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The change-over to the deviation made it possible to reduce appreciably the running-time of trains using the Wellington - Palmerston North portion of the Main Trunk line. The more important trains rescheduled were-

The arrival and departure times of No. 227, Auckland-Wellington and No. 626, Wellington-Auckland express trains, were synchronized, these trains being scheduled to leave their respective terminals at 3 p.m. and arrive at destination station at 7 a.m. the following day. The new schedules provide for a saving in time of 42 minutes in the case of No. 227 and of 6 minutes in the case of No. 626.

Nos. 229 and 688, Auckland-Wellington and Wellington-Auckland "Limited" express trains, were rescheduled to leave their respective terminals at 7.15 p.m. and arrive at destination station at 9.30 a.m. next day, thereby effecting a saving of twenty-six minutes in the schedule of No. 229 and ten minutes in the running time of No. 688.

Savings of twenty minutes and fourteen minutes respectively were effected in connection with the schedules of the "Up" and "Down" Wellington-Napier express trains. In the case of the Wellington-New Plymouth "Up" and "Down" express trains savings of twenty minutes and eight minutes respectively were effected.

Other trains affected by the opening of the new terminal at Wellington and the routing of traffic via the Tawa Flat Deviation were the Wellington-Palmerston North and Wellington-Paekakariki passenger-trains. Considerable savings in time were effected in the schedules of these trains, while it was also found possible to provide improved connections at Taumarunui between the Auckland-Wellington and Auckland - New Plymouth expresses.

Having arrived at the stage when it could no longer be economically operated, the Clayton steam rail ear, which had been in operation on the Invercargill-Bluff line, was withdrawn from service as from 4th June, 1937. The withdrawal of the rail car necessitated minor alterations to the time-table on that line, the services previously maintained by the rail car being replaced by mixed trains.

A further improvement in the Wellington-Wairarapa Sunday rail-car services was effected during the year by the extension of the schedule of the 10.30 a.m. Wellington - Upper Hutt rail car to Masterton.

As from 16th July, 1937, the trains operating on the Tapanui Branch were rescheduled to run in the afternoons instead of the mornings. This alteration was decided upon in order to meet the convenience of loaders of live-stock.

As from 23rd August, 1937, the line from Napier to Wairoa was reopened for traffic, and from that date the Department operated night goods-trains between Napier and Putorino, connecting at the latter station with trains operated by the Public Works Department and operating between Putorino and Wairoa. Unfortunately, on 25th April, 1938, unprecedented flooding, causing widespread damage, occurred in this region and resulted in a complete blockage of the line. Present indications are that some months will elapse before it will be possible to again operate trains over this line.

Two new suburban passenger stations on the Wellington-Johnsonville line (Awarua Street and Simla Crescent) were brought into use for "off-peak" trains as from 10th January, 1938. Both these stations were brought into general use coincident with the inauguration of electric multiple-unit services on this line.

GENERAL.

The goods and live-stock tonnage for the year was 7,516,049 tons, as compared with 6,813,240 tons for the previous year, an increase of 702,809 tons (10.32 per cent.).

The year's operations have been noteworthy by reason of the sustained and heavy demand for transport facilities due to the abnormal movement of practically every class of goods traffic. In the late autumn months of 1937 and again in February and March of this year, the demand for railway wagons throughout the entire system, but particularly in the Auckland Province, was such that the whole of the resources of the Department were taxed to the utmost in order to meet the increased traffic accruing to the rail as a result of the expansion of business in the Dominion's primary and secondary industries brought about by the improvement in the general economic conditions of the

In addition, heavy shipments of overseas cargoes of basic slag have been regularly arriving at the main ports of the Dominion, particularly those in the North Island, and the increased shipping traffic, together with heavy traffic in primary produce, coal, lime, and general lines, have together combined to greatly accentuate the difficulties associated with the provision of an adequate supply of goods-

carrying and live-stock wagons at the peak season of the year.

A contributing factor which has to some extent retarded the efforts made by the Department to meet the position in regard to wagon supply has been the slow rate of discharge of inward consignments of fertilizer and other lines of goods, particularly the former, at country stations. In this connection, although the Department has not hesitated to incur additional expense and has authorized the running of numerous special trains for the purpose of moving wagons from one area to another in an endeavour to augment the supply of available wagons at points where the demand was greatest, it cannot be said that the Department has been accorded that full measure of co-operation from primary producers and others in the matter of the discharge of inward loads, which, in the special and abnormally difficult circumstances which have obtained during the past and previous years in regard to wagon supply, it was entitled to expect.

The difficulties experienced by farmers, fertilizer and mining companies, and other interests in obtaining an adequate supply of empty railway wagons for the conduct of their operations are fully appreciated by the Department, which is most anxious that its rolling-stock should not be in short supply, and every effort has been made in the conduct of operations to provide for the accelerated turnover of