(1) Passenger-vehicles under Transport Licensing Act. This class embraces all vehicles used for the carriage of passengers for bire or reward which were brought under the Transport Licensing Act, and includes omnibuses, service cars, passenger trucks, school buses, and the taxis at Hamilton and Thames. These vehicles are examined by officers of the Department specially appointed for the purpose. The examination is a thorough one, and all matters which are likely to prejudice the safety, health, or comfort of the passengers are carefully considered. A certificate of fitness, showing the number of passengers which the vehicle has been authorized to carry, must be exhibited within these vehicles.

By perusing plans of proposed vehicles and giving supervision during their construction the Department ensures that all new vehicles will comply with the relevant constructional requirements and modern trend in design. This co-operation eliminates unnecessary expense and delay in placing the vehicle in service. In this manner 288 new vehicles were constructed during the past year.

The following is the distribution of vehicles in the four licensing districts which were newly constructed, condemned, or voluntarily withdrawn.

District.	(1) Auckland.	(2) Wellington.	(3) Christehurch.	(4) Dunedin,	Total,
(a) Newly constructed (b) Condemned (c) Voluntarily withdrawn	97	85	70	36	288
	30	42	18	7	97
	295	199	141	101	736

During the year 783 new applications for Certificates of Fitness and 171 applications for temporary permits were received.

Since December, 1936, all school buses have been required to undergo periodic inspection, and the work during the past year has entailed the examination of 542 vehicles. In this respect it may be stated that the principal consideration is given to the matters which are likely to prejudice the health and safety of the children.

Tabulated below is a statistical survey of these passenger-vehicles which are inspected by the Department as at 31st March, 1939:

Dist	rict.			School Vehicles.	School Buses,	Omni- bases.	Service Cars.	Service Coaches.	Motor Cabs.	Passenge Trucks.	r Total.
Auckland Wellington Christchurch Dunedin Totals for No	 ew Zeal	 and	24 33 17 12 86	41 50 15 19	151 96 92 78 —————	261 237 104 89	180 190 79 92	47 13 16 9	41 3	197 102 79 15	942 721 405 314 -

During the year the following exemption was granted to motor-cars conveying school-children to school:—

"Any motor-car as defined in section 2 of the Motor-vehicles Act, 1924, if in the carriage of passengers for hire or reward it is used solely for the transfer of school-children not exceeding seven in number and not exceeding by more than two the designed adult passenger-carrying capacity of the motor-car.

"For the purpose of this Schedule the word 'passenger' does not include the driver."

It is pleasing to note that all operators have responded well to the Department's requirements, and it is considered that the standard of safety and comfort provided in passenger-carrying vehicles adequately fulfills the demands of the travelling public.

adequately fulfills the demands of the travelling public.
(2) Goods-service Vehicles under Transport Licensing Act. During the year all goods-service vehicles licensed under the Transport Act were examined by the Vehicle Inspectors of the Department to ensure that they were maintained in a safe condition and were not unduly overloaded.

The distribution of these vehicles among the four districts in the Dominion is as follows:

	Distric	t.	The state of the s	Number.			
No. 2 : No. 3 :	Auckland Wellington Christchurch Dunedin				2,174 1,793 987 817 5,771		

Tabulated below is a statistical survey of these goods-service vehicles which are inspected by the Department, showing the improvement in the standard of fitness of the safety factors found