

goods. As under present conditions lorry traffic can be carried on without loss at about twice the average cost of railway transport, it follows that lorry competition is gradually setting a maximum standard for railway rates of not more than twice the average. The inevitable result must be that low-grade rates will have to be increased if the service is to pay its way.

COMMERCIAL BRANCH.

The Commercial Branch was inaugurated in August, 1924, and its functions have been increasing day by day since that time. I have been keenly interested in its activities, and, although direct control is placed under the commercial member of the Board, I have given the activities of the Branch much personal attention.

One cannot be closely associated with present-day railway working without appreciating that an organization of its kind is an essential portion of the system. Apart from the development of new business, modern transport conditions demand that, in view of the enormous capital invested in railway-lines, the traffic for the carriage of which they were built must be safeguarded by officers especially selected to do so.

The improvement in the condition of the roads, combined with the improvement in road motor units, and their lower cost in conjunction with easy terms of purchase, have increased the difficulties of all railway systems, especially State-owned railways, such as there are in New Zealand, where the railways are important factors in the development of the country, and are used for the purpose of giving preferential rating to primary industries and materials for the development of secondary industries.

Much new ground has been broken in the way of co-ordinating the road and rail services in order to keep each within its proper avenue, and a good deal of success has been achieved in this direction, but the improved conditions for the road transporter are making such action increasingly difficult.

The Branch has done much in the direction of inaugurating new enterprises established for the purpose of giving additional facilities in order to popularize the railway, and with the ultimate object of making the railways more attractive to the people who own them. Some of the principal innovations have been—

Through Booking of Goods, thus making it possible to forward goods and parcels from any railway-station in New Zealand (except on the isolated sections) to any other station in New Zealand.

Through Booking of Passengers by Rail and Sea, thus enabling passengers to obtain rail and steamer tickets for the combined journey at any place in New Zealand.

Extension of Facilities for Cartage of Goods to and from rail, enabling users of the rail to arrange for the transport of goods beyond the railhead.

Clearing of Goods through Customs, a facility much appreciated by those in country towns where there are no Customs clearing agents.

Inauguration of Road Motor Services.—It was found that in a number of localities the public prefer to travel by motor-bus in preference to rail travel; and the Department, realizing the necessity for meeting the public demand in preference to attempting to eliminate the road service, arranged in several localities to take over the road services and operate them as part of the railway system. This has also resulted in the Department being able to effect economies in the cost of train working.

Cash-on-delivery System.—A system has been introduced where it is possible for the Department to collect from consignees, on behalf of senders, the value of the parcels as well as the freight charge.

Reservations of Seats.—Much has been done to improve matters in this direction. As an instance, passengers from the North Island may reserve their seats for the South Island trains without the necessity of incurring the cost of telegraphing as heretofore. The system has been similarly extended in other localities.

Farmers' Trains.—The running of trains at suitable periods of the year to enable farmers to visit far distant shows and other gatherings has been a decided success, and much appreciated by those concerned—so much so that it has now been found necessary for farmers' organizations to limit the number of excursionists who will be entertained as farmers.

Tourist Traffic.—This has been promoted in every possible direction, and the Department is now acting in combination with the non-competitive motor companies on the principal routes of the Dominion and is able to issue tickets at railway-stations for through rail and motor journeys.

Special Rates and Fares.—This much-discussed controversial method of securing business has been applied to a great extent within the past few years, it having been forced on the Department in order to hold its business and foster new business. Many local rates and fares have been fixed, and most of them have been fully warranted.

Conferences of Public Bodies, &c.—An officer of the Branch is deputed to attend each important conference of public bodies, and much benefit is derived from both sides as a consequence.

Much has also been done in the direction of leading the public to a better understanding of the railways, and also in smoothing out difficulties and keeping in close touch with the customers of national transport system.

The Dominion has been thoroughly combed for all possible traffic of a profitable nature. Much also has been done in the direction of ensuring harmony between the operating staff and the public, the representatives of the Commercial Branch being in such close touch that both sides have been helpful in this direction. The operating staff has responded admirably to all innovations that have been introduced, many of them being of a complicated nature, but all have been inaugurated with a smoothness which has been extremely satisfactory.

While at the outset the number of men attached to the Commercial Branch permitted only of the business on the goods side being thoroughly combed, additional agents have been appointed who are required to attend more particularly to the passenger side of the Department, and the Department