

and the service is capable of extension to Auckland and other centres in the North Island or to Invercargill and other centres in the South Island. If by any chance the service of Great Pacific Airways—referred to later—is not commenced, this service can be expanded to perform all the functions of a main trunk service.

27. The following route licenses have been granted or agreed to be granted to companies which have not yet commenced to operate under such licenses :—

(a) *N.Z. Airways, Ltd.*—This company was an applicant for what may be termed the main trunk service through New Zealand, for which Great Pacific Airways, Ltd., also applied, while Union Airways applied for a part of the same route. With its main application, the company applied for certain other routes, and when the main application was refused by the Board's decision of 11th April, 1935, the Board left it open for New Zealand Airways to apply for such other routes as it still desired. The company then applied for the following routes :—

1. Whangarei—Auckland—Hamilton—Rotorua—Whakatane—Gisborne.
2. Auckland—Rotorua—Napier—Masterton—Wellington.
3. Christchurch—Timaru—Cromwell—Queenstown—Dunedin.

For reasons which were very fully stated in the Board's decision, dated 11th July, 1935, the Board refused a license to carry on an air service over the first two routes, and granted a license over a portion of the last route. The company has several machines, but so far has not commenced regular flying over this route. The company holds an air-taxi license. The machines owned by the company are as follows: Hermes Spartan, 5; Puss Moth, 1; Boeing 40 H-4, 2. Of these, the Boeing machines, on the advice of the Controller of Civil Aviation, can only be used on aerodromes licensed for other than "light aircraft only."

(b) *Great Pacific Airways (N.Z.)*.—This proposed company was the successful applicant for the main trunk service between Auckland and Wellington, Christchurch and Dunedin, with calls at some intermediate places. The company is not yet incorporated, and so cannot actually receive the license which was promised by the Board's decision of 11th April, 1935. The progress of the company is most disappointing. Though the Board's decision was given twelve months ago, so far as the Board is aware no steps have been taken for the incorporation of the company itself, except to form a subsidiary company to undertake its flotation. This subsidiary company, which was registered in May, 1935, seems to have advanced the matter no further. On 23rd September, 1935, however, the Board was informed by Mr. Withers—the organizer of the company—that Mr. E. T. Fisk had "ordered three Avro 652 machines for New Zealand trunk service." No further details of the purchase have been supplied to the Board, and it is not known when the machines will arrive in New Zealand. It is understood the company is now seeking a subsidy before proceeding further, and this is a matter outside the Board's control. It appears to the Board that the time has now arrived to fix a definite date for commencement of the service, failing which, the license should be cancelled.

One matter remains unsettled with regard to this service—the question of allowing it to stop at Palmerston North. This matter has twice been the subject of a hearing by the Board, and no final decision has been given, but the point is of no practical importance pending further evidence of the company's intention to commence operations.

28. The following air-taxi licenses have been granted :—

(a) Those already mentioned to Air Travel, Ltd., East Coast Airways, Ltd., Cook Strait Airways, Ltd., and N.Z. Airways, Ltd.

(b) Licenses to Aero Clubs: Air-taxi licenses have been issued to the following clubs, affiliated to the New Zealand Aero Club: Auckland Aero Club, nine machines; Wellington Aero Club, five machines; Western Federated (N.I.) Flying Club, two machines; Hawke's Bay and East Coast Aero Club, three machines; Wairarapa and Ruahine Aero Club, two machines; Manawatu Aero Club, two machines; Marlborough Aero Club, one machine; Canterbury Aero Club, four machines; Otago Aero Club, four machines; Southland Aero Club, two machines.