

The number of season tickets issued increased by 23,428 : of this number 21,853 were workers' weekly tickets, which are by no means remunerative to the Department, but represent a concession to the suburban residents concerned, the value of which it is impossible to state in terms of money. This class of ticket enables many workers to leave the congested city areas and reside in congenial surroundings some distance from the city, and this cannot but be beneficial to these people, the majority of whom are thus enabled to purchase homes of their own. This is but one instance where the Government railways provide a service which is not remunerative in so far as railway revenue is concerned, but is one which means better living-conditions for the people, and brings added prosperity not only to the districts served, but to the Dominion as a whole.

For the year ended 31st March, 1929, the number of passenger journeys, exclusive of season tickets, was 9,046,267, and this is smaller than the number carried in 1907, when the figures were 9,600,786. In other words, the railways are back to the basis of twenty-two years ago so far as the number of ordinary passengers is concerned. The peak of the passenger traffic was in 1921, since when there has been a steady decline in this branch of the railway business. The figures below show that whereas in 1907 the population made 9.98 railway trips per head, the population in 1929 made an average of only 6.15 trips per head.

Year.	Passengers carried, exclusive of Season-ticket Holders.	Population.	Per Head of Population—Number of Trips.
1907	9,600,786	961,604	9.98
1921	15,315,640	1,268,046	12.08
1929	9,046,267	1,470,649	6.15

Passenger journey figures for season tickets are not available for 1907, but a comparison of the total passenger journeys, including season tickets, for 1929 as compared with 1921 is as follows :—

Year.	Passenger Journeys—Total.	Population.	Per Head of Population—Number of Trips.
1921	28,821,783	1,268,046	22.72
1929	25,542,863	1,470,649	17.37

The United States of America have conditions somewhat similar to those of New Zealand in that in both countries the proportion of automobiles to the population is very high, and it is interesting to note that a result somewhat similar to that in New Zealand has arisen in the United States so far as passenger traffic is concerned.

The peak year of passenger traffic in the United States of America was 1920, and the figures for 1928 are 37.9 per cent. below those for 1920, as compared with a decrease in New Zealand as between 1921 (our peak year) and 1929 of 11.3 per cent. The number of passengers carried in the United States in 1928 was smaller than in any year since 1905, and the average number of trips per inhabitant had decreased from 8.77 in 1905 to 6.57 in 1928.

Reflection on the passenger business shows that the problem presents itself in the following aspects : (1) On the expenditure side there is the question as to whether such traffic as we are able to retain or regain cannot be worked more cheaply than by the methods at present in operation on our system. (2) On the revenue side are the questions (a) of retaining the business at its present level ; (b) of regaining some of the traffic which has been lost ; and (c) creating new traffic.

Dealing with the first question—namely, that of the more economical working of the traffic at present handled by the Department—I feel that there should be possibilities in this direction by the use of smaller units of transport production, which may be in the form of rail-cars or engines of smaller size or special type. This is one of the questions to which I gave consideration soon after I assumed the full duties of my office, and it is now the subject of comprehensive investigation. On the completion thereof definite proposals will be immediately formulated. To the end also of reducing operating costs there has already been substituted in some cases on our system road motor-buses for trains, and where this can be done to the financial advantage of the Department I can see no sound reason why the Department should not protect its revenue by such means, and continue to give the transport-service to the people of the districts affected that before the development of the road motor-vehicle was given by rail.

On the revenue side (a) and (b) are closely related, but unquestionably the regaining of lost traffic must be more difficult than retaining the traffic now possessed. It is in connection with these aspects of the passenger problem that we find an almost insuperable difficulty in the increasing use of the private motor-car. The more limited mobility of a railway as compared with the private motor-car places the railway at a disadvantage that is not nearly counteracted by its cheapness.