer particularly to the divided control of our main highways and the delay and inconvenience which arise through lack of co-ordinated and planned administration. Although many local authorities are possessed of a broad national perspective, there are, unfortunately, others which allow purely local considerations to prejudice their judgment.

Road-transport facilities are vital to our national welfare, and communication by land depends at all times on our main traffic arteries being kept up to a high standard of efficiency. Under the present system of control, it has happened that trunk routes remain uncompleted because of the inability or unwillingness of a local authority to contribute a reasonable share of the finance involved. In order to unify the control of the principal arterial highways and to ensure that such highways are properly conditioned for continuous service, it is proposed to place approximately 4,000 miles under the direct control of the Main Highways Board. This mileage will be selected from existing main highways and classified as a State highways system, so that the full cost of improvements to a reasonable standard and the proper maintenance of that standard will be provided wholly from the Main Highways Account. This will also relieve local authorities of some financial obligations and enable them to devote needed attention to secondary highways of local importance, as well as ordinary county or settlement roads.

The necessary legislation to give effect to the foregoing proposal will be brought down in the near future. I have discussed with the Main Highways Board some of the details involved in the change contemplated, and tentative arrangements have already been made in anticipation of the scheme being brought into operation.

On various occasions it has been declared to be the policy of the Government to assume the direct responsibility for the expenditure of public moneys, and, as far as possible, to provide for the administration of public activities through the elected representatives of the people. It is therefore proposed to include in the amending legislation provision for regulating the functions of the Board in accordance with the policy I have mentioned. In making this statement, however, I do not wish to detract in any way from what the Board has accomplished during the past twelve years, because I fully appreciate the excellent service it has rendered in that period.

The extension of the Board's jurisdiction in respect of the proposed State highways system and the intention to retain the Board with its present personnel indicate a recognition by the Government of the success achieved under the Board's administration.