

The wages and the salaries paid during the past three years were as under: Shore staff—1928, £1,547; 1929, £1,520; 1930, £1,552. Steamer staff—1928, £5,250; 1929, £5,402; 1930, £5,688.

The evidence submitted to your Commission showed that the service was not properly organized and scheduled, and that considerable savings could be made under more efficient management. It would appear that the most satisfactory method of management would be to place the service under an officer stationed at Queenstown, and hold him responsible for the service. This officer should be in a position to reduce the staff and by economical methods of handling cargo curtail many of the expenses with which the service is now burdened.

As the service is self-contained, provision should be made by a reduction of expenditure and an increase in rates so that each year's working would result in no loss.

Your Commission has fully considered the advisability of recommending the purchase of a new steamer, costing approximately £26,000, which would replace the "Ben Lomond" and the "Mountaineer" now engaged in the service. In dealing with this matter consideration has been given to the probability of the road between Queenstown and Kingston now under construction being completed. If this road is completed, undoubtedly a large amount of traffic now being conveyed by the steamers will pass over the road, and the revenue of the lake service will be considerably reduced. Definite evidence cannot be obtained as to whether or not this road will be completed. There is little call by the settlers in the district for the construction of the road, and, provided the work is not further proceeded with, your Commission feels justified in recommending the purchase of a new steamer.

*New Zealand Railways Magazine.*—The benefits derived by the Railways Department and the staff are not commensurate with the loss that has been incurred, which in 1929 amounted to £5,254 and in 1930 £5,208. We therefore recommend that unless the magazine can be printed and circulated without financial loss to the Department this publication be discontinued.

*Napier-Hastings Bus Services.*—Five buses were purchased on 11th October, 1926, for £3,796, at an average cost per bus of £759. At 31st March, 1930, these machines were assessed in the balance-sheet at a total value of £172, which is an average value of £34 per bus. It was found necessary to write off an average of £725 per vehicle. Eight additional buses were purchased on the 29th February, 1926, for £7,307, an average cost of £913 per bus. The balance-sheet at 31st March, 1930—a period of three years and four months after purchase—showed a total value of £239. It was found necessary to write off a depreciation of £883 per vehicle for this period. It would therefore appear that in both cases the price paid for the vehicles was too high.

In addition to the above-mentioned amounts paid to the vendors, a sum of £1,004 was disbursed, and this amount has been treated as goodwill. The accounts for this service show a loss for the year ended 31st March, 1929, of £621, and for the year ended 31st March, 1930, £7,925. The total running-expenses of the buses were practically the same in each year, as in 1929 it was £21,329, and in 1930, £21,304. The revenue in 1929 was £20,617, and in 1930, £13,378—a decrease of £7,239.

On this route the Department is subject to keen competition, and it would appear that the public is well served in the matter of transport. Should the Railways Department decide to withdraw its bus service, there would be no necessity for increased trains.

In view of the statement that the Railways Department is now saving £7,000 per annum in train-mileage and that the public would be adequately served by private motor-car service now operating on the Napier-Hastings route, a further benefit to the Railways Department would accrue from discontinuance of the Railway buses, and the public would not suffer thereby. Unless, therefore, the service will within the next six months pay its way, we recommend that it be terminated, and the buses be transferred or otherwise disposed of.

*Christchurch-Midland-Springfield.*—In view of the loss in operating this service, your Commission recommends that it be discontinued, and the vehicles disposed of or utilized elsewhere. The losses on this service for the last two years were as follows: 1929, £1,112; 1930, £2,560.