will fully justify my recommendation, and the convenience of the public will be

greatly increased.

With a view of securing a more uniform system of working the railway traffic throughout the various sections in the Dominion, I invited a conference of District Traffic Managers to be held in Wellington with the Chief Traffic Manager, when many important matters were discussed. The results of this conference will, I think, be of benefit not only to the officers themselves, but to the public with whom they have to deal. It is my intention to hold such conferences with the General Manager and the chief officers of the different Departments from time to time.

The following statement shows a brief comparison of the traffic and the rolling-stock for dealing therewith when the Government resumed control of the

railways in 1895 with that at 31st March of the present year:—

			31st March, 1895.	31st March, 1910.	Increase.	Per Cent of Increase.
Passengers (nu	mber)		3,905,578	11,141,142	7,235,564	185
Season tickets	,		28,623	199,371	170,748	597
Parcels	"		444,981	1,047,806	602,825	135
Horses	#		11,185	20,571	9,386	84
Carriages	"		750	2,532	1,782	238
Dogs	"		23,517	51,235	27,718	118
Drays	"		705	2,490	1,785	253
Cattle	,,		40,890	176,412	135,522	331
Sheep	,,		1,519,921	5,126,762	3,606,841	237
Pigs	,,		43,292	126,930	83,638	193
Chaff, lime (tons)			36,972	179,902	142,930	387
Wool "	•••		103,328	151,051	47,723	46
Firewood "			85,102	98,360	13,258	16
Timber "	•••		198,578	523,845	325,267	164
Grain "			388,556	1,044,468	655,912	169
Merchandise "			377,938°	739,667	361,729	96
Minerals "			857,917	2,486,121	1,628,204	190
Total tonnage			2,048,391	5,223,414	3,175,023	155
Total revenue			£1,150,851	£3,249,790	£2,098,939	182
Locomotives (nur	nber)		269	465	196	73
" tractiv	e power	(lb.)	1,756,178	5,459,621	3,703,443	211
Passenger-cars (n	umber)	`	498	1,140	642	129
Passenger - cars,		ac-		·		
commodation			17,455	47,842	30,387	174
Brake-vans (num	ber)		204	367	163	80
Sheep-wagons "	,		390	1,139	749	192
Total wagons,	all clas	ses		ŕ		
(number)			8,264	16,853	8,589	104
Wagon carrying-o		tons)	50 ,861	135,088	84,227	166
Train-mileage run			3,221,620	7,889,166	4,667,546	145
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I am fully satisfied that the prosperity manifested by the results of last year's working of our lines will continue during the current year, and, notwith-standing the fact that no Easter holiday traffic will be included in the returns of the year now entered upon, I estimate the revenue at £3,250,000, and the expenditure at £2,223,275.

In conclusion, I may remark that with the proposed reduction of grades, the increased hauling-power of our engines, and the additional rolling-stock that will shortly be available, I hope that the Department will be able to continue paying its own interest, and I am confident that the policy proposed will enable further facilities to be granted to the people of the Dominion, either in the direction of improved services, the acceleration of the speed of trains, or by making reductions in rates, thereby enabling the railways to carry out to the fullest extent their function in assisting the further opening up and development of our country.