The separation of the two main rail systems by sea has always been a difficult matter, more particularly in dealing with the movement of cargo. Even in pre-war years before the present shipping delays had been experienced it was not unusual to have through-booked cargoes held up at Lyttelton and Wellington for some days. The Department has in the past investigated the possibility of a train-ferry system between the two Islands, but from the information at our disposal it was considered that, while some improvement may occur in the inter-Island transport of freight, there were other factors which were not so favourable in the proposal.

Our experience with the emergency Dakota service in December and early in January showed that, provided operating-costs were kept to a minimum, it was possible to move freight across Cook Strait at a rate which would enable the traffic to move. At this point it should be noted that transport by air in the past had been confined to what may be termed "parcel freight," and our scheme proposed to deal with what may be termed "general goods traffic" in large lines where the only restriction would be the size of the individual package.

The Railways Department was able to arrange a satisfactory charter rate with the Royal New Zealand Air Force, and a daily cargo through-booking service by air between Paraparaumu and Woodbourne was commenced on 10th February, 1947.

Under this scheme, ordinary rail freights are charged for the rail transport to and from Wellington and Blenheim in either Island with special rates to cover the air portion of the journey, inclusive of charge between rail and the aerodrome.

In the seven weeks of operation from the commencement on 10th February until 31st March, 1947, 1,877,254 lb. of freight have been carried.

The freight from Paraparaumu to Woodbourne has totalled 926,652 lb. and from Woodbourne to Paraparaumu 950,602 lb.

The expenses incurred in handling this traffic, including aircraft hire, wages of terminal staff, and cartage at Blenheim and Paraparaumu, was £6,075 9s. 11d., and the total revenue from the air service has been £6,207 12s. 2d., leaving a profit of £132 2s. 3d. For a new service the financial results must be considered quite satisfactory, apart from the fact that the service given to our clients has enabled their consignments to move without delays previously encountered at the shipping termini.

I cannot speak too highly of the splendid co-operation which was given by the

Royal New Zealand Air Force in inaugurating and maintaining this service.

As a considerable portion of the freight which is despatched and received at Paraparaumu is for stations other than Wellington, the Railways Department has used Paekakariki as the assembly point for air freight. From this station connections are maintained with the express goods services operating between Wellington and Auckland.

That there is a need for such a service is evident by the patronage which has been given, and as a result of our experience it is considered that a machine designed solely for freight purposes, such as the Bristol, would not only enable a reduction to be made in operating-costs due to the higher pay load which can be carried, but the loading and unloading of consignments at the aerodromes would be expedited.

The advantages of the combination of rail and air are, in a nutshell, that the already existent traffic facilities of the railways are combined with the flying of aircraft. The full implications of this can be appreciated if we consider what would be necessary if an entirely new organization had to deal with this freight. The facilities and organization required would involve depots for handling freight, road transport to and from aerodromes, communications system, advertising and canvassing services, and the staff for handling, waybilling, accounting, canvassing, &c. And all this would be required for a quantity of traffic which would, at present air rates and those in sight, form but a fraction of the traffic now moving. Furthermore, if sufficient traffic to warrant purely freight services is to be obtained, then facilities must be provided at every possible source of traffic.