

centres, and in order to minimize operating-costs the road-haulier will convey by way of back-loading practically any class of traffic offering, and can command therefor a slightly higher rate than rail itself, due to the collection and delivery costs being taken into account.

In connection with the transport of dairy-produce, we have been successful in retaining the greater portion of the business, and our figures show an increase of 24,500 tons over last year for butter and cheese. In every district serious attempts have been made by opponents to capture this class of traffic, but although in many instances it has again been necessary to substantially reduce rates the result has been that we are still holding the bulk of the business. In the Bay of Plenty district we have lost the Tauranga and the Rangitaiki Dairy Companies' output (3,500 tons) to sea, and in one or two instances in Taranaki and Upper Wairarapa districts the outputs of factories are conveyed by road. The tendency is, however, in the direction of our having to reduce rates due to the lower market prices for the products occasioning dairy companies seeking cheaper means of carriage and the increasing activities of road operators in attempts to secure the work.

The conveyance of wool during this year has had a marked decline, the decrease being 6,165 tons, or 30,825 bales, as compared with the previous year, which, compared with 1929 figures, dropped 17,079 tons, or 85,395 bales. Certainly a large portion of this year's clip is being held over in anticipation of a more favourable market price being obtained—the quantity so held being estimated in the annual review of one of the leading stock and station companies operating in the Dominion at nearly 210,000 bales—but our experience in the handling of this year's clip has shown that there is a greater tendency towards road transport being adopted. In practically every wool-growing area we have had to contend with increased competition and provide competitive rates shed to store, and action is being taken to guard our future interests as far as practicable in this respect.

Evidence that the facility provided by our inter-Island through-booking system is being appreciated lies in the fact that increased returns are shown on the previous year's figures, the increase in business being 2,000 tons freight; revenue increase, £4,281. During the year we effected an extension of the system to North and South Island ports additional to the service already established between Wellington and Lyttelton.

The through-booking system for goods traffic between Christchurch and Kaikoura has proved beneficial, and has resulted in the cessation of sea competition between Lyttelton and Kaikoura. Intensive road competition still exists over this route.

We have extended our system of through booking by arrangement with road carriers, and now provide a similar service between Inangahua and Westport and between Putorino-Wairoa and Gisborne. The dislocation of the line between Napier and Putorino by the recent earthquake has disturbed the arrangement with our road contractors over this route.

Reviewing the passenger side of our activities, it must obviously be concluded that the circumstances have been adverse to development of this class of traffic. Previous summers we have obtained very satisfactory results from the promotion of special week-end excursion trips between the principal centres and attractive resorts, but the conditions prevailing this year, together with the Napier earthquake disaster, have compelled us to restrict these excursions considerably. Those promoted, although not supported to the same extent as in previous years, have resulted satisfactorily.

The promotion of farmers' excursions, which had in previous winters developed to a considerable magnitude, had last winter to be abandoned on account of the adverse circumstances being experienced by the farming community. Similarly, this coming winter it is not considered advisable to attempt a revival of these tours.

During last winter we promoted a successful farmers' party tour to Australia, the object being to induce a reciprocal visit, and although an attempt was made to organize a farmers' party in Australia for a tour of New Zealand this winter the efforts made did not meet with sufficient inducement to justify the tour being proceeded with.

Attempts made to organize parties for travel to resorts have met with poor response, and similarly the travel at holiday periods, and that of pleasure and picnic parties and similar classes of traffic, have all been curtailed on account of prevailing conditions.

The visit of Lord and Lady Baden Powell and their association with the Boy Scout and Girl Guide movements occasioned the travel of large numbers of children to the principal centres; similarly the visit of the British Rugby Football team, which we conducted throughout its tour, was a means of inducing considerable traffic to all the centres at which matches were played.

The only overseas tourist party of any note handled during the year was the "Malolo" American cruise party of 180 persons, and in the conduct of their short tours we were associated with the Tourist Department. The travel arrangements for the overseas wool-buyers party during the Dominion wool sales season were again carried out by the Department.

It is estimated that overseas tourist traffic has decreased approximately 25 per cent. this season, and, considering the conditions in Australia at the present time and also in other countries, the prospects for an immediate increase in overseas visitors are not propitious.

Booking agencies established at the various centres now number forty-nine, inclusive of the Tourist Department's offices other than those at Wellington and Auckland. The agencies generally are providing a desired public facility, and are a means of attracting a certain amount of business to rail.

Reviewing the conditions which have obtained during the past year in respect of transport generally, and at the same time having regard to the fact that circumstances do not indicate that an improvement can be anticipated in the immediate future, the prospects for the incoming year from a business point of view indicate that it is likely to be a difficult one. The natural tendency in trade is to ease expenditure largely by restricting operations, consequently transport returns must be affected thereby, and with the slackness in trade urging road operators to maintain their position increased competition will result. Indications are that more frequently irresponsible people are attempting to make a livelihood from road carrying-operations, this in turn forcing established road carriers to reduce their costs to a minimum, which again must seriously reflect upon rail transport.