I expressed my intention to concentrate activities towards improving unsatisfactory conditions in respect of backblock road access because I was convinced that by so doing the general welfare of the Dominion would be further advanced. The prosperity of New Zealand is dependent upon the returns from the soil, and it is therefore essential that every encouragement be given to rural development and production. Apart from the question of the economic transport of produce, good roads bring social benefits to the people, such as education, health services, recreational, and community amenities.

For the purpose of improving settlement access I invited local authorities to prepare schedules showing roads which required metalling in order to provide all-weather communication to outlying settlement. From these schedules a programme was formulated, primary consideration being given to roads classified in the first order of urgency. Grants and subsidies were allocated and with the co-operation of County Councils substantial progress has been made towards increasing the mileage of metalled feeder roads. Many of the proposals included in the programme have been completed, and, in quite a number of cases where it was anticipated that work would extend over a period of years, the metalling already carried out is in advance of the original plan.

Within the past three years 2,878 miles of metalling were completed, of which 1,080 miles were completed during the past year. These figures evidence the sympathetic and practical consideration which the Government has extended to the primary industries of the Dominion in the direction of facilitating settlement

and production.

In addition to metalling operations, 1,596 miles of roads were formed or reconstructed during the past three years, 531 miles having been completed in the

last financial year.

A considerable amount of bridging and culverting was also carried out during the period under review, either by the Public Works Department or by local authorities under grants or subsidies from the Public Works Fund. The length of bridging completed for use totalled 13,504 lineal feet, compared with 10,710 lineal feet in the previous year, while the length of culverting aggregated 66.884 ft., compared with 71,570 ft. in the previous year.

The net expenditure on settlement and other roads for the year ended 31st March, 1939, amounted to £1,290,838, compared with £1,126,757 for the

preceding annual period.

I find it necessary to refer briefly to the financial position of County Councils, which are the local governing bodies most directly associated with rural roading problems. It is pleasing to be able to record that, generally speaking, these authorities exercise a broad outlook when reviewing roading needs in their respective territories. In some cases, however, it appears that considerations arising from the riding system of finance influence to a large extent the expenditure programme rather than the degree of urgency of work. There are indications that local-body opinion to-day is recognizing that improved transport conditions have practically eliminated purely localized interests, and that the roading schemes must be dealt with as they affect the district as a whole.

Compared with other recent years, the past year was comparatively free from flood damage of any major character, and there were only a few occasions when County Councils applied for financial assistance. Several local authorities were faced with the repairing of damage sustained in the early months of the last calendar year, and for this reason were unable to devote as much attention to the metalling of settlement roads as otherwise would have been the case.

In addition to roading for settlement purposes, construction work was continued throughout the past year on a number of important arterial and tourist routes, and satisfactory progress was recorded.

The following is a brief description of some of the major projects under

construction within the period covered by this report:—

Two large works in the North Auckland and Auckland districts were completed—namely, the Brynderwyn-Waipu Deviation, which provides an alternative and more direct route for traffic between Whangarei and Auckland, and the Waitakere Scenic Drive just out of Auckland City.

Good progress was made with the reconstruction of the arterial road between Rotorua and Lake Waikaremoana, the improving of the Waiouru to Tokaanu Road, and the construction of the new road connection between Taumarunui and Tokaanu.

Work was well advanced in respect of the reconstruction of roads in order to improve access to Wellington. The Western Hutt Road between Melling and Silverstream, including the erection of a modern bridge over the Hutt River, was completed and opened to traffic, and, with the exception of reinforced-concrete