

The decline in agricultural tonnage is chiefly on account of an exceptionally late season due to unfavourable weather conditions.

The closing of flax-mills and a decline in frozen-meat exports account for a decrease in the tonnage of merchandise.

Lake Wakatipu Steamer Service.

Revenue, £5,986; an increase of £89.

The passenger and parcels business has improved, but there is a slight falling-off in the goods traffic.

Picton-Nelson and West Coast Sections.

Picton.—Revenue, £21,279; an increase of £4,773. Both passenger and goods traffic show satisfactory increases.

Nelson.—Revenue, £18,448; an increase of £910. Excepting timber and live-stock, which have slightly fallen off, the business generally shows an all-round increase.

Westport.—Revenue, £81,074; a decrease of £2,496. The business has declined owing to a slackness at the coal-mines. The coal traffic was 20,842 tons less, and the passenger traffic over 5,000 passengers less than last year.

Westland.—Revenue, £92,775; an increase of £9,418. The coal tonnage increased by 67,611 tons and the timber export by 8,000,000 ft., as compared with last year.

Wellington-Napier-New Plymouth Section.

Revenue, £648,120; an increase of £44,869.

	No.	Amount. £	Increase. £
Passengers	2,802,174	234,008	16,543
Season tickets	45,618	19,336	2,161
Parcels, luggage, and mails	46,288	11,548
Goods	682,421 Head.	348,486	14,617
Live-stock	1,403,784		

The Wellington-Napier District contributed £370,120, an increase of over £22,000.

The passenger business shows continued expansion, the number of passengers carried being 80,000 in excess of last year.

Parcels and coaching traffic also shows a steady growth.

The goods traffic has been well maintained, the receipts therefrom being nearly £3,000 more than last year. The sheep traffic fell off by 86,728; timber and merchandise (meat for export) also show a slight decline.

The Wanganui District contributed £278,000, nearly £23,000 more than last year. The passenger and coaching business was largely in excess of last year, and in goods traffic there are substantial increases under all headings except sheep, which declined by 53,774.

The weight of butter carried was 557 tons more than last year, but cheese fell off by 426 tons.

Auckland Section.

Revenue, £334,095; an increase of £35,072.

	No.	Amount. £	Increase. £
Passengers	1,213,553	109,887	9,688
Season tickets	31,483	9,919	667
Parcels, luggage, and mails	19,790	2,576
Goods	426,110 Head.	194,499	22,141
Live-stock	229,488		

The traffic on this section shows considerable expansion, due to the development of the mining and timber resources and to the closer settlement of the land.

In the passenger business both ordinary, excursion, and tourist bookings show a steady growth.

The tonnage of coal was 20,000 tons in excess of last year, and timber increased by 9,000 tons.

The tonnage of dairy produce was about the same as last year.

The traffic on the Waihi branch, which was opened on the 9th November, has contributed largely to the general increase. The completion of the Taupo Totara Timber Company's line has also had a favourable effect.

North Auckland Sections.

Whangarei.—Revenue, £25,654; an increase of £788. Timber traffic fell off by 5,000 tons, and road-metal by 3,000 tons, but other goods business and passengers show good increases.

Kawakawa.—Revenue, £1,800; a decrease of £180. The falling-off is chiefly in the coal and merchandise traffic.

Kaihu.—Revenue, £7,073; a decrease of £255, which is due to a falling-off in the timber traffic.

Gisborne Section.

Revenue, £6,047; an increase of £2,759 in all classes of traffic. An addition of five miles from Kaiteratahi to Karaka was opened on 14th April, 1905.

The prospects for the ensuing year are favourable, and I anticipate that the revenue will again show a substantial increase.