Generally in the areas where rates have been fixed both the carriers and users are satisfied with the schedule in force. Anomalies, of course, arise, and amendments to the schedules will probably be necessary from time to time. In the No. 2 Licensing District, for example, four schedules have already had small amendments made, while in all areas the Licensing Authorities are constantly in touch with the operators and the users to see that the rates in force are satisfactory to all.

(6) Finances and Statistics, 1937–38.

As was mentioned in last year's annual report, it was not possible to include the tabulated results of the financial and traffic data for 1937–38 in that report owing to it being required earlier than usual. A similar set of circumstances has arisen again this year, and it will not be possible to publish the figures for 1938–39 until a later date.

The following review, therefore, covers the finances and statistics for 1937–38, which are set out in Tables No. 21 to 31.

The financial returns from which the figures were compiled were collected under powers conferred on the Commissioner of Transport by clause 22 of the Transport (Goods) Order 1936.

Before the returns were tabulated they were all carefully checked, particular attention being paid to the following points:—

(i) *Mileage of Vehicles in relation to Fuel consumed.*—It is not possible to accurately check this item, but a test check of the mileage against the fuel bill gives an indication as to whether the mileage is reasonably correct or not. In some cases it was found that the mileages were either grossly over or under stated.

(ii) *Depreciation of Vehicles.*—A general standard of depreciation rates was based as far as possible on general practice, and rates that varied widely from this standard were adjusted except where there appeared to be some justification for the charges made. Generally it was found that a large number of operators were inclined to under-depreciate their vehicles. The standard taken was—

Up to 18,000 miles, 15 per cent. on the original value.
18,000 to 25,000 miles, 20 per cent. on the original value.
25,000 to 30,000 miles, 25 per cent. on the original value.

A survey made of the average depreciation rate charged over the life of the vehicles in use indicated that, generally speaking, a depreciation rate of approximately 1 per cent. on the original value per 1,000 miles would be adequate under ordinary circumstances.

(iii) *Wages or Drawings in lieu of Wages.*—As with depreciation only in cases where there was a wide variance from the standard were adjustments made. In practically every case the amendments were all in owner-driven businesses with a view to bringing the costs for such concerns into line with those businesses where drivers were employed. Here the basis of the check was—

For 10,000 to 20,000 miles, £260 per annum.
For 20,000 to 30,000 miles, £300 per annum.

A certain number of returns were obviously incorrect or incomplete, and these returns were discarded.

(a) *General Summary of Goods-service Finances and Statistics for the Dominion compared with Previous Years.* (Table No. 21.)

Average figures per vehicle derived from the returns tabulated have been used to form an estimate of the total figures for the industry.

The figures shown in Table No. 21 for the five years 1933 to 1938, though not strictly comparable from year to year, afford a reasonably accurate guide to the progress of the industry.

Generally it will be seen that the industry continues to make steady progress, nearly all the figures for the year under review showing an increase on those for the previous year.

The bringing of cream-carriers and public-works and local-body contractors under the Transport Licensing Act has been largely responsible for the 30-per-cent. increase in the number of vehicle authorities from 3,733 in 1936–37 to 3,859 in 1937–38.

Despite the large increase in the number of vehicles, the total revenue shows a more than proportionate increase of 35 per cent., from £2,680,000 to £3,580,000, and raises the average revenue per vehicle from £713 to £737. In the first year of transport-control (1933–34) the total revenue was £1,640,000, or less than half that shown for the year under review.

Costs of operation also show a large increase, advancing from £2,310,000 to £3,160,000, or by 37 per cent. This raises the average annual cost of operating per vehicle from £614 to £650.

Total profits have also risen, reaching the new total of £425,000, against £371,000 in the previous year and £176,000 in 1933–34. In this connection it is interesting to note the trend in the average profits per vehicle over the past five years:—

	£
1933–34 profit per vehicle	60
1934–35 profit per vehicle	64
1935–36 profit per vehicle	79
1936–37 profit per vehicle	99
1937–38 profit per vehicle	87