

circumstances as the necessities of meeting competition require. At one extreme we have, as at present, the method of fixing rates solely by gazetted regulation. The other extreme is the placing in the hands of individual officers authority to fix charges as occasion may require. The question is how far the position can be carried from the extreme where it now rests in the direction of allowing of a greater measure of elasticity in rate-making. The Minister might, of course, exercise his power of delegation as contained in the proviso to paragraph (viii) of section 10 of the Government Railways Act, 1908. There are difficulties in the way of an extended use of this power, but it appears to me that the urgency of the occasion calls for some action being taken to place the Department, as a business concern, on a more advantageous position in relation to its competitors in the matter of quoting rates than it now holds. The question as to how this may be effected, and, in particular, as regards the matter of the extent to which the power contained in the proviso mentioned above might be used in this direction, is now under consideration.

MOTOR COMPETITION.

Road competition by motor-vehicles has continued to develop, and has been extended in many parts of the Dominion, especially in places where conditions have been such as to render remedial measures extremely difficult. This has been very apparent on such sections as Lower Hutt-Petone-Wellington, Wanganui-Marton and up as far as New Plymouth, Timaru-Waimate, &c. Since the main road to Petone has been improved by the laying-down of a permanent pavement of bitumen a very serious competition has grown up by the running of passenger motor-buses from Lower Hutt and Petone to Wellington, and *vice versa*.

The officers of the Commercial Branch of the Department took the matter in hand, and the steps taken to recover the business have been watched with very close attention, and similar measures taken in other localities where good roads and the general conditions have enabled the motors to seriously compete.

Motor competition in the carriage of goods, however, is far more serious, and a very definite course of action has been outlined to cope with the inroads that are being made on the Department's revenue due to the loss of traffic that is being carried by road.

TRAIN-SERVICES.

During the last twelve months many improvements in train-services have been brought into operation in various parts of the Dominion, including the putting-on of the Frankton-Auckland morning train and altering of the time of departure of the morning train from Wanganui to Marton to enable passengers to connect with the Main Trunk express southward, and the provision of better services on suburban sections. In addition, a Sunday service was given a trial between Auckland and Helensville during the summer months, and, although this arrangement was not supported to the extent anticipated, it will be given a further trial during the forthcoming summer.

To enable people from the Waikato district to visit Auckland on Saturdays for football, cricket, and other events, and return to their homes the same day, it was arranged to delay the departure from Auckland of the afternoon train to Frankton until about 5.30 p.m., which gives ample time to passengers to attend the particular events in which they may be interested and catch their train. In many other cases rearrangements have been made to meet the convenience of the public, and with the present organization of the Transportation and Commercial Branches users of the railways can be assured that their requirements will have every possible consideration.

As will be seen from the remarks concerning rail-motors, it is proposed to provide improved facilities in many sections of railway in the South Island as soon as these cars are available for use, as it is considered that working-expenses on many sections in the South could be very considerably reduced by the running of self-propelled cars and at the same time give a more frequent service.