

The following figures, which give the record of the late arrivals of the principal trains during the year, indicate that the train services have maintained punctuality:—

			Average late Min.	Arrival. Min.	
For long-distance passenger-trains	...	...	1.43,	against	1.39 last year.
For suburban trains	...	...	0.38,	"	0.34 "
For long-distance mixed trains	...	...	1.75,	"	1.63 "

The total number of ordinary passengers carried was 9,756,716, an increase of 155,930 over the previous year.

This is very gratifying, as the returns for the previous year showed the phenomenal increase of 774,404 passengers over 1906, consisting largely of traffic of a non-recurring character which was induced by the New Zealand International Exhibition. Season tickets issued numbered 185,174, an increase of 19,670. The number of workers' twelve-trip tickets was 43,961 and of workers' weekly tickets available on suburban lines 101,199. These tickets, I am pleased to say, continue to maintain their popularity. Their regular use by a large body of the community is practical testimony of the appreciation by the workers of the advantages to be derived by living in healthy surroundings away from the crowded city areas, and of being enabled to travel to and from their work at a nominal cost.

Holiday-excursion tickets numbered 732,135, being a decrease of 124,277 when compared with the previous year. This, however, is accounted for by the fact that this class of ticket was issued to Christchurch during the whole currency of the Exhibition. School, factory, and friendly societies' excursion tickets numbered 113,080, an increase of 17,416. The number of school, factory, and friendly societies' excursions run during the year in the principal districts was—Auckland 27, Wanganui 60, Wellington–Napier 42, Christchurch 141, Dunedin 95, Invercargill 39.

The coaching and goods traffic show large increases under each of the respective heads that the traffic is grouped, sheep, wool, and grain excepted. In coaching, the increases have been—parcels, 7,636; horses, 653; carriages, 389; dogs, 5,685; and in live-stock and goods traffic—cattle, 17,720 head; pigs, 10,765; chaff, lime, &c., 1,451 tons; firewood 918 tons; timber, 49,057 tons; merchandise, 45,248 tons; minerals, 184,467 tons. The decrease in the wool traffic is 7,568 tons, grain 31,138 tons, and sheep 67,901 head. The net increase in the gross tonnage was 246,000 tons.

The decrease in sheep traffic is due entirely to the heavy movement of sheep that took place during the previous year owing to drought. Although, therefore, the sheep traffic for the year under review compared unfavourably with that for 1907, it is nevertheless greater by some 700,000 head than the traffic of any other year when normal conditions have prevailed.

The average number of men employed during the year was 12,338, against 10,858 the previous year, an increase of 1,480.

During the year 335 members of the permanent staff resigned, 87 retired on superannuation, 34 died, 76 were dismissed, and 980 engaged.

Three appeals against decisions of the Department were heard by the Railway Boards during the year—one was dismissed, and in two cases the punishment was mitigated.

Twenty-six members of the Second Division were promoted to the First Division during the year.

The sum of £5,418 has been paid as compensation during the year to members retired from the service and to relations of members deceased. This sum includes £5,364 paid under the Workers' Compensation for Accidents Act.

The Railway workshops of the Dominion have been kept going at high pressure on the construction of new rolling-stock for increasing the equipment of the existing lines and providing for the requirements of new lines to be opened in the near future. The new stock actually completed and turned out of the shops during the year consists of 3 tender engines four-cylinder balanced compound type, 1 single-expansion tender engine, and 6 heavy tank-engines; 3 60 ft. suburban cars, 1 60 ft. motor-train car, and 49 47½ ft. cars; 18 brake-