Cash-on-delivery System.—This facility is not being greatly availed of, but it is expected the business will grow. The simple system whereby refunds to senders of cost of goods may be undertaken by the Railway Department will no doubt appeal to the public as the facility becomes better known.

Customs Clearing.—A good deal of business is being done by the Department in Customs clearing. It is, of course, not intended that the Department should enter competition with Customs clearing agents, but it was found desirable to provide the facility in order that the Department might be in a position to offer the same service as was being offered by rival carrying concerns.

Dairy-produce and Wool Traffic.—The traffic under this heading has been well maintained, but it is disappointing to learn of many people engaged in the principal primary industries of the Dominion taking full advantage of the very generous concessions offered by the Railway Department in the matter of freights on the lower-rated commodities and at the same time adopting road transport for a slight saving in the cost of conveying the higher-rated goods.

Business Men's Trains.—An innovation is being introduced in the shape of organized tours by rail for business men. Arrangements have already been made with the Chamber of Commerce at Auckland for the running of a cruising train. The journey will occupy about nine days. The train will be made up of sleeping and lounge cars, and every possible comfort will be provided for. Such articles as shaving-mugs, collar-studs, buttons, hot-water bottles, simple medicines, &c., will be provided for, and telephones will be installed at the stations where the train is standing for any length of time. Meals will be served on the train or in refreshment-rooms, whichever is the more satisfactory. A stenographer will travel with the train for the convenience of business men. Generally speaking, the running of the train will be an effort by the Department to offer a *tour de luxe* at a very reasonable outlay.

Collection and Delivery of Luggage.—Arrangements are now being finalized for the introduction of a simple system of collection and delivery of luggage. The advent of the cheap taxicabs has done away with the necessity for an elaborate system of collection and delivery of luggage.

Meetings and Conferences.—Representatives of the Commercial Branch keep in touch with the various meetings and conferences of public bodies and, where it is desirable, they attend for the purpose of giving first-hand knowledge regarding railway matters.

LOCOMOTIVE-POWER.

During the year four new locomotives were added to stock :—

2 Class WAB 4–6–4 Heavy Tank from Department's Workshops at Hillside.

2 Class WS 4–6–4 Heavy Tank from Messrs. Price Bros., Thames.

Twenty-four old engines were written off during the year.

The following additional locomotives were under construction on 31st March :—

3 Class WF 2–6–4 Tank at Messrs. Price Bros., Thames.

The drawings for the standard-type high-powered shunting-engine referred to in our last report are now practically complete, and certain of the material required has been ordered from overseas. There will, therefore, be no delay in putting the construction of these engines in hand.

The tender of Messrs. Beyer Peacock, Ltd., for the supply of three articulated locomotives of the Garratt type was accepted during the year, and these engines should be delivered during the current year.

CARRIAGES.

Four carriages and twenty-one brake-vans were built in the Department's Workshops during the year.

Two old cars and six brake-vans were written off.

Sixteen cars were on order at the end of the year.

Further progress was made with the installation of electric lighting in carriages, the cars now fitted numbering 345. It is estimated that 150 additional cars will be fitted during the current year.

WAGON STOCK.

The following wagons were built in the Department's workshops and placed in traffic during the year :—

100 Class J sheep-wagons.
59 Class LA four-wheeled (12 tons) high-side goods-wagons.
4 Class M four-wheeled (8 tons) low-side goods-wagons.
72 Class XA ventilated goods-vans.
12 Class YB hopper wagons.
2 Class Z, 3 Class ZP } covered goods-vans.

Total, 247 four-wheeled and five bogie-wagons.

Eleven wagons were sold and nineteen were written off during the year.

The workshops are at present engaged on the following building programme :—

7 Class G horse-boxes.
40 Class J sheep-wagons.
240 Class LA high-side goods-wagons.
5 Class UG bogie horse-boxes.
54 Class XA, 6 Class XB } ventilated goods-vans.
38 Class YB hopper-wagons.
10 Class ZP covered goods-vans.

Twenty tank-wagons were built for private firms for the carriage of bulk petrol.