

The increases were as follows:—

Drays	..	..	..	..	..	316
Cattle	..	..	..	..	..	57,310 head ;
Sheep	..	..	..	..	..	281,520 head ;
Pigs	..	..	..	..	..	19,288 head ;
Chaff, lime, &c.	..	..	..	..	..	72,712 tons ;
Timber	..	..	..	..	..	3,903 tons ;
Merchandise..	..	..	..	..	..	29,476 tons ;
and the decreases were—						
Wool	..	..	..	..	..	7,369 tons ;
Firewood	..	..	..	..	..	16,008 tons ;
Grain	..	..	..	..	..	41,365 tons ;
Minerals	..	..	..	..	..	156,069 tons.

The increase in the cattle traffic is due to the movement of horses for military purposes, the transport of stock for depasturing owing to drought, and the increased demand for beef for export. The increase in the number of sheep carried, largely due to the movement of flocks for depasturing purposes owing to the drought and the long continuation of the dry season, resulted in considerable numbers of the sheep sent for depasturing being afterwards railed for slaughter and freezing instead of used for stocking farms. The erection of new freezing-works in various parts of the area served by railway has, on the other hand, caused a diversion of sheep from railway, considerable numbers of fat sheep being driven by road to local works, instead of being railed long distances to works as heretofore.

The goods tonnage decreased by 114,720 tons, due chiefly to the decline in export of coal from the West Coast ports and the reduction in quantity of road material carried for local bodies. Grain shows a falling-off, owing to lighter crops resulting from the dry season and the holding of stocks in anticipation of prices again advancing. The traffic was also affected by the difficulty experienced in obtaining manures. Chaff and lime gave a substantial increase, owing to a heavy demand for chaff in local and foreign markets at prices that were favourable to producers; and the merchandise traffic also shows an improvement.

The average number of men employed during the year was 14,968, against 14,614 for the year ended 31st March, 1915.

Twenty-four members of the Second Division were promoted to the First Division; 599 members of the permanent staff resigned, 89 retired on superannuation, 92 died, 104 were dismissed, and 1,420 engaged.

The sum of £12,565 was paid under the Workers' Compensation for Accidents Act during the year to members who sustained injuries in the execution of their duty.

The additions made to the rolling-stock during the year consisted of 28 new locomotives, 54 bogie cars, 1 petrol rail motor-carriage, 28 bogie brake-vans, 735 wagons.

Fourteen of the locomotives—viz., 4 simple superheated tender, Class AB, and 10 heavy tank, Class Ww, were built in the Government Railway Workshops; 12 simple superheated tender engines, Class Bb, by Messrs. Price (Limited), of Thames, under contract; and 10 simple superheated tender engines, Class Aa, were imported from the Baldwin Locomotive Works in America.

Eight obsolete tank engines were sold and written off and replaced by a corresponding number of the new up-to-date engines specified in the preceding paragraph. Two old cars, 2 four-wheeled brake-vans, and 43 old wagons have been sold or broken up and replaced by up-to-date stock, all of which has been paid for out of revenue. 566 tarpaulins worn out and condemned and 208 destroyed by fire have been replaced by new tarpaulins, charged against revenue.

During the year 198 modern steel axles were placed under cars, vans, and wagons in substitution for old iron axles, increasing the wagon-capacity by 2 tons each. The additional 28 locomotives taken in conjunction with boiler-renewals of locomotives in service have increased the tractive power by 9.30 per cent. The new carriages increase the seating-capacity by 2,941 passengers, or 5 per cent. The new wagons added to the stock give an increased capacity of 7,724 tons, equivalent to an addition of 1,287 ordinary 6-ton trucks, or 4.37 per cent. in carrying-capacity.

The rolling-stock actually on order and in hand on the 31st March comprised 52 locomotives—viz., 16 simple superheated tender engines, AB, 20 heavy tank type, Ww, 16 simple superheated tender engines, Bb, 37 carriages, 4 bogie brake-vans, 149 bogie and 660 four-wheeled wagons.

The rolling-stock on the Whangarei Section has been completely equipped with Westinghouse automatic air-brake, and the installation of the appliances on the Westland Section is now in hand.

The Thomas Transmission rail motor-car, to which reference was made last year, has now arrived and is to be placed in commission on the Wellington-Johnsonville line, where heavy gradients and numerous tunnels abound. When the men in charge of the operating of the car gain experience in handling it good results are anticipated.

The motor-cars on the Culverden-Hanmer run continue to do good service.

The steamer service on Lake Wakatipu has been efficiently maintained. The appointment of an officer in charge who has had experience in shipping traffic has been beneficial, but notwithstanding this the traffic does not show any material advance. It will therefore be necessary to review the rates operating, with the object of obtaining a return more commensurate with the value of the services rendered and the capital invested in the plant employed in connection with the Lake services.

The whole of the permanent-way and structures have been maintained in a satisfactory condition. The mileage of track relaid during the year was 36½ miles of main line with 70 lb. material, 9 miles of branch line with new 55 lb. material in substitution for 40 lb. metals, and 12 miles branch line with second-hand metals removed from main lines: total, 57½ miles. This is considerably below the