

satisfactory when it is remembered that two Easters fell within the financial year ended 31st March, 1937, while none occurred during the year under review, this adversely affecting the 1938 figures to the extent of approximately £80,000.

The visit of the South African Rugby Football Team which toured New Zealand during the winter months of 1937 gave a decided filip to rail traffic, the widespread interest in the various matches participated in by the visiting team being reflected in heavy patronage of the train services arranged in connection with the various fixtures. During the twelve weeks the team was in the Dominion passenger revenue increased by £39,750, whereas the average increase for the preceding twelve weeks was at the rate of £1,000 per week.

The infantile-paralysis epidemic in the summer of last year adversely affected the passenger returns for 1937 by an estimated amount of £100,000, and for comparative purposes this year's accounts may be said to have benefited by a corresponding amount.

Special attention continues to be devoted to the organization of day and week-end excursions at specially reduced fares from city to city and from the more populous areas to popular seaside and scenic resorts, and it is satisfactory to note that the definite appeal made by these outings when they were first instituted some years ago continues without diminution, as the large increase in the number of tickets issued at day, special-excursion, and other reduced fares indicates. The extended facilities available for recreational travel by rail are being taken advantage of by more and more people as providing a pleasant and inexpensive means of employing the increased hours of leisure now enjoyed by the community generally following upon the general application to industry of the principle of the shorter (forty-hour) working-week, and it can be fairly claimed that the policy of the Department in liberalizing the conditions of week-end travel by the charging of fares at low rates to suit the pockets of all sections of the community, and in other directions, has been fully justified by the splendid public response to the special facilities provided.

Standard fare traffic shows a decrease of 1.42 per cent. in number and an increase of £35,978 (3.21 per cent.) in revenue as compared with the previous year. This is due to an increase in the average distance travelled per passenger. The figures for 1938 are revealed in a much more favourable light, however, when allowance is made for the 1937 figures having benefited by the inclusion of two Easter periods. If for purposes of analysis the complications arising from the varying incidence of Easter are removed, the revenue for 1938 on this basis is shown as exceeding that of 1937 by 11.73 per cent.

Suburban traffic at ordinary day fares decreased by 427,427 journeys and £15,058 in revenue, a decrease of 18.10 per cent. and 19.70 per cent. respectively as compared with 1937. The decline is attributable to the introduction in suburban areas as from May, 1937, of a new type of bearer ticket, at rates substantially below those for ordinary single or return suburban tickets. The new bearer ticket is transferable and is available for six second-class single trips in either direction at any time up to the end of the month following the month of issue. Sales of the new bearer tickets are accounted for under the heading of season tickets, the increase in which much more than offsets the decrease referred to.

Day and special excursion and other reduced fares showed an increase of 10.68 per cent. in number and 14.77 per cent. in revenue. Revenue from day and special excursion traffic exceeded that of last year by £10,350.

The revenue from season tickets was £222,192 and exceeded that of the previous year by £32,520 (17.15 per cent.). The substantial increase recorded is mainly attributable to the success of the new issue of suburban twelve-trip and bearer six-trip tickets, introduced for suburban travel in May, 1937. Other increases shown under this heading are half-fare seasons for young folk, £1,655, and privilege issues, £1,223. Revenue from all lines and sectional annuals shows a small decline due to a smaller debit for tickets issued to the Legislative Department.

PARCELS, LUGGAGE, AND MAILS.

The revenue from this source amounted to £318,457, an increase of £12,931 (4.23 per cent.). An analysis of the revenue is as follows:—

				1938.	1937.	Variation.	
				£	£	£	Per Cent.
Parcels	..	..	..	155,942	159,206	—3,264	2.05
Excess luggage	..	..	..	7,435	6,935	+500	7.21
Left luggage, luggage-checks, bicycles, dogs, newspapers, &c.	..	..	..	54,142	48,389	+5,753	11.89
Mails	..	..	..	100,938	90,996	+9,942	10.93
Total	..	..	..	£318,457	£305,526	+£12,931	4.23

Revenue from the carriage of parcels traffic was adversely affected by a falling off in the conveyance of cream due to the introduction of a system of zoning of cream-supplies in the Auckland district during the dairying season. The loss of revenue from this cause is, however, somewhat compensated for by the increased parcels traffic dealt with at Wellington following upon the opening of the new station for business on 19th June, 1937. The close proximity of the Wellington new railway terminal to the main business area of the city and the excellent facilities provided for the receipt and despatch of parcels there have, as anticipated, offered strong inducements to traders and others to favour the rail for the carriage of parcels, and the increase in this class of traffic dealt with at Wellington has been most encouraging.