

D. SURVEY OF LAND TRANSPORT FACILITIES.

(a) LAND TRANSPORT SERVICES IN NEW ZEALAND—GENERAL.

The first steps in the direction of a comprehensive investigation into land transport services in the Dominion were taken by a departmental Committee that was set up in 1927. The original data collected by that Committee have been amplified and brought up to date, and are dealt with hereunder.

The investigations have been hampered somewhat through lack of reliable data relating to motor-transport and road finance, but the information and statistical data that have been collected and analysed appear to be sufficient to show broadly the past development, and the existing position, sufficiently clearly to serve as a basis for meeting the positions that will arise in a future which promises even greater developments and more far-reaching economic reactions than those that are found to-day.

It is unfortunate from many points of view that the Great War coincided with the developmental stage of motor transport, and that post-war problems have diverted attention from it until recently. Meantime unprecedented developments have been recorded. Motor transport has presented itself in a new aspect, which has two outstanding points: first, it has completely outgrown the conditions that surrounded its predecessor, the horse-drawn transport; and, second, it has demonstrated that it affords effective competition in many directions to the railways, which in New Zealand, at any rate, have enjoyed, up till now, an unassailable monopoly.

The data has been treated under two main headings—viz. (a) Capital cost; (b) annual expenditure in respect of the various services—i.e., railways, tramways, and road transport (horse and motor).

CAPITAL COST.

The term “capital cost” as used hereunder implies the expenditure involved in obtaining the permanent-way, and what, for want of a better expression, may be called the rolling-stock or working equipment or machinery for the various services, as distinct from the annual expense of keeping this equipment in operation.

The fundamental object of transport is the creation in the strict economic sense of time and place utility, which implies the creation of wealth. It has, therefore, been considered advisable to relate the transport data to the national volume of production. Owing to certain deficiencies in the data relating to both transport and production, there are certain obstacles which make it impossible to produce a high degree of accuracy in the coefficients used to express the relationship between the figures. Sufficient accuracy has, however, been obtained to warrant practical use.

The following summary shows the estimated capital cost of the rail, tramways, and road (motor and horse) services in the Dominion for the years ended 31st March, 1914, 1927, and 1929, together with the estimated value of national production during the same periods:—

	A. Capital Cost (Land Transport).		B. National Production.		C. Capital Cost, A, expressed as a Percentage of National Production, B.
	Amount.	Index (1914=100).	Amount.	Index (1914=100).	
	£		£		Per Cent.
1914	75,261,000	100	60,000,000	100	125
1927	143,203,000	190	114,000,000	190	126
1929	171,452,000	228	121,000,000	202	148

The outstanding point in these figures is that between 1914 and 1927 the capital cost of transport and national production showed the same relative increase, but that the former outstripped the latter in 1929, the relative increase being 128 against 102 per cent. These comparisons suggest two possibilities—either that between 1927 and 1929 transport services were overdeveloped, or production was not maintained. There is evidence that 1927–28 was a good year for production, but there is also unmistakable evidence that 1928–29 was a period of expansion in both rail and motor transport facilities.

The main point is that whereas the capital cost of transport facilities increased between 1914 and 1927 at approximately £5,000,000 per year, the increase between 1927 and 1929 was at the rate of £14,000,000 per year. It is true that the last few years have been accompanied by considerable expansion in both road and rail facilities, but the point to be noted here is the relatively abnormal increase since 1927.

The following summary shows a classification of the capital cost of the rail, tramways, and road (motor and horse) services in the Dominion during the years ended 31st March, 1914, 1927, and 1929, together with percentages indicating the relative positions occupied by each form of transport over the period concerned:—

	1914.	1927.	1929.
CAPITAL COST.			
	£	£	£
(a) Railways	34,980,576	49,740,793	57,607,337
(b) Tramways	2,047,424	5,177,026	5,250,379
(c) Roads	28,000,000	49,000,000	59,500,000
(d) Motor-vehicles and equipment ..	5,138,500	38,709,068	48,629,300
(e) Horses and horse-drawn vehicles ..	5,095,000	575,860	465,200
(f) Totals (road transport)—(c), (d), (e)	38,233,500	88,284,928	108,594,500
Grand totals	75,261,500	143,202,747	171,452,216