## POLICY.

The present policy with regard to the administration of the New Zealand railways is as under :---

- (1.) The incidence of tariff rating to be such as to ensure sufficient revenue to pay interest, cover working-expenses, and make necessary provision for depreciation, renewals, insurance, betterments, &c.
- (2.) Railway revenue to be credited with the value of all services rendered to other Departments.
- (3.) Surpluses to be devoted to reductions in rates, improving working conditions of staff, and extended service to the public.
- (4.) Separation of railway finances from the Consolidated Fund.
- (5.) Encouragement of local primary and secondary industries.
- (6.) Superior standard of service that will be adequate to the public demand.
- (7.) Equipment of the service with most up-to-date facilities to ensure efficiency and economy in operating, and to provide sufficient locomotives and rolling-stock to enable all requirements to be met.
- (8.) Encouragement of suburban settlement by attractive fares and train services.
- (9.) Electrification where economically sound.
- (10.) Elimination of the more dangerous level crossings, and provision of warning appliances at others.
- (11.) Grade-easements.
- (12.) Construction of modern stations and layouts at important termini and other stations.
- (13.) Improved facilities for the comfort of passengers.
- (14.) Utilization of New Zealand coal for railway requirements as far as may be economically practicable.
- (15.) Adoption of commercial methods to secure and retain business, and the maintenance of close personal relations between the Department and its customers.
- (16.) Keeping in close touch with methods in operation abroad by arranging periodical visits of officers to other countries.
- (17.) Development of excursion traffic by the institution of suitable fares.
- (18.) Retirement of members on completion of forty years' service or when otherwise eligible, except in special cases.
- (19.) Encouragement to staff to qualify for promotion by advancement by merit.
- (20.) Efficient training and education of staff.
- (21.) Placing Government Railways Superannuation Fund on sound financial basis.
- (22.) Linking up rail and road services.

## CONCLUSION.

In conclusion I would like to express my complete satisfaction with the splendid **re**sponse made by the members of all branches in bringing into operation the many changes necessitated by the reorganization of the Railways Department, and the whole-hearted co-operation accorded the administration in the effort that is being made to maintain the Department in that position in the economic and social life of the community that its importance warrants.

Evidence has been forthcoming from every part of the Dominion indicating that the Department's efforts to cater for the needs of its customers have met with general satisfaction, and the response given by way of increased business and the promise of support for the forthcoming dairy, grain, and wool seasons has been exceedingly gratifying and a credit to all concerned.

iii—D. 2.