Goods and Live-stock.

The revenue from goods and live-stock for the year ended 31st March, 1929, was £4,846,125, an increase of £165,990, or 3·55 per cent., as compared with the figures for the previous year. A comparison of this year's results with those of the previous year is as follows :—

	1929.	1928.	Variation.	Per Cent.
Revenue	£4,846,125	£4,680,135	+£165,990	3·55
Tonnage	7,613,445	7,358,388	+255,057	3·47

The tonnage of goods and live-stock carried was the highest for any year on record, and the following figures illustrate the tonnage carried since 1925 :—

Tonnage.

Year.	Tons.	Increase over Previous Year. Tons.	Per Cent.
1929	7,613,445	255,057	3·47
1928	7,358,388	49,939	0·68
1927	7,308,449	52,307	0·72
1926	7,256,142	222,683	3·17
1925	7,033,459	107,942	1·56

Revenue.

Year.	£	Increase over Previous Year. £	Per Cent.
1929	4,846,125	165,990	3·55
1928	4,680,135	83,969	1·83
1927	4,596,166	97,006	2·15
1926	4,499,160	381,414	9·28
1925	4,117,746	168,159	4·25

While the total tonnage handled continues to increase, the fact must not be overlooked that the gain is principally in low-rated commodities such as artificial manures, grain, coal, and road metal. Until towards the close of the financial year the goods traffic showed slight variation as compared with the previous year, but in the last three months of the year a considerable improvement was made. The Railway Department shared in the beneficial effects of the favourable season, and the tonnage of live-stock, wool, grain, and dairy-produce handled was such as to tax the available rolling-stock to the limit.

The principal increases during the year under review were as follow :—

	North Island. Tons.	South Island. Tons.	Revenue. £
Grain and flour	10,533	46,592	24,546
Butter	6,051	595	4,674
Cheese	23,770	535	14,171
Wool	2,273	3,063	6,598
Lime, agricultural	11,277	14,237	8,628
Coal, New Zealand hard	1,048	14,181	2,498
Coal, New Zealand soft	2,151	16,207 *dec.*	3,951 *dec.*
Road metal	26,190	47,553	8,689
Benzine	8,287	25,177	26,955
Manures, artificial	92,499	33,954	65,530

With the continued decrease in passenger traffic, to which I have already referred, the railways must look more and more to the goods revenue for the major part of the receipts. The ton-mile receipt for the year under review was 2·41d., and in order to balance the accounts (exclusive of the credit received in respect of developmental lines) a ton-mile receipt of 2·86d. would have produced a revenue for goods traffic of £5,812,395. While at first it may appear a somewhat easy matter to increase the rates by an amount representing an increase of 0·45d. per ton per mile in railage, the problem becomes somewhat difficult when all the factors of the situation are taken into consideration as is hereunder set out at more length.

There are three ways in which theoretically the deficiency may be removed : (1) Reduction in working-expenses to enable transportation to be produced more cheaply ; (2) an increasing traffic sufficient to make good the loss now involved ; (3) increased charges on the traffic now conveyed by rail.

With regard to No. 1 : This is a matter that is constantly engaging the attention of every railway authority. No condition is regarded as permanent, and the whole scope of operations is from time to time kept under review and checked up by reference to statistical matter, reports and contact of supervisory staff with the actual operations of the Department. Such matters as the provision of more powerful locomotives, the strengthening of structures to enable this to be done, rearrangement of running duties, reorganization of workshops, and other similar matters are all directed to this end. There is scarcely a day goes by that some aspect of the Department's operations is not being rearranged or modified in order to secure reduced working-costs, and the statistical matter which is presented in this report will indicate that the year has not been barren of achievement in this direction. As costs are brought down so further reductions tend to become more difficult. Frequently progress along these lines depends upon the discovery of new processes or inventions that