

The railway encounters a difficulty in this connection not only arising from its physical nature, which requires it to run on rails, but also resulting from the fact that it deals with traffic in the mass, while the mobility of the private motor-car depends practically entirely on the necessities of very few individuals.

Experience has shown that the question of cost has a very remote influence in overcoming the handicap that the railways suffer in this connection. We find people freely using their motor-cars at a cost, when taking all factors into account, that must be considerably higher than that at which transport could be secured by rail. A further difficulty in connection with the competition of private motors is to be found in the practice, which is assuming large proportions in this country, of private motor-car owners who make regular use of their cars in travelling between the suburbs and the cities, picking up their friends *en route*. Allied to this there is also the practice which has arisen at holiday times of persons sharing their motor-cars with their friends for the purpose of extensive trips throughout the country. This must inevitably have an effect on the holiday traffic at such periods as Christmas and Easter. The railways have endeavoured to counteract these factors by increasing the attractiveness of their service, more particularly from the points of view of safety, comfort, and speed.

It is in these aspects that the railways will, it seems to me, be able to set a constantly improving standard that will always have a limiting effect on the development of the service-car business. So far as safety is concerned the superiority of the railways cannot be seriously challenged by the road-vehicles. The record of the railways as regards injuries to passengers is one with which the road services cannot compare, and from the nature of the two forms of transport it seems beyond question that the advantage in this connection will continue to remain with the railways. So far as the maintenance of our present standard may depend on mechanical appliances I would say that our system is well equipped with the best modern equipment that is applicable to our conditions. These are almost wholly designed to reduce the possibility of danger from human error. There will, however, always be a residuum of human responsibility. To meet this there has been constantly inculcated into our staff the necessity for the highest possible standard of care. On both aspects of the safety question it will be our constant endeavour to work continuously to a higher standard, both by the adoption of such mechanical improvements as will tend to that end and also by so directing the viewpoint and capacity of our staff by training in a practical way, education by "Safety first" literature and discussion and (more remotely) by a judicious administration of our disciplinary system, as will reduce the factor of human error to a minimum.

On the question of comfort we have a rather extraordinarily paradoxical position. We find the public continually demanding an increasing standard of comfort in the railway-carriages, while on the other hand we find the public willing to sit more or less cramped in service-cars with a comfort that must often be conspicuous by its absence. The freedom of movement and the greater measure of convenience that railway travel affords makes me feel that this position cannot be regarded as a permanent one, and when the novelty of motor transport has, as I think it will with the passage of time, ceased to be a factor, I think that the advantages which the railway has in the matter of comfort will make themselves felt and will make it increasingly difficult for the road-motors to maintain their position.

I regard it, however, as imperatively necessary that an improvement should be made in the standard of our passenger rolling-stock. We have drawn up a programme of rolling-stock construction to this end, but our capacity to carry out this programme is, of course, limited by the amount of finance that can be made available, and I desire to express the opinion that the improvement or, indeed, the maintenance of the position of the railways will depend on the making of such financial provision as will not hamper our efforts in this connection.

As regards the matter of speed, I think that improvements in this connection will be in the direction of running long-distance trains with fewer stops while working the intermediate traffic requiring more frequent stoppages at the less important stations by means of smaller rail units having a relatively high rate of acceleration, or by road services. As I have already indicated, we are now actively investigating the position in this regard with a view to collating the data necessary to enable sound decisions as to the modes of future development in this direction to be arrived at. We are also reviewing time-tables and rolling-stock. The former will be the subject of progressive development, and the latter is already covered.

So far as the competition of the hired road-vehicle affects retaining or regaining of traffic, the position is that the principal factor is undoubtedly the large motor-omnibus operating between the cities and the suburbs. An unfortunate aspect of this business from the point of view of the railway financial returns is that the railways are still left with the unremunerative workers' traffic while the buses reap the benefit of the better-paying casual suburban traffic. This is very vividly brought out in the passenger figures shown in this report. It will be seen that while the casual suburban business fell off as compared with last year by no less than 195,000 passenger-journeys, the workers' suburban traffic increased by no less than 262,000 passenger-journeys. The point here is that while the railway revenue for its passenger business in the suburban areas has substantially decreased, the quantity of service which it has rendered to the public in those areas has actually increased. In other words, if the position of the railways in the community as regards this branch of its business could be judged by units of service instead of by units of money received, the position of the railways would take on quite a different aspect.

The bus also has the advantage that, so far at least as its physical characteristics are concerned, it can keep in immediate contact with the areas of greatest traffic, whereas the railway route is fixed, and may be, and is, more or less remote from the traffic areas. The smallness of the bus also