

catering for passenger traffic giving a speedier service. The provision of rail-motors will materially help to improve the situation for the Railways, and enable goods and passenger traffic to be dealt with separately by fairly cheap means, and provide a more convenient and faster passenger service. The activities of the Department in connection with the rail-motors are further dealt with elsewhere in this report.

*Road Competition.*—As in other countries, New Zealand is faced with the problem of road competition in goods and passenger traffic, and this is a matter with which the Commercial Branch is intimately concerned. Steps have been taken, wherever circumstances justified it, to confine the road-vehicles to their proper sphere—namely, as feeders to the railways—where there is ample scope for the motors to afford a real service to the community.

During the year the Commercial Branch has recommended the institution of a number of local rates for the purpose of combating competition with our services, and the effect of these rates, together with an improved standard of service to the public, is proving very satisfactory. Certain aspects of these special rates, as well as the question of regulating road traffic, are dealt with elsewhere herein.

*Wool Traffic.*—One of the chief sources of revenue for the motor has been the wool traffic, and the Business Agents carry out an organized system whereby every wool-grower is interviewed and impressed with the benefits of rail transport. Wherever possible representatives of the carriers who are not in competition with the Department are taken round with the Business Agents so that definite arrangements can be made on the spot for cartage to rail. Last year the results obtained from this system were very satisfactory, and it is expected to secure still better results this year. A considerable reduction has been made in the railway wool rates, and carriers carting to rail have also seen the benefit to be derived by reducing their charges, and have acted accordingly. The Department has also given special facilities for the handling of traffic forwarded by rail.

*Butter and Cheese Traffic.*—Last season the competition between the Department and the motor for the transport of dairy-produce was very keen, and we had to reduce our rates in many instances. A systematic canvass of the dairy factories was made, with the result that most of the traffic was secured for rail transit. It has been the experience of our Agents that representatives of dairy factory companies have come to realize they have been acting against the interests of the taxpayers, and ultimately against their own interests, by patronizing opposition services. The more extended use of insulated wagons has been a factor in restoring traffic to the railway, factory-managers having found that there is not the same risk of losing grading-points when the produce is railed.

*The Personal Touch.*—No innovation has earned so much appreciation by the public as the efforts that the Department is making to get into personal touch with its customers. The greater size of the business the greater the danger of losing sight of the human element, so essential to public good will; and public goodwill is essential to the successful operation of a huge department such as ours. The Commercial Branch does all its business with the public by personal contact, and every endeavour is made to train the staff to the same idea. As a result, the settlement of claims and disputes has been expedited, and more satisfactory results secured in many instances.

*Conference of Staff.*—The staff of the Commercial Branch meet periodically to discuss their work with the Commercial Manager and with each other. Each member also reports to the Commercial Member of the Board when visiting headquarters. In this way a system of team work is maintained, resulting in uniformity of effort. The various experiences of the members in different parts of the Dominion are made known to each other, and in the discussions which take place valuable information is gained. The Board cannot too strongly express the benefits that have been derived from the team work so evident in the activities of the Commercial Branch, and this spirit is spreading among the staff generally.

*Education of Staff.*—In moving about the country the members of the Commercial Branch take every opportunity of getting into touch with the staff and impressing upon them the necessity for courtesy and attention in their relations with the public, and of giving the best possible service. It is the endeavour to make each man in the Service feel that he is a business-getter for the Department, and that his own welfare is bound up in the success of the Railways.

The activities of the Commercial Branch have done much to give the public and staff a better understanding of our Railways. The members feel that the Railways are out for business, and their efforts to facilitate the business of the Department are becoming more and more apparent.

*Publicity.*—It is proposed to take more active steps to place before the public the facilities available to them and the benefits to be derived by patronizing the railways. A scheme for propaganda and more extensive advertising is being formulated. The possibilities of having films of railway scenes taken by the Publicity staff of the Government and screened in the theatres is being investigated, in order that the general public may be given opportunities to realize the wide scope of our activities. Films showing such diversified ramifications of railway work as the sawmills, house-making factory, workshops, Advertising Branch, and steamers on Lake Wakatipu, electric locomotives, &c., will do much to acquaint the people with the immense value of their railways, and instil in them appreciation of the largest business organization in the Dominion.

The Department is also working through the Publicity Committee in conjunction with the other Departments of the Government (Tourist, Industries and Commerce, and Internal Affairs) that are interested in advertising the Dominion. As a further avenue for publicity, and also to provide a valuable medium for the education both of the Railway staff and the public, it is proposed to publish a Railway journal. This publication will afford a ready means for ensuring the necessary publicity for the Department's side of the case in the various matters concerning the Department that become the subject of public discussion, while, as a means of rapprochement between the management and the staff, it will serve a most useful purpose.