

Description.	Revenue.		Variation.	
	1937.	1936.		
	£	£	£	Per Cent.
Standard fare	1,119,968	1,001,588	+118,380	11·82
Suburban	76,421	75,118	+ 1,303	1·73
Day and special excursion and other reduced fares	225,244	209,353	+ 15,891	7·59
	1,421,633	1,286,059	+135,574	10·54

The variations in ordinary passenger traffic were distributed between first class and second class as follow :—

		First Class.		Second Class.		Total.	
		Number.	Per Cent.	Number.	Per Cent.	Number.	Per Cent.
Journeys		+10,439	2·47	+310,693	4·12	+321,132	4·03
		£		£		£	
Revenue		+13,806	5·60	+121,768	11·71	+135,574	10·54

It is again pleasing to note that the year's operations in passenger traffic resulted in an all-round increase, the total increase for the year being 321,132 passenger journeys and £135,574 revenue. It should not be overlooked, however, that the bookings for two Easter periods are included in the returns, whereas last year the bookings for one Easter period only were included. On the other hand, the epidemic of infantile paralysis which broke out in the South Island early in December, 1936, had a disastrous effect on passenger traffic, it being estimated that the loss from this cause was not less than £100,000. The loss was accentuated by reason of the fact that the epidemic occurred at a time when passenger traffic is usually moving at its peak and put a definite brake on the movement of people in and to and from the South Island during the period of the epidemic.

A general increase in passenger traffic was manifest early in the year, the marked improvement in trading and industrial activities having a stimulating effect upon the traffic. The introduction of the forty-hour week from 1st September, 1936, also created a greater demand for recreational week-end travel in the more populous areas, and this demand has been met by the issue of tickets at cheap fares for use from 3 p.m. on Fridays available for return up to and including the following Monday. The general improvement in the circumstances of the community in respect of both hours of leisure and spending capacity has also provided increased scope for the running of special excursions to selected resorts and between the main centres of population. These outings, which have established themselves as a popular feature of the Department's operations, have been extended to meet the increased demand brought about by the new conditions.

Standard-fare traffic showed an increase of 5·95 per cent. in number and 11·82 per cent. in revenue. The greater increase in revenue is due to an increase in the average distance travelled.

Suburban traffic kept up during the year, the returns showing a slight increase in revenue over those for the previous year.

Day and special excursion and other reduced fares showed an increase of 2·64 per cent. in number and 7·59 per cent. in revenue. Picnic-party traffic comes under this head, but this particular traffic was perhaps more than any other adversely effected by the epidemic. The actual revenue from day and special excursion traffic exceeded that of last year by £7,873.

The revenue from season tickets exceeded that of last year by £9,114, the main increases being apprentice, £2,329; workers' weekly, £2,856; and all lines and sectional annual tickets, £4,073. The increase in revenue in respect of apprentice and workers' weekly tickets is no doubt due to the improvement in economic conditions resulting in greater numbers being in employment.

PARCELS, LUGGAGE, AND MAILS.

The revenue from this source amounted to £305,526, an increase of £5,562 (1·85 per cent.). An analysis of the revenue is as follows :—

		1937.	1936.	Variation.	
		£	£	£	Per Cent.
Parcels		159,206	167,194	— 7,988	4·78
Excess luggage		6,935	7,369	— 434	5·89
Left luggage, luggage-checks, bicycles, dogs, newspapers, &c. .. .		48,389	43,369	+ 5,020	11·58
Mails		90,996	82,032	+ 8,964	10·93
Total		£305,526	£299,964	+£5,562	1·85

During 1936 the Post and Telegraph Department reduced its rates for the transport of parcels and this had the effect of seriously reducing the revenue from parcels traffic carried by rail. The receipts from this source, which had been gradually increasing since 1934, showed a substantial drop