

But it is in the conveyance of the country's products and general commerce that I look for the most useful developments of transport to take place. A more thorough organization of collecting and delivery services operating to and from farms situated away from the routes of railway-lines, with properly scheduled services and times for picking up and setting down, and with capacity for handling every kind of transportable commodity, may be looked for. This will enable further favourable adjustments of rates.

It may here be pointed out how useful has been the reduction introduced last year in rail freights for fertilizers with the purpose of encouraging their more general use. A great increase in the quantities railed has ensured, and the effect on production may be expected very shortly in increased returns per acre and further transport work for the railways.

The avoidance of duplicated services over the same routes, replaced by a properly organized system, should enormously reduce the present over-all costs of transport, which, combined, place too high a handicap on enterprise, and increase by too great a proportion the costs of primary production.

A similar organization and regulation of commercial collection and delivery services may be looked for in the towns and manufacturing districts, for, with the development of data permitting of the scientific analysis of costs, it is becoming increasingly clear that the factor most readily amenable to reduction under proper organization, is the cost of conveyance.

The fine terminal facilities for giving quick despatch to overseas vessels, which large-scale business at the principal ports has justified the Harbour Boards concerned in supplying, is reacting on the attitude of shipping companies. These naturally appreciate the opportunities for expeditious terminal-port work, and are in consequence tending to concentrate their visits on the principal ports. As this movement develops further the Railways will be required to undertake port haulage for goods over much longer distances than at present, and a new development of haulage at special shipping rates may be expected as a corollary to the general trend of transport evolution.

The restless energy of our people may naturally be looked to as a potent agency in stimulating change in the methods of production, distribution, and consumption in the years ahead, and such changes prevent forecasting with precision in any given direction; but certain general deductions may be made from past experience, and I am hopeful that in a decade the country's position in regard to her transportation enterprises will be much stronger than they can be in the present transition stage.

POLICY.

The work now under way in connection with administrative policy relative to present and future activities may be summed up as under:—

1. Early completion of Tawa Flat and Westfield deviation routes, with improved stations and terminal facilities at Wellington and Auckland.
2. Full decentralization under the divisional-control system of administration.
3. Improvement of procedure in relation to management.
4. Amalgamation of the operations side of departmental activities into one organization.
5. Extension of commercial activities, with separation of passenger and freight work, to permit of more concentrated personal attention to tourists, excursionists, and general passenger traffic, and to the requirements of primary and secondary producers.
6. Establishment of a Publicity Branch to make fully known the advantages and activities of the Department.
7. Fuller use of Advertising Branch artists in coping with general Government advertising.
8. Exchange system of New Zealand railways officers with the officers of other railway organizations.
9. Co-operative plan for improving working-conditions in workshops.