

COMMERCIAL BRANCH.

The Commercial Branch has experienced another successful year, and its organization has come to be looked upon as an indispensable adjunct to the railway service.

The quietness in the timber trade is due to causes over which the railways have no control.

The falling-away in passenger traffic is partly due to the heavy bookings last year in connection with the New Zealand and South Seas Exhibition, but also on account of the road motor-vehicle, both in the use of the private car and in the competition of the motor-bus and service car.

An analysis of the figures shows that the falling-off is heaviest in short-distances booking, indicating that our greatest source of loss is the suburban motor-bus competitor.

Railway Buses.—This matter has been engaging the attention of this Branch for some time, and the past year saw the inauguration of the first Railway bus service.

The first experiment was between Napier and Hastings, where thirteen buses operating on the road in opposition to the railway were acquired by the Department in November, 1926. These buses are paying expenses and their running has permitted a reduction being made in the train services, and the venture has been sufficiently successful to warrant the Department extending the scheme to other localities.

In December, 1926, the bus running between Tokarahi-Ngapara and Oamaru in opposition to the railways was taken over by the Department, and a Railway bus service inaugurated between Tokarahi and Oamaru, and between Ngapara and Oamaru. Two buses are engaged on these runs. The running of these Railway buses permitted the mixed trains on the Tokarahi and Ngapara branch lines being suspended and the goods traffic worked by goods-trains. The saving effected by this change has more than compensated for the loss involved in the running of the buses. Here again the scheme has shown sufficient indications of saving to warrant its application to other districts where conditions are similar, and where there is the possibility of regaining the traffic lost and at the same time making a substantial saving in the operating-expenses of the line.

Proposals are now under consideration for dealing with motor competition in suburban and country districts in various parts of the Dominion.

Wool.—The wool traffic for the year shows that the response of the farming community to the claims of the Department for their transport has been most gratifying, the figures showing an increase of 45,775 bales over the previous year.

Dairy-produce.—The conveyance of dairy-produce also shows an increase over the previous year of 9,207 tons. In view of the determined efforts of competitors to secure this traffic the result speaks volumes for the superior transport facilities of the railways and for the work done by all members of the staff in keeping our clean, convenient, and speedy service before the public.

Manure Traffic.—In August, 1926, a substantial reduction was made in the freight rates on manures, and the tonnage of fertilizers carried for the year ending 31st March, 1927, shows an increase of 129,724 tons over the previous year. The result of the increased use of manures is not yet fully apparent in the returns of produce carried, but the coming year should show a marked increase.

Inter-Island Booking.—The inter-island through-booking system between the Islands, which was inaugurated in 1925, has proved a great convenience to our clients, and continues to be extensively taken advantage of in connection with passengers, goods, and parcels.

Tourist Traffic.—During the year special attention was given to exploring fresh avenues by which passenger business could be increased, and, in addition to the usual tours, round trips to the southern lakes of Otago, and Mount Cook, the Hermitage, and Franz Josef Glacier were arranged. These trips were widely advertised by means of folders and booklets, and are being well patronized. As occasion arises, new sources of tourist business will be investigated.

Farmers' Trains.—During the year a farmers' train was run from the Waikato district to Taranaki, and was a decided success, the farmers taking advantage of the arrangements being loud in their praises of the innovation. This year farmers' trains are being run from Taranaki, Manawatu, Wairarapa, and Hawke's Bay to Waikato; from Southland and Otago to Canterbury; and from the West Coast to Canterbury.

The various Government Departments interested render valuable assistance in giving lectures to the farmers on agriculture, forestry, and similar subjects. A demonstration car specially fitted up for the display of exhibits of interest to farmers is run on each train.

Publicity.—The value of sufficient and attractive publicity has been kept in view during the year, and in addition to the usual newspaper advertisements specially attractive booklets depicting the various scenic resorts have been printed and widely distributed. Coloured posters have also been prepared and exhibited at the various stations throughout the Dominion. In many cases large and arresting display advertisements have been inserted in the newspapers with marked success.

Railway Advertising.—Notwithstanding the fact that there has been a decided tendency among business houses during the last year to restrict expenditure owing to trade quietness, the business in the advertising line has been very satisfactory. The value of the Department's system of advertising is obviously much appreciated by business people, and it is confidently anticipated that the connection now established will be maintained.