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Inter-Island Booking of Goods and Parcels.—During the year arrangements were brought into operation whereby passengers, goods, and parcels may be booked from a railway-station in one Island to stations in the other Island.

Passengers may now book their passage for the journey on the ferry steamers between Wellington and Lyttelton before leaving their home station instead of leaving this important matter until they

arrive at the port. The convenience has been availed of by 11,751 passengers during the year.

Through booking of goods and parcels has also been availed of by a large number of business houses, no less than 5,183 tons having been dealt with by the Department up to the 31st March.

Having regard to the great convenience offered by these arrangements, there is no doubt that the business done will rapidly increase as they become more widely recognized.

Overseas Tourist Parties.—During the year two organized parties of overseas tourists visited New Zealand.

Steps were taken to see that all arrangements were satisfactory and smooth working assured. Members of the Commercial Branch accompanied the parties to render any assistance required and to furnish information. That the attention was appreciated is shown by the complimentary references made by the organizers as well as by the tourists themselves.

Cash-on-delivery System.—Arrangements have been completed which will permit of purchasers paying to the Department the cost of goods which have been forwarded by rail, the amount so collected by the Railway Department being then remitted to the senders.

This system has in other countries been found to be a great convenience to settlers living at a distance from centres, and will no doubt be similarly appreciated in New Zealand.

Improvements generally.—Among the reforms that have been introduced recently, are:—

Revision of rates and fares where necessary.

Increased facilities for checking luggage.

Removal of restrictions on availability and use of tickets.

Increased facilities for day trips and running of excursion trains.

Customs clearing of cargo to be despatched by rail. Country clients may now make their arrangements through the local Stationmasters for clearing "under bond" cargo at Wellington.

Introduction of a system whereby a purchaser may pay to the Railway Department value of contents of parcels transported, which amounts are promptly refunded to senders.

Improvements to Official Pocket Time-table; the hotel and boardinghouse advertisements will, as they are renewed, be set up in the form of a hotel guide, which should prove a convenience, besides reducing the size of the book.

Sale of tickets and facilities for reservation for passengers leaving isolated sections for main-line routes.

Arrangements for sale of railway tickets by other transport concerns.

Increased facilities for reserving of seats. In this connection, passengers from Dunedin are now able to reserve their seats on the through Invercargill-Christchurch express without reference to Invercargill. At Wellington a system has been devised whereby passengers for the South Island can reserve their seats and obtain particulars of seat numbers immediately and without reference to Christchurch. Hastings passengers can now reserve without waiting for advice from Napier.

Railway Advertising.—The past year established a record in regard to the total value of business done, and it is evident that the value of the railways as a means of advertisement is becoming more fully realized by business houses.

The high standard of work has been well maintained in respect to the class of hoardings, posters, &c., produced, the excellence of design, and the maintenance of all displays in good condition, and

many favourable comments in respect thereto have been received.

The business done in the printing section has also increased, and in addition to work in connection with railway advertising, the art staff has been able to assist the Publicity Officers in the production of scenic paintings and designs for publications, &c.

Publicity.—During the last year several publications have been issued by the Department, and special advertising of various tours and excursions has been made, with satisfactory results.

Among the features dealt with, the issue of special posters and circulars in connection with the New Zealand and South Seas Exhibition may be mentioned. Other activities were the issue of an illustrated booklet in connection with tours of the Southern Lakes; a "Householder" circular giving general information regarding the various passenger concessions and other new facilities offered by the Department; a pamphlet containing particulars of various travel and sports itineraries involving train transit; a souvenir booklet issued in connection with the recent farmers' excursion through the King-country; and the New Zealand Railways Magazine, of which twenty thousand copies are distributed monthly. In addition, more of the valuable advertising space in the Pocket Guide and in the Department's seasonal excursion booklets is now used for Railway propaganda, whilst advantage is also taken of the opportunities afforded by shows, &c., to place particulars of the facilities which the Department has to offer before those whose business it is the intention of the Department to

Arrangements are also in hand for the display of posters indicating the advantages the railway possesses for the conveyance of passengers and commodities.

The Department has also been in touch with the Government Publicity Department in recent publicity efforts, and for the South Taranaki Winter Show a combined exhibit was prepared illustrating pictorially some of the favourite holiday resorts in the Dominion, with artistic signs