

Notwithstanding the increase in the passenger traffic for the last financial year, a further large increase in the number of passengers and revenue has again to be recorded. This is the more satisfactory as the additional traffic is in the ordinary business, from which an increased revenue of £8,140 12s. 10d. is derived.

The excursion traffic at cheap fares shows a slight reduction on last year's business, the celebration of the Record Reign and Otago Jubilee during the previous financial year, for which excursion fares were issued, having been the inducement for a larger excursion traffic, which was non-existent in 1898-99.

The cheap holiday excursion fares are still maintaining their popularity, there being a large increase of business during the Christmas and New Year holidays, the following being the bookings for 1897-98 and 1898-99 respectively :—

				First Class.	Second Class.	Amount.		
						£	s.	d.
1898-99	...	...	...	3,416	22,135	6,573	8	7
1897-98	...	...	...	2,732	17,483	5,325	13	0
			Increase	...	684	4,652	1,247	15 7

The tourist traffic to Hanmer Plains is steadily growing, there being an increase of over 20 per cent.

There is also a slight increase in the tourist traffic to the southern lakes, but to Mount Cook the business remains stationary.

The parcels traffic has increased to the extent of 10,966 parcels, the result, no doubt, of the reduced rates.

The revenue derived from goods traffic is about the same as in the previous year.

The sheep traffic from stations in Canterbury is slightly less than last year, but the decrease is counterbalanced by a large increase in the traffic from the southern districts, the quantity received at all stations during the year being 1,111,596, as compared with 978,617 for last year, the increase —132,979—representing sheep forwarded from the south.

The grain traffic is 9,268 tons less than for the last financial year, the result of a deficient harvest.

A very large area was sown in grain last season, and the yield has been much above the average.

There will be an unusually large quantity to convey during the current year, and it is estimated that the grain traffic will exceed that of any previous year to a large extent.

There is a slight decrease in the wool traffic, which is, no doubt, attributable to the previous dry season causing a reduction in the stock, and consequently in the clip.

The road competition, which for 1897-98 had fallen off considerably from the previous year, shows a still further decrease, and in many of the country districts where wool-carting has been in existence the tendency is to abandon carting and resort to the former method of sending by rail.

In coal and other minerals there is an increase of 12,658 tons, and in timber of 6,343 tons.

Having in view the abundant harvest and the general prosperity in the district, a large increase in the traffic for the current year may be confidently anticipated.

The traffic is still suffering from an insufficient supply of rolling-stock—both carriages and wagons—which should be increased as soon as possible.

I have, &c.,

W. H. GAW,
District Traffic Manager.

The General Manager, New Zealand Railways, Wellington.

SIR,—

District Traffic Manager's Office, Dunedin, 2nd May, 1899.

I have the honour to report on the working of the Dunedin district of New Zealand railways for the financial year ending the 31st March, 1899.

For the year ended the 31st March, 1898, the cash takings of this district increased by £13,513 2s. 9d., and for the year just ended by £13,812 16s. 4d., independent of the large amount of haulage of freight traffic from Christchurch district to Invercargill district, and *vice versa*, for which those districts collect charges.

During the year 475 wagons (loaded) were received at Oamaru from stations in Canterbury District for stations south of Clinton, and 2,602 loaded wagons (including live-stock) were received at Clinton from Invercargill district for stations in the Canterbury District.

Passenger traffic during the year increased by 41,335 passengers, and, including an increase of 3,072 season-ticket holders, gave a cash increase against the previous year of £8,191 16s. 1d.

Schools and factory excursions have been well patronised during the summer season, and in connection therewith we carried 11,908 children, 1,618 teachers and senior scholars, and 14,258 adults, the amount realised being £1,682 16s. 10d., or an increase on the previous year's takings of £278 17s. 1d.

The increase in parcels traffic during 1898 was 7,333 parcels, and during the year just ended we have had a further increase of 11,802 parcels and twenty-seven carriages, thereby increasing the revenue as against the previous year by £861 1s.

Traffic in cattle and sheep has also increased, in the former by 731 head and in the latter by 18,866. Total number of sheep consigned, 264,416.

The chaff industry continues to increase, and exceeded previous year's returns by 2,892 tons, whilst the decrease in grain traffic amounted to 10,827 tons.

The coal traffic has increased by about 16,000 tons.

The free carriage of lime for manure gave a great impetus to the lime business, and orders come in much faster than they can be executed.