

Sheep decreased from 10,295,953 to 9,131,321 (11·31 per cent.), this being accounted for by a later stock season this year. Pig traffic showed a substantial increase for the year's operations, 670,035 being carried this year, compared with 613,112 last year, an increase of 9·28 per cent. The export of frozen pork showed an increase of 26·05 per cent. over last year.

Butter traffic was adversely affected in 1934-35 on account of the dry season causing a fall in production. This year's production shows an increase of 9·37 per cent. over 1934-35, and the quantity forwarded by rail increased by 15,175 tons (11·76 per cent.).

Cheese traffic showed a decline of 7,302 tons (9·31 per cent.), and £12,069 in revenue (15·44 per cent.), the fall being due to an 8·68-per-cent. decline in production. The last three years has seen a steady fall in cheese traffic, on account of some dairy factories changing over from the manufacture of cheese to the manufacture of butter and casein.

A very substantial improvement was manifest in wool traffic this year. Owing to the low prices offered last year a considerable quantity of wool was withheld from sale. The increase this year was 35,363 tons (27·91 per cent.), and £35,106 (29·33 per cent.) in revenue.

A later season this year was responsible for a decrease of 11,534 tons (4·95 per cent.), and £7,197 (3·84 per cent.) in revenue in frozen-meat traffic.

In products of mines the principal variation was an increase of 46,949 tons of coal (3·24 per cent.), the increase in revenue being £40,271 (5·59 per cent.). The increase is attributed to a further demand for coal in connection with dairy-factory and factory production generally. The receipt per ton-mile this year was 1·44d., the same as last year, but with an average haul of 85 miles as against 83 miles; the return per ton was 10s. 2d., an increase of 2d. on last year. New Zealand hard coal comprised 43·7 per cent. of the traffic and New Zealand soft coal 53·7 per cent.

The following table illustrates the decline in coal traffic in recent years. The average for the three years 1928-30 is represented by 100, and index numbers have been calculated accordingly.

Description.	Tonnage.					Revenue.				
	Average for Three Years, 1928-30.	1933.	1934.	1935.	1936.	Average for, Three Years, 1928-30.	1933.	1934.	1935.	1936.
Hard	100	61	56	57	57	100	77	71	70	73
Soft	100	68	75	76	80	100	77	84	85	91
Imported ..	100	61	68	65	70	100	57	60	55	60
Total	100	64	65	66	68	100	76	79	80	84

While receipts from soft coal have shown improvement during the last three years, hard coal, although showing an improvement in revenue on the very low level established during the years 1934 and 1935, is still well below the 1933 figure.

The products of forests increased by 43,576 tons. The timber carried was 420,799 tons, compared with 368,417 tons carried last year, an increase of 52,382 tons (14·22 per cent.). The total revenue derived from this traffic during the year was £391,613, compared with £331,193 in 1935, an increase of £60,420, or 18·24 per cent. The increase was general in both the North and South Islands, and can be ascribed to the impetus given to the building trade by Government subsidies and to the gradual improvement in trade conditions now manifest. The timber traffic carried on the system has actually increased by 66 per cent. since 1933. Only a very small portion of the increase of 14·22 per cent. from the current year's operations can be apportioned to timber for export, as the Dominion increase in the timber exported is represented by the small figure of 1·82 per cent.

The quantities of native and imported timber carried during the year were as follow :—

—			1936.	1935.	Variation.	
			Tons.	Tons.	Tons.	Per Cent.
New Zealand..	..	..	407,323	355,400	+51,923	14·61
Imported .. .	..	..	13,476	13,017	+ 459	3·53

In the "benzine, cement, and manures" group the quantity of benzine carried in tank wagons showed the substantial increase in revenue of £20,049 (11·32 per cent.). This increase is no doubt due to the continued growth of motor traffic.

With regard to cement, the recovery of the building trade was reflected in the quantity of cement carried. This was particularly noticeable in the North Island, where the traffic increased by 5,601 tons (30·54 per cent.) and £10,911 in revenue (57·41 per cent.). In the case of the South Island the traffic was normal, any advantage gained by increased building activity having been offset by the loss of traffic consequent upon the completion of the Waitaki hydro-electric works.

The revenue from manure traffic shows an increase of £13,105, this being due to heavier importations of raw materials as well as increased sales of the manufactured product. Seventy-five per cent. of the traffic was handled in the North Island. The average receipt per ton-mile for the whole system was 1·83d., and the average haul 63 miles.

Motor-cars on wheels show an increase of £9,178 (44·77 per cent.), of which £8,266 was earned in the North Island.

The traffic in miscellaneous goods, which comprises commodities not dealt with above, amounted to 1,229,147 tons, as compared with 1,097,091 tons for the previous year, an increase of 132,056 tons. The revenue increased in the North Island by £44,876 and in the South Island by £37,368.