

services which are not capable of dealing with the total traffic offering. The purpose of a taxi-cab is to provide transport at a fixed meter charge on a mileage basis, but the position has developed that these vehicles now carry passengers at a rate competing directly with licensed omnibus services which have to conform to the regulations regarding vehicles, routes, and fares. Taxi services are not so regulated, and the position is such that the financial condition of the licensed omnibus services is being weakened by the pirate operators, who are under no obligation to maintain time-tables, and who continue in operation only when and so long as it suits them. We have pirate taxi services now operating in opposition at Hastings-Napier, Hutt Valley, and Dunedin-Port Chalmers, and in reviewing the position I can but state that the unfairness of the position is such as to call for immediate action by the Legislature. Unless some definite steps are taken in this direction at an early date it will be a difficult matter for the licensees of bus services to continue to maintain satisfactory services on an economic basis.

It is to be noted in viewing the figures regarding the bus services that the amount shown as profit or loss (as the case may be) is arrived at *after* interest has been charged on the balance of capital remaining after depreciation has been allowed for. Such interest would, of course, be included in the dividend or owner's profit if these services were operated by private enterprise. In other words, the profit (or loss) shown in each case therefore represents the surplus or deficiency *after* debiting an investor's return (by way of interest) on the money for the time being invested in the business.

## NAPIER-HASTINGS.

			1931.	1930.	Variation.
			£	£	£
Revenue	..	..	12,505	13,379	—874
Expenditure	..	..	16,258	21,304	—5,046
Loss	..	..	<u>£3,753</u>	<u>£7,925</u>	<u>—£4,172</u>

For the first nine periods of the year the passenger journeys in this service had increased from 241,990 in 1930 to 262,775 in 1931, an increase of 20,785 journeys, but after the earthquake the passenger traffic decreased for the remaining months, and the final figures showed a decrease of 18,915 as compared with the previous year. The earthquake interfered seriously with our passenger traffic in this area, and the twenty-minute service which was previously in operation has been reduced to a thirty-minute service.

During the earthquake the Department's fleet performed a considerable amount of running for the Relief Committee in transporting casualties to the hospital and other general transport work.

It will be seen that, notwithstanding the continued opposition of the taxi services and the adverse effect of the earthquake, the loss last year of £7,925 has been reduced to less than half. We were officially informed by the secretaries of the taxi services after the accounts for the previous year had been published that the revenue of pirate taxi services for that year had been considerably greater than the amount of our loss on the bus services—namely £7,925—and from this it may be readily deduced that had it not been for those services our returns for the past year would have shown a substantial profit.

## HUTT VALLEY.

			1931.	1930.	Variation.
			£	£	£
Revenue	..	..	82,203	85,792	—3,589
Expenditure	..	..	81,054	86,607	—5,553
Profit or loss	..	..	<u>£1,149 Profit</u>	<u>£815 Loss</u>	<u>—£1,964</u>

Notwithstanding a decrease in revenue of £3,589, the operations of this service during the past year have resulted in a profit of £1,149 as against a loss last year of £815. The decrease in expenditure of £5,553 is principally due to a reduction in maintenance and repair charges of £3,643, owing to the new vehicles placed in this service requiring less maintenance, &c., than the older vehicles which are gradually being scrapped. Running-expenses decreased by £2,712 due to the reduced mileage run. The expenditure, in addition to the usual charges for depreciation and interest, includes an amount of £3,300 written off as "goodwill" paid for the vehicles taken over from the previous owners of this service. The nature of this "goodwill" payment has been fully explained in my previous reports.

The passenger journeys in this service totalled 2,671,511, a decrease of 176,795 on the figures for 1930, which decrease is due to the depression. In the early months of the financial year the passenger journeys in this area showed an increase over the figures for the preceding year, but, as a result of the depression and acute unemployment, the figures have decreased consistently for the remaining months of the year.

In these circumstances every effort was made to adjust the services to the shrinking business, and by time-table revisions it was possible to reduce the mileage by 114,753 miles.

This service has now been brought up to quite a high standard by the provision of new and up-to-date buses and it is regrettable that the people of the district should afford their patronage to the pirate taxi services which can only have the effect of weakening the capacity of the Department to give a still higher quality of service. So far as the past year's operations are concerned, it is very satisfactory to know that, in spite of the opposition of the taxi services and the general depression, which must have been a material factor contributing to the drop in the passenger traffic, it has been found possible to show a profit on the year's operations.