

NAPIER—HASTINGS SERVICE.

This service showed a debit of approximately £600, this being brought about by an increase in costs resulting from an additional 59,525 miles having to be run owing to the diversion of traffic during road repairs, also to the imposition of the petrol-tax, which alone was responsible for approximately £760.

As in the case of the Hutt services, maintenance costs were very high, showing an increase over the previous year of £891. Here again we find the fleet arriving at the stage where extensive maintenance work has to be undertaken, while the alterations necessary to comply with the Motor Regulations helped to swell the bill. This service has been the subject of some complaint, and in order to enable the public need to be more adequately met arrangements were made for the fleet to be augmented immediately by the addition of new buses. These will considerably increase the earning-power of this service, and with the superior type of bus and lower maintenance costs we could, if other factors were equal, look confidently for a better return.

Unfortunately, this service has been made the subject of some very keen and irregular competition by taxi-cars of the ordinary motor-car type, a number of which are now running in direct opposition to our service, notwithstanding that additional omnibus licenses were not granted by the licensing authority. I do not doubt the ability of our service to ultimately cope with this competition, but in the meantime a grave injustice is being done to the Department, which holds the necessary licenses for this service and is providing a fleet that is quite ample for the needs of the traffic. The net result is that harm is being done to the authorized service, and I am confident that in the long-run no benefit will accrue to those who are engaging in this irregular competition. It is certainly unfortunate that such a state of affairs should be allowed to continue.

The saving in train services as a result of the bus operations is estimated at £2,500 per annum.

CHRISTCHURCH—MIDLAND SERVICE.

This service shows a debit of £1,114, which has been largely contributed to, as in the case of the other bus services, by the imposition of the petrol-tax.

We have also had a special debit on this service respecting the altering and repairing of one of the buses, which is of a non-recurring nature.

This service is essentially one that has been put on in order to protect the Department's business, though it has also allowed some economy to be effected in train-working, the cost of which it is practically impossible to estimate.

OAMARU—TOKARAHI SERVICE.

The debit on this service is £380, as compared with £655 last year. This service is run to enable economies in train-working to be effected on the Ngapara and Tokaraahi Branches. It is estimated that the saving on the train services amounts to £800 per annum.

In conclusion on the question of the bus services, I desire to say that in my opinion this is a branch of the business of the Department that must inevitably grow. The improvement in the roads and in the design and efficiency of road-motors will, I consider, necessitate the Department undertaking road services for both the reasons that I mentioned at the opening of my remarks under this heading—namely, in order to protect its business and to effect savings in providing the various facilities.

The immediate care of a road-carrying organization is one that is becoming a work requiring a great deal of specialized knowledge which can only be gained by a person devoting himself only to this type of transport and building up an organization that will make for efficiency and economy. To that end a Bus-manager has been appointed whose duties will be to control the whole of the operations connected with our road-motor services; and with the advance in knowledge and experience that we will get from the specialized work of the Bus-manager and the organization under him, coupled with the improvements that are being made in the bus fleets, I feel confident that we may look for better financial results from these services in the future.

THROUGH BOOKING OF PASSENGERS, PARCELS, AND GOODS BETWEEN NORTH AND SOUTH ISLANDS.

A branch of our service that has been instituted in recent years and which is being increasingly availed of by the public is the through booking between the North and South Islands.

During the past year the value of the parcels and goods traffic under this heading was £21,481, as compared with £17,094 in the previous year. This shows an increase of approximately 25 per cent. in one year. The passenger bookings also showed an increase of 13 per cent.

We have received many expressions of appreciation of our services in this connection, and the foregoing figures will show that these sentiments are shared by the community at large, as is evidenced from the rapid growth that has taken place in this branch of our business.

Hitherto the service has been confined to transport between Wellington, Lyttelton, Picton, and Nelson. The scope of the arrangement has now been considerably extended so as to cover transport from many of the other ports of New Zealand that are served by rail.