

Cheese-production showed a decrease corresponding with the lower output of butter.

During the last few years pigs have shown a substantial increase, due to increased exportation. The export of frozen pork showed an increase of 19·3 per cent. over last year.

Traffic in frozen meat was heavy, the tonnage increase being 6·12 per cent. and the increase in revenue 6·35 per cent. The North Island showed an increase of 17,037 tons, while the South Island traffic declined by 4,024 tons. The comparatively early killing of live-stock, due to the feed-shortage, had a stimulating effect on this traffic in the latter portion of the financial year.

Wool showed a decrease of 25,354 tons (16·68 per cent.) and £38,155 (24·17 per cent.), due to the fluctuation in market prices. As the result of high prices last year a substantial traffic was recorded, many clips which had been stored for some years being sold. The figures for 1935 were below average, as is shown by a comparison with the figures for the previous three years. The revenue in 1932 was £147,992, in 1933 £140,477, in 1934 £157,831, while in 1935 it had declined to £119,676. It is likely that owing to the low prices a good quantity of wool was held over. The receipt per ton-mile was 3·99d., as against 4·48d. last year, a decrease equal to 10·9 per cent.

In products of mines the principal variation was an increase of 49,878 tons of agricultural lime, the increase in revenue being £17,536. Coal increased from 1,436,869 tons in 1934 to 1,448,109 tons in 1935, an increase of 11,240 tons (0·78 per cent.).

The use of agricultural lime for manuring farm lands is growing each year, largely as the result of the rail concessions afforded to *bona fide* farmers, orchardists, &c. Such lime is carried free for distances not exceeding one hundred miles, and the freight is recovered by the Railways Department from the Department of Agriculture. The following table shows the amounts so recovered, together with the recoveries in respect of reduced rates on fertilizers and selected farm products.

The total recoupments to the Railways Department from the Consolidated Fund under the three heads are as follow :—

—			Rebate on Selected Farm Products.	Lime.	Fertilizers.	Total.
			£	£	£	£
1929	..	..	..	38,673	109,431	148,104
1930	..	..	..	23,706	61,218	84,924
1931	..	..	..	22,859	51,156	74,015
1932	..	..	..	44,364	107,995	152,359
1933	..	..	37,158	55,054	107,088	199,300
1934	..	..	156,437	61,732	99,397	317,566
1935	..	..	48,196	76,309	115,812	240,317
Totals	..	..	241,791	322,697	652,097	1,216,585

In 1933 the Government granted a rebate on certain selected agricultural commodities, and from that date allowance has been made to the Working Railways Account for the loss of freight involved in granting this concession.

There was little variation in the volume of coal traffic forwarded. The total tonnage reached 1,448,109, compared with 1,436,869 tons for the previous year, an increase of 11,240 (0·78 per cent.). The revenue, £720,556, showed an increase of £4,996 (0·7 per cent.). The receipt per ton-mile was 1·44d., a reduction of 0·03d., but with an average haul of 83 miles, as against 81 miles last year, the receipt per ton was 10s., the same as last year. The ton-mile receipt for hard coal this year was 1·84d. and for soft coal 1·39d.

The tonnage of road-metal increased by 36,636 tons and the revenue by £10,781.

The products of forests increased by 86,961 tons. The timber carried was 368,417 tons, compared with 301,222 tons for the previous year, an increase of 67,195 tons (22·31 per cent.). The total revenue from the timber traffic was £331,193, compared with £274,627 in 1934, an increase of £56,566 (20·60 per cent.). The fillip given to building construction by the Government subsidies was the main cause of the increase. Exports of timber from the Dominion increased by 52 per cent. compared with the previous year.

The quantities of native and imported timber carried were :—

		1935. Tons.	1934. Tons.	Variation.	
				Tons.	Per Cent.
New Zealand	..	355,400	293,514	+61,886	21·08
Imported	..	13,017	7,708	+ 5,309	68·88

With a view to indicating the trend of the timber traffic over recent years, the total tonnage carried for each of the past seven years is as follows: 1935, 368,417; 1934, 301,222; 1933, 253,633; 1932, 253,534; 1931, 403,095; 1930, 574,080; 1929, 568,026.

An increase of £14,613 was shown in the revenue from benzine, and of this traffic benzine carried in tank-wagons increased by £17,284, or 10·81 per cent.

The revenue on cement traffic in the South Island fell by £7,951, due to the cessation of the traffic to the Waitaki hydro-electric works which were completed during the year. The revenue in the North Island increased by £4,535.