xvii D.—2.

It is well known that valuable concessions are granted by the Railways in many directions, and it is equally well known that many primary producers of this Dominion utilize the railways for the carriage of goods which receive preferential rates, and patronize our motor competitors for the carriage of the higher-classified articles.

The branch comes under the administration of the First Assistant General Manager, who is responsible to the General Manager for the transportation side of the Department's activities. When, of course, the problem becomes a matter of rating, it will require to be dealt with in consultation with the Rating Branch as

controlled by the Second Assistant General Manager.

The first step taken to cope with the problem was to carefully select officers for the Commercial Branch who were considered specially suitable for the work. Care has been taken to appoint officers who are able to impart their knowledge to the general staff in the matter of securing traffic and dealing generally with the Department's clients. This constitutes one of the most important aspects of the new branch's work, and when properly established will have a very marked effect.

Counteracting motor competition was the next matter in order of importance that had to be taken in hand. The investigation will include—(1) Cause; (2) where most effective; (3) nature of goods carried each way; (4) classification of such goods on railway tariff; (5) difference in rail and motor charges; (6) means suggested to recover or secure business; (7) arrangements with carrying firms to feed railways; (8) Department competing with motors; (9) use of more economical method of transport.

A case in point where definite steps were taken is the competition by motor-

buses on the Hutt Road between Lower Hutt and Wellington.

As a result of the investigations made by the Commercial Branch, arrangements were made to issue combined bus and train "shopping tickets," available for day of issue only, and an agreement entered into with certain bus-proprietors to pick up passengers at certain points and convey them to the station to connect with railway services, which have been so arranged as to provide a more satisfactory service. The whole of the arrangements have been fully advertised, and there is every indication that the methods adopted will prove effective.

SECURING NEW BUSINESS.

In the matter of securing new business the officers of the Commercial Branch will inquire into the following points:—

1. Offering additional facilities to travel in connection with race meetings,

sports, shows, and other large public events.

- 2. Arranging excursions and house picnics, school picnics, especially at larger centres.
- 3. Approaching Chambers of Commerce, Agricultural and Pastoral Associations, Farmers' Unions, and so on, to secure their business.

4. Judicious advertising.

5. Through inter-Island goods traffic and passenger tickets, including boat and railway.

6. The consideration of the question of back-loading rates.

Those attached to the branch will organize conferences with the staff at larger centres, and with outside organizations such as Chambers of Commerce, Farmers' Unions, Industrial Associations, Progress Leagues, and others. Fluctuations in or loss of business will be promptly dealt with, and cases of dissatisfaction with services rendered will be gone into on the spot with those concerned. In fact, everything that will tend to improve financially the Department's operations, and extend a more satisfactory service to the public, will come within the scope of the Commercial Branch. The Department is out to seek business as well as to recover that lost. Business agents will visit the various localities where large events are being held with the object of co-operating with the governing bodies to provide facilities that will encourage people to travel to the events by rail.

Additional booking facilities have been arranged for at Christchurch by way of a Central Booking-office, situated in Hereford Street about midway between Manchester and High Streets. This location is extremely convenient, and will no doubt be very much appreciated and utilized by the travelling public.