D.—2.

The quantity of coal carried during the year was as follows:-

| And the second of | | | | 1938. | 1937. | Varia | tion. |
|--|-----|-----|---|-------------------------------------|-------------------------------------|---|---|
| North Island Mai South Island Mai Westport Small sections | | | 1 | Tons. 545,635 705,913 427,660 7,434 | Tons. 546,988 726,286 352,980 6,062 | ${f Tons.}\ -1,353\ -20,373\ +74,680\ +1,372$ | Per Cent. $0 \cdot 25$ $2 \cdot 81$ $21 \cdot 16$ $22 \cdot 63$ |
| Total | • • | • • | | 1,686,642 | 1,632,316 | +54,326 | 3.33 |

A highly satisfactory position is revealed in regard to the quantity of agricultural lime carried, a further substantial increase in tonnage of 81,686 tons and £27,577 in revenue having been shown. A similar position obtains in respect of traffic in artificial manures, which shows an improvement of 32.77 per cent. in tonnage and 36.70 per cent. in revenue. The tonnage of artificial manures carried rose from 746,492 tons in 1937 to 991,119 tons in 1938. The phenomenal increases in the quantity of lime and manures conveyed by rail during the past two years is significant as affording substantial evidence that higher prices for farm products together with guaranteed prices for butterfat and cheese, has reacted beneficially upon the Dominion's primary industries, by enabling farmers and others to make a much more general use of fertilizers and lime in cropping operations and for general farm purposes, and in the rehabilitation of deteriorated and waste lands.

The products of forests increased by 48,105 tons. Timber traffic shows an increase of 8.36 per cent. in tonnage and 8.41 per cent. in revenue. The main increase occurred in the Auckland district, which recorded an improvement of 31,718 tons, the increase for the whole Dominion being 37,832 tons. Imported timber shows a revenue increase of 17.95 per cent.

The quantities of native and imported timber carried were as follows:-

| · | | T | 1938. | 1937. | Variation. | | |
|-------------------------|----|---|----------------------------|----------------------|--------------------------|--------------------------------|--|
| New Zealand Imported | •• | | Tons. 469,687 20,520 | Tons. 434,204 18,171 | Tons. $+35,483$ $+2,349$ | Per Cent. 8 · 17 12 · 93 | |

In the "benzine, cement, and manures" group benzine carried in tank wagons again shows an increase, the amount involved being £23,940 (10.93 per cent.). The revenue from benzine, kerosene, &c., in containers increased by £8,411 (23.95 per cent.). The substantial increase recorded in the quantity of benzine carried is due to the buoyant economic conditions and to the continued rapid expansion of motor transport. Revenue from the carriage of cement increased by £6,589 (10.46 per cent.). This increase is no doubt a reflection of the continued activity in the building trade.

The remaining item in this group, "manures," is referred to above.

The traffic in miscellaneous goods, which comprises commodities not dealt with above, amounted to 1,499,240 tons, as compared with 1,365,277 tons in the previous year, an increase of 133,963 tons (9.81 per cent.). In the North Island the revenue increased by £98,512 and in the South Island by £46,840.

GOODS STATISTICS.

The principal statistical figures dealing with the operation of goods traffic are shown below:—

| | | 1938. | 1937. | Variation. | Per Cent. |
|---------------------------|-----|----------------------|------------------|------------|---------------|
| Goods-train mileage | | 7,455,802 | 6,801,223 | +654,579 | $9 \cdot 62$ |
| Goods earnings | | £5,411,297 | £4,846,417 | +564,880 | $11 \cdot 66$ |
| Revenue goods tonnage | | 7,516,049 | 6,813,240 | +702,809 | 10,32 |
| Average haul (miles) | | 75 | 73 | +2 | $2 \cdot 74$ |
| Average revenue per ton-m | ile | $2 \cdot 35 d$. | $2 \cdot 37 d$. | -0.02d. | 0.84 |
| Average revenue per ton | | 14s. 8d. | 14s. 5d. | +3d. | $1 \cdot 67$ |

Goods revenue per goods train-mile increased by 1.85 per cent. The increase in the average haul has resulted in a slight decrease in the average revenue per ton-mile.

| | 1938. | 1937. | Variation. | Per Cent. |
|-------------------------------|---------------|---------------|--------------|---------------|
| Total gross ton-miles revenue | 1,813,585,028 | 1,626,352,414 | +187,232,614 | $11 \cdot 51$ |
| freight | | | | |
| Goods-vehicle miles (loaded) | 134,663,510 | 123,219,295 | +11,444,215 | $9 \cdot 29$ |
| Goods-vehicle miles (empty) | 68,896,119 | 62,106,142 | +6,789,977 | $10 \cdot 93$ |
| Total goods-vehicle miles | 203,559,629 | 185, 325, 437 | +18,234,192 | $9 \cdot 84$ |

The fact that "empty" goods-vehicle miles have increased in a greater degree than "loaded" miles is due to fluctuations in traffic. The difference is plus 1.64 per cent., made up of the following district results: Auckland, ± 4.18 per cent; Wanganui, ± 2.33 per cent.; Wellington, ± 5.79 per cent.; Christchurch, ± 3.33 per cent.: Dunedin. ± 0.37 per cent.: Invercargill, ± 3.42 per cent. The variations in traffic shown by the different districts were in each case in the same ratio as the above figures, the districts recording the greatest increase in traffic showing the biggest increase in empty