

As regards the staff, I myself have received much benefit from contact and discussion with them, and I think that here also the opportunities for exchange of ideas that have arisen as I have moved about the system have led to understanding and mutual confidence. I have been much gratified by the appreciative references that have been made from time to time to the work we have been able to do in this connection, and it is indeed pleasing to see the members of the staff who are located at our stations taking a more and more active interest in the business side of our operations. I have felt that there is much latent strength in our organization, which, if it could be brought out, would be particularly effective as regards our position in the community, more particularly from a competitive point of view.

I have previously mentioned on more than one occasion that the capacity of the Commercial Branch to make contact with customers and potential customers is definitely limited, and that I feel we must look more and more to our stations staff to constitute a fighting organization in the competitive field.

The great development that we have had during the year, of what, for want of a better term, I may call the "business sense," leads me to the conclusion that the point at which I have been aiming is not far distant when a substantial rearrangement in our business-getting organization may be made with advantage, both from the point of view of efficiency and economy. I have in mind arrangements which will leave to our stations staff more than has been done in the past, the responsibility of attending to the commercial side of our activities in the districts served by the respective stations, and I feel confident that as our Stationmasters and others progressively develop their sense of responsibility in this regard we will build up an organization that will be imbued not only with principles of efficient railway operation, but also with a keen commercial sense that will make not only for the adequate protection of the Department's interests in the competitive field, but also for a still higher will to serve, upon which alone a successful business can be built.

#### COMMERCIAL BRANCH.

In addition to the activities of the Commercial Branch during the past year in combating competition and securing new business, the members of the Branch have been called upon to deal with various matters of importance both to the public and the Department. By personal interviews they have been able to remove misunderstandings, thus helping to establish good will and to maintain a close contact with our numerous clients.

The following is a résumé of the principal business transacted during the year :—

#### PASSENGER DIVISION.

In order to provide additional facilities for travel, additional central booking-offices were opened at Auckland in Symonds Street and Karangahape Road ; at Rotorua in Tutanekei Street ; at Napier in Tennyson Street ; and at Wellington in Courtenay Place.

The establishment of booking agencies has also been extended during the year, and we now have thirty-four of these operating throughout the Dominion. The returns to hand from these agencies indicate that the undertaking is meeting with public favour and is proving of definite convenience to intending passengers. The opening of booking agencies in various localities has done much to counteract competitive activities, and it is intended to further extend the system as the situation demands.

Farmers' tours were again conducted during last winter. These included inter-island tours as under : From Taranaki to the South Island, 170 passengers ; from Canterbury to the North Island, 300 ; from Otago to the North Island, 320 ; from Southland to the North Island, 260.

All arrangements, including transport, accommodation, and entertainment, were carried out by the Department in conjunction with the various local farmers' organizations, and were favourably commented on by those participating in the tours. These tours have not only proved profitable to the Department, but have also been of great benefit to those forming the parties by affording them opportunities of seeing various phases of the Dominion's industrial activities and of obtaining an interchange of ideas that must be of benefit not only to the individuals immediately concerned, but also ultimately to the Dominion as a whole. Negotiations are in train for promoting inter-Island excursions during the coming winter, and arrangements are in hand for a tour of the South Island by farmers from the Hawke's Bay and Wairarapa districts.

In addition to the tours mentioned above, the Department undertook the arrangements in connection with the tours of parties from overseas as under : Tasmanian farmers' party, 29 passengers ; British Empire Farmers, 84 ; English cricket team, 18 ; wool-buyers, 50.

In January, 1930, approximately five hundred Girl Guides from all parts of the Dominion travelled to Trentham. All the transport arrangements in connection therewith were carried out by the Department.

A commerce train, arranged under the auspices of the Auckland Chamber of Commerce, traversed the North Auckland districts from the 15th to 24th November, 1929. A wide expanse of country was covered, the tour proving most instructive and enjoyable.

Transport arrangements in connection with the tour of the British football team throughout the Dominion are being carried out by the Department, and comprehensive arrangements are also being made in regard to travel facilities for the general public to the various centres for which matches are scheduled.

Week-end and Sunday excursions were run during the year to meet the public demand in this connection, and, as the fares were fixed at a very reasonable figure, these excursions afforded a very great measure of service to a large section of the community whose opportunity for travel might otherwise be very limited.