

the 31st March, 1939, when demands upon the usage of wagons reached the highest point in Dominion history, the Department had 28,401 wagons in use—1,200 more than in the previous year and 1,500 more than were available in 1930, the year in which the biggest volume of traffic was handled by the Department prior to the depression.

Comparing the year 1936 with 1939, the whole rolling-stock position shows a marked improvement, both in the quality and quantity of the vehicles of all types on the system, including larger and more powerful locomotives, new and improved passenger cars, multiple-unit power coaches and trailers, and the latest type of standard rail cars.

There has been a big increase in the number of all types of wagons, particularly those needed for the conveyance of general goods and live-stock. Our wagon-capacity in the past three years has been increased by 19,000 tons, and the total number of wagons of all classes has increased by the equivalent of 1,729 four-wheeled wagons.

In the year ended 31st March, 1939, the Railway Workshops constructed 1,373 wagons, 39 passenger cars, and 5 standard rail cars, and this year I anticipate their output will give us the following new rolling-stock: 6 KB locomotives, 10 KA locomotives, 9 electric locomotives, 48 passenger-cars (including air-conditioned cars), 1 rail car, and 1,292 wagons.

Of these, 415 wagons have already been completed, as well as a KA locomotive, a KB locomotive, an electric locomotive, and 11 passenger cars.

In addition, 40 J locomotives and 10 rail cars ordered from Great Britain will arrive during the current year. At least 30 of these locomotives and 2 rail cars are expected to arrive before December.

RAIL CARS.

The successful operation of rail cars of types evolved by our own engineers and built by our own craftsmen has been one of the most notable developments in the modern service offered by the Department. It is helping to turn the tide of traffic back to the rail. So marked indeed has been its progress that the full effect of rail-car evolution would be difficult to predict; but I can safely say, from our experience with them up to the present, that in their ultimate development, whether singly or as multiple-unit trains, they will prove invaluable as an aid to the development of the more backward portions of the country in providing transport of a frequency, comfort, speed, and convenience not conceivable by any other practicable means in the territories they will serve.

For the year just ended the nine cars already in use (seven on the Wairarapa route, North Island, and two on the Midland route, South Island) ran nearly 400,000 miles and recorded a passenger-mileage of over 8,000,000.

Already the new, larger, and heavier type, the Department's standard rail car, has been running successfully for several months on the Wellington - New Plymouth route, and provides a very attractive service supplementary to that of the mail-trains.

I was also able to provide a complete service of standard rail cars to work a full passenger service on the Napier-Wairoa line, which was taken over by the Department on the 1st July. Even in the first weeks of operation the popularity of this new form of transport in the newly-opened territory is being strongly demonstrated.

A total of sixteen of these cars (some of which are being imported) will be running in various parts of the Dominion during the present year, and the response and reactions from their operation has been entirely satisfactory and is a tangible guide to the programme for construction and distribution of units of this new arm of the railway service in its work of providing suitable transport to aid in further national development and in improving still more the amenities of Dominion travel.

MULTIPLE-UNIT ELECTRIC TRAINS.

The year has seen the remarkable improvement in transport on the Wellington-Johnsonville suburban route resulting from the introduction of multiple-unit electric trains on that line. The new service has given a pronounced impetus to suburban settlement in the area served and has worked with commendable smoothness and efficiency on what, from an engineering and operating viewpoint,