

The increase in the tonnage of timber carried is due to the keen demand for building-material throughout the Dominion, the establishment of new mills, and increased shipping facilities for carriage of timber for export.

The mineral traffic was adversely affected by shortage of labour at some of the mines and the influenza epidemic at two of the mining towns on the Coast. Mineral traffic, which declined by 128,569 tons last year, shows a further decrease of 143,247 tons for the year under review. The quantity of coal railed from the Westport and Greymouth mines decreased by 174,741 tons, an average of 3,300 tons per week, during the year ended 31st March last.

Under the heading of "Other goods" the increase of 378,580 tons is due to heavy grain traffic in Canterbury, large shipments of frozen meat, tallow, pelts, &c., and the import of grain and other merchandise from overseas.

The average number of men employed for the year was 13,385, against 12,391 for the previous year.

Thirty-four members of the Second Division were promoted to the First Division, 1,083 members of the permanent staff resigned, 136 retired on superannuation, fifty-one died, 112 were dismissed, and 881 engaged.

The sum of £12,633 was paid under the Workers' Compensation for Accidents Act during the year to members who sustained injuries while in the execution of their duty.

The additions made to the rolling-stock during the year consisted of four heavy tank engines, Class "Ww," three bogie cars, and 279 wagons, all of which were built in the Railway workshops. Eight second-hand tank engines were sold and written off stock.

The rolling-stock on order at the close of the year under review consisted of forty engines, forty cars, sixteen brake-vans, ninety-nine bogie and 526 four-wheeled wagons.

Two hundred and seventy modern car, van, and wagon axles were substituted for the old iron type during the year, thus increasing the carrying-capacity of each vehicle by 2 tons.

The permanent-way, buildings, structures, and appliances have been efficiently maintained, and a considerable number of improvements has been made in the accommodation at various stations. About seven miles of track were relaid. This is much below the fixed standard, but great difficulty has been experienced in carrying out even the most essential works owing to the shortage of suitable labour. 82,968 new sleepers and 86,805 cubic yards of ballast were placed in the track during the year, and protective work carried out on the Midland Railway, at Oamaru, and on the Westland Section.

Interlocking and signal appliances have been extended and sidings and station-yards improved. Grade easements have been continued in the Auckland District, and station rearrangements in connection therewith.

During the year eight stations have been equipped with fixed signals, while thirty-eight stations were provided with distant signals in addition to previous equipment of home signals. 298 stations are now equipped with fixed signals, and 100 stations are interlocked. Special switch-locks were provided at eight stations, and special locking arrangements for points and signals were installed at ten switch-out tablet stations.

The railway telegraph and telephone systems were extended during the year, and now comprise 287 Morse sets, 1,642 telephones, 286 electric bells, 2,606 miles of poles, and 7,193 miles of wire.

Electric lighting has been installed at a number of station buildings, yards, offices, engine-sheds, and dwellings.

REVENUE.

The gross revenue for the year amounted to £5,752,487, an increase of £763,855 on the earnings of the previous year and £752,487 above the estimates. The particulars are as follow:—

	1920. £	1919. £
Passengers, ordinary	2,138,391	1,799,381
Season tickets	165,596	150,901
Parcels, luggage, and mails	290,453	258,524
Goods	2,956,237	2,608,336
Miscellaneous, rents, &c.	201,810	171,490
	<u>£5,752,487</u>	<u>£4,988,632</u>

The gross receipts per train-mile for all lines were 186-00d., as against 160-00d. for the preceding year, an increase of 26-00d. per train-mile.

The North Island main line and branches produced 183-50d., as against 161-00d. per train-mile for the previous year, an increase of 22-50d.

The South Island main line and branches gave a return of 195-50d., as against 159-00d. last year, an increase of 36-50d.

The earnings from the Lake Wakatipu steamers amounted to £7,878, an increase of £1,196 over the revenue for the previous year.

The net revenue, £1,647,420, was equal to a return of 4-53 per cent. on the capital invested in the lines open for traffic (£36,390,115), and 4-12 per cent. on the capital in the opened and unopened lines (£39,997,340).