

I am impelled to make these observations, because there have been suggestions that the Department should not carry on road-motor services. I do not think that the matter can be carried to the point of absolute prohibition of any such action on the part of the Department; first and foremost the Department is a transport institution and its duty is clearly to give the transport service for which it is provided by the cheapest and most efficient means. Only when a road proposition is definitely ascertained by examination of all the facts to be the cheapest and most efficient means, and not till then, should the Department turn to that form of transport to enable it to carry on its services.

#### MAINTENANCE OF BUILDINGS.

As I have moved about the railway system it has been increasingly borne in upon me that the standard of the railway buildings is not up to modern ideas. Many of the buildings are very old, and, though they may be reasonably adequate for the purposes of the business, they are architecturally out of date and have the effect of giving the railway surroundings a somewhat drab appearance.

The great majority of the buildings are constructed of wood, and have done duty in many cases over a very long period of years. Especially with wooden buildings, maintenance costs tend to grow proportionately higher with increasing age, and I think we must look forward in the near future to rising maintenance-costs in respect of our buildings.

#### LYTTELTON TUNNEL ELECTRIFICATION.

This important improvement was completed and the length opened for traffic on 14th February, 1929. The total cost of the work was £145,000. While the expenditure is not expected to bring in any substantial increase of revenue, it was undoubtedly justified from the standpoint of comfort and is in accord with the demand for better travel facilities, a demand, it may be mentioned, with which the Department is faced in many other directions.

#### BRANCH LINES.

Considerable attention has already been given to investigating the position of the branch lines so as to determine their value as compared with possible alternative forms of transport.

As far as the internal working of the Department is concerned, and assuming that the branch lines still remain, consideration of the matter at once raises the question of the more extended use of rail-cars. A committee of executive Officers of the Department, representing every phase of railway operation that may have a bearing on the question, is now undertaking a thorough and systematic examination of the position with a view to the formulation of definite recommendations—firstly, as to the best method of working the traffic: that is, whether by rail-cars, road services, or trains; and, secondly, in the event of rail-cars being recommended, what is the most useful type for the particular service required in each case. In this latter connection the rapid development that has taken place in recent years in connection with various types of rail-cars, particularly Diesel electric and other similar types, renders it very desirable, more especially in view of the very large issues involved, that we should have first-hand information regarding the most modern types of vehicles and their adaptability to our conditions. To that end I propose to send abroad immediately a competent officer to inquire on the spot into the actual performance of the various kinds of rail-cars on railway systems where they have been adopted. I confidently expect that during the coming year we shall be able to formulate definite proposals.

#### LOCOMOTIVES.

The standard of our locomotives has been a matter that has come pointedly under my notice. This has been brought about by some failures of locomotives of a greater or lesser magnitude, in some cases involving disorganization of the passenger service. Investigations made at my request have shown that certain difficulties which appeared unavoidable have had a direct bearing on the question of the efficiency of our locomotives.