

The effect of such losses on the finances is illustrated by the following table :—

	1914.	1921.	1928.
	d.	d.	d.
Operating-costs per train-mile	74·00	145·14	139·55
Passenger revenue per passenger train-mile	112·06	207·00	131·45
Goods revenue per goods train-mile	85·35	141·83	162·46
Gross profit per train-mile—			
Passenger	38·06	61·86	8·10*
Goods	11·35	3·31*	22·91
Ratio of operating-expenses to revenue	71·24	81·59	85·81

* Indicates loss.

A gross profit of 38·06d. per passenger train-mile in 1914 and 61·86d. in 1921 has become a loss of 8·10d. per train-mile in 1928. Not only is passenger traffic making no contribution towards interest charges, but it is not carrying its full share of operating-costs. The loss has been met in part by the increased charges levied on certain classes of freight in 1925, but the balance has not been provided for, and the accumulated loss remains to the debit of the Railway Account.

SPECIAL-FEATURE TRAINS.

During the year a great advance has been recorded in the development of special excursion passenger traffic. The principal methods adopted have been the running of farmers' trains and special week-end trains.

Farmers' trains have been developed along progressive lines, and now constitute a well-organized method by which opportunities for holiday-making and for extending knowledge in regard to farming practices and developments have been happily combined.

These trains have been run between the principal producing-areas in each Island. Special arrangements have been made by the officers of the Department to ensure that the excursionists were provided with opportunities for obtaining all the information possible in the districts visited. The farmers' organizations in the various provinces have also entered whole-heartedly into the scheme, and have given every encouragement to their members to take the trips.

In every case representative farmers have reported that the outing had been very well worth while ; that their knowledge had been considerably extended ; and that they have become better acquainted with those engaged in primary production—even with the people of their own province—on the excursions, through the facilities available for meeting and exchanging ideas upon topics of mutual interest.

Leading farmers have gone out of their way to throw their farms open for the inspection of visitors. The latest appliances introduced upon farms and improved methods of working have been made known to the excursionists, and an interchange of useful ideas and information upon the subjects in which they are all interested has done much towards encouraging an improvement in the methods of production adopted by individual farmers.

I believe that the "farmers' train" idea has been more fully developed in New Zealand than in any other country. On some of the excursions the Railway Department has taken full charge of the farmers from the moment they left their home stations to the moment they arrived back again, arranging, in some cases, a full week of travel, instruction, and entertainments for them.

Other Departments of State, notably the Argicultural Department, have lent valuable assistance in carrying out the scheme. Agricultural colleges (such as that at Lincoln, and the new Massey Agricultural College at Palmerston North) and experimental farms have been visited, full information supplied, and lectures given upon all subjects relating to the development of crops, flocks, and herds.