

duplication of the line is being made from Frankton to Horotiu (seven and a quarter miles). This work is in hand, and when completed will effect considerable economy in operation as well as increasing the turnover of rolling-stock.

Automatic Signalling.—The extension of automatic signalling from Mercer to Frankton is nearing completion, and when operating will permit of substantial savings in that area.

Electric Cranes.—Mobile electric cranes have been provided at Christchurch and New Plymouth and their efficiency in operation has fully justified the expenditure.

Operating Statistics.—Detailed statistical information is now being obtained on the various phases of transportation, and enable the transportation officers to keep in close touch with the movements of the various commodities from day to day, and also the cost of operation.

COMMERCIAL BRANCH.

During the past year the Commercial Branch has continued to function with the greatest appreciation of the public and with material advantage to the Department. The activities have been chiefly in the direction of securing new business and fostering the business at present held by the Department, with a view to giving general satisfaction to its clients.

Road Competition.—The road transporters are becoming more and more active, and have to some extent secured a proportion of the higher-rate traffic which formerly went by rail. The advisability of the Department taking up motor transport for the carriage of goods in a number of localities has been explored, but there is no area so far as can be seen where there is a reasonable prospect of success in competition with our present competitors. A close analysis has been made of the activities of opposition motor concerns and many must be running at a loss, and there are numerous cases of these motor firms going into bankruptcy, but others seem to be always prepared to take up the running.

With respect to the passenger traffic, the decline is to some extent due to the operations of the service cars and buses, but, in our opinion, the greater cause of the falling-off is the increasing use of the privately-owned motor-car. The Department has taken over a number of bus services throughout New Zealand, but so far only in localities where a decided saving in the train-running costs can be effected by the adoption of road transport for the conveyance of passengers. The large number of school-children to be carried makes the extension of this system more difficult than would otherwise be the case.

Staff.—The staff of the Commercial Branch has been increased by two Business Agents and by the appointment of three Passenger Agents. The appointment of additional Business Agents became necessary chiefly on account of the growing appreciation by the clients of the Department of the value of information gained by personal interview. The Passenger Agents were primarily appointed for the purpose of looking after the Department's interests on the passenger side. They have by their activities induced a large amount of traffic to rail by fostering special and week-end excursions and by co-operating with the Government Tourist Department and motor concerns in regard to combined bookings by rail and motor.

Mail Agents on Trans-Pacific Steamers acting as Agents for Railway Department.—During the year the senior Mail Agents on the passenger vessels trading between New Zealand and Canada and the United States of America received a course of training in railway working. They were provided with all information in regard to tours throughout New Zealand and have been appointed as agents for the Railway Department on the steamers. They interview passengers with a view to advising them of the attractions of this country and inducing them to travel as much as possible. Very beneficial results have been obtained and much new business has been fostered. The Mail Agents work in close co-operation with the Railway Passenger Agents, the former getting into touch with the passengers on the voyage and handing them over to the Passenger Agents on arrival at New Zealand ports, where the tours and arrangements are finalized. Passenger Agents are also in touch with the arrivals of the intercolonial steamers for the purpose of advising passengers and inducing travel. There is the closest co-operation and enthusiasm in their work between the Railway Passenger Agents, the Postal Department's Mail Agents, and the officers of the Tourist Department.

Increased Facilities for booking Passengers.—With a view to providing increased facilities, it is proposed to open suburban booking-offices in the larger towns for the purpose of issuing passenger tickets, reserving seats, and dealing with parcels traffic. Where the traffic warrants the offices will be staffed by Railway Department's permanent staff; in some cases the work will be undertaken by the permanent officials of the Postal Department, while in certain suburbs the work will be carried out by the Postmasters who are not permanent officers of the Postal Department and who will be remunerated by the Railway Department on a percentage basis.

It is also proposed to open tourist booking-offices in the larger towns which are not at present served by the Tourist Department. Railway Department officers will be in a position to book inclusive tours for rail, road, hotel accommodation, &c.

Excursion Tickets.—The facilities for travelling at concession rates have been greatly extended. Delegates to conferences, and their wives and children, are now enabled to obtain transport at excursion rates. There are numerous special excursions arranged, such as farmers' excursions to shows and the facilities for interchange of visits between members of the farming community. A trial is also being given to the general issue of tickets at holiday excursion fares during the May and August school vacations. Formerly children travelling home received a concession, but now any person travelling during the periods of school vacations may receive the benefit of holiday excursion rates. It is anticipated these excursions in the off season will become popular as they are more widely known.

Inter-Island Booking.—The facilities offered by the Department for the through booking of passengers between the Islands is being fully availed of, while the great advantage of clients being able to book their parcels and goods between any station and any other station in New Zealand is being realized. This is apparent by the large increase in the business.