D.—2.

"It is claimed that the transportation or divisional system tends to give officers a better all-round training for the more responsible positions than the departmental system. It is undoubtedly the case that under the transportation or divisional organization a broader view is taken of the working generally, and of various improvements along the line which are seen to be necessary from time to time. Officers now look more to general utility and less to the question as to who should bear the cost; and there is not the same tendency to take no interest in work which, under the departmental system, would be for the benefit of some other department."

ENGINEERING.

A full programme of improvements and new works (D.-2A, 1924) has been arranged, and some of the works are now actually being undertaken.

MECHANICAL.

Full particulars are included elsewhere in this Statement.

Operation.

Revision of time-tables: This work is actually in hand, and many improved and faster services have been inaugurated.

Reduction of mixed trains; encouragement of tourist and suburban traffic; control of train-movement and distribution of wagon stock: Officers of the Transportation and Commercial Branches have these matters in hand.

Collection and delivery of goods : Much valuable information has been collected, and the scheme will be proceeded with further as soon as the through booking of parcels and goods between the Islands is in thorough working-order.

Private-siding rentals : This matter has had very careful consideration, but in view of the large amount of revenue that would be affected, it has been decided to take no action during the current year. It will be reviewed at a later date.

RATES AND FARES.

Excursion fares have been reduced. Other matters referred to have been dealt with in the revision of the tariff.

STORES.

The Commission's recommendations have been given effect to.

GENERAL.

Statistical data: An up-to-date system has been adopted.

Staff training: Data has been collected, and steps will be taken to inaugurate a scheme within the next month or two.

Officers visiting abroad : This has been arranged, and several officers are at present abroad.

Appointment of Chief Mechanical Engineer.

With reference to the Commission's recommendation that a Chief Mechanical Engineer, fully qualified and thoroughly conversant with up-to-date methods of railway-working, be appointed, steps were taken to secure the services of such an officer in England, and Mr. G. S. Lynde, O.B.E., A.M.I.Mech.E., M.I.Loco.E., was appointed to the position. He took up duty on the 20th April, 1925.

TARIFF REVISION.

One of the most important matters that have engaged attention during the year has been the revision of the tariff. The multitude of decisions involved in the settlement of the fares, rates, and charges depend for their soundness on adequate information being available as to the effect of the various rates, on the one hand as affecting the Department's customers, and on the other as affecting the Department itself. In the former aspect much advantage has been derived from the drawing-together of the Department and its customers into a closer personal relationship. Free and frank discussion, with communication by correspondence reduced to