for the past financial year amounted to over £2,800,000, compared with £2,600,000 for the preceding year. With the exception of revenue from tire-tax, which was some £9,000 less than in the previous year, the receipts from other taxation levied for highways purposes reached peak figures.

The total expenditure from the Main Highways Account for the last financial year on actual works, as distinct from loan and special charges, amounted to £4,369,000, as against £3,392,000 in the previous year. Construction and improvement works, including the elimination of dangerous railway-crossings, absorbed £2,878,000, maintenance involved an expenditure of £1,311,000, whilst £180,000 was spent on the renewal of bridges. In addition, interest and loan charges amounted to £439,000 and general rate subsidies paid to local authorities totalled £209,000. Last year's programme of works involved the borrowing of £2,675,600 for main highways' activities.

The improvements completed included the formation and widening of lengths totalling 491 miles and the metalling of numerous sections aggregating in length 188 miles.

Extensive paving operations during the past year resulted in the completion of 385 miles of initial dustless surfacing, this being the greatest amount of new sealing completed to date in any one year. The length of dustless surfaced highways at the 31st March, 1939, totalled 2,800 miles, which represents approximately 23 per cent. of the main highways system.

Further progress was made in the elimination of dangerous railway-crossings, and in the period under review 40 elimination schemes were completed, as against 35 in the preceding year. As at March, 1939, a summary of the Government's programme for removing these potential dangers is as follows: Works completed at 90 crossings; contracts let or work in hand at 30 crossings; proposals completed or under preparation for 39 crossings.

In the matter of bridging it is interesting to note that over 25,000 lineal feet of new bridging was opened to traffic during the past year, this being more than twice the aggregate in any previous period. The principal structures completed were: The Rakaia River Bridge, 5,762 ft. long; the Whirokino Viaduct, 3,600 ft. long, and the North Rangitata Bridge, 2,122 ft. long. The bridge over the Rakaia River provides a separate structure, 24 ft. wide, for highway traffic, where in the past both road and rail traffic have been carried on a single bridge. One of the major benefits of having a separate bridge in this case is that road vehicles are no longer subject to delays through having to await the passage of rail traffic. The Whirokino Viaduct has been constructed to carry arterial highway traffic over a long stretch of road which becomes covered with water to a depth of several feet in times of major The new bridge over the north branch of the Rangitata River forms flooding. part of the major deviation in the State highways system of the South Island. The deviation, which will shorten the distance for through traffic by nearly 10 miles, was practically completed at the end of the year under review, and has since been opened to traffic. The replacement of hundreds of bridges on the main-highways system has become a matter of urgency, and every endeavour is being made to expedite design and construction work as much as possible.

The maintenance of the main-highways system, including the amounts spent by the Main Highways Board and local authorities, represents an average cost per mile of £119.9, compared with £101.2 for the preceding year. However, the past year was characterized by extraordinary storms in a number of concentrated areas where the flood conditions were very severe indeed. The repairing of a certain amount of flood damage is anticipated each year in the course of maintenance operations, but in some districts the flooding was quite extraordinary. The increase in the average maintenance-cost per mile is due to the damage caused by major floods, as expenditure in that respect is equivalent to over £16 per mile over the complete highway system.

The programme for the maintenance and construction of main highways for the current year is based on a continuance of activities on practically the same scale of operations as for the past year.