

The advent of the American Fleet caused a large influx of passengers to Auckland, and made heavy demands on the railway during the week the fleet remained in port. I am gratified at having to state that the whole of the requirements were fully met in a highly satisfactory manner.

The inauguration of the through train service between Wellington and Auckland has already had a very marked effect on the passenger-traffic between stations in the Auckland, Wellington, Taranaki, and Hawke's Bay Provinces. Practically the whole of the passenger-traffic which formerly went by the sea routes *via* New Plymouth and Napier to and from Auckland now comes overland *via* the Main Trunk line. The steamer service between New Plymouth and Onehunga now consists of a bi-weekly service run by the Northern Company, the Union Company's passenger-boats having been withdrawn from the trade. The diversion of business has, however, considerably affected the receipts of the Wellington-New Plymouth mail trains, the traffic by which is practically reduced to the local business for stations up to New Plymouth.

The concessions made in rates and fares comprised reductions in suburban tickets and in ordinary tickets between stations between which a suburban area intervenes; extension of distance over which workers' twelve-trip tickets are issuable; extension of fifty-trip family and single commutation tickets to twenty-five miles, and reduction of rates therefor; mileage rates on a graduated scale for annual season tickets; reduction in rates for timber for long distances, for road-metal for local bodies, for native coal for long distances, and for ships' goods conveyed on port lines.

The amount of increased pay accruing to the Railway staff as a result of the operation of the Classification Act of 1907 was £147,000, and the additional amount involved in paying the marriage allowance under the regulation was £12,000 per annum.

With a view to removing some of the disabilities of passengers who travel by the ferry boats between stations in the South Island and North Island, arrangements have been made whereby the Union Steamship Company can issue to passengers making rail and steamer journey a rail ticket from Wellington and Lyttelton respectively to the more important centres in the respective Islands. The system will be extended from time to time as found necessary. Arrangements are also in progress for the checking of passengers' luggage for the through journey by rail and steamer from and to stations in either Island. This will include cartage between railway-station and steamer at Wellington, the owner of luggage being required to pay the cost of the cartage, the right for which will be let by tender. The luggage will under this system be checked at the starting station, if the owner so desires, to the final destination in the respective Islands. To avoid any inconvenience, passengers are recommended to take articles required for use *en route* in a separate package, which may be checked to the port station or otherwise at their option, as luggage checked through will not be delivered short of the final destination.

With a view to facilitating the movements of passengers who desire to make tours combining rail, coach, and steamer trips, arrangements have been made under which the New Zealand Government Tourist Branch will issue tickets for the rail journey at the same time that the ticket for the steamer or coach trip is purchased.

The number of persons receiving the benefits of the Government Railways Superannuation Fund at the end of the year was 796, making an annual charge on the fund of £37,602 2s. 4d. The beneficiaries comprised 405 late members of the service who had voluntarily retired, 88 who had been retired medically unfit, 118 widows, and 185 children. In accordance with the provisions of section 55 of "The Public Service Classification and Superannuation Amendment Act, 1908," the Railway Servants' Society paid into the Government Railways Superannuation Fund the sum of £1,500 to purchase the broken time of the men who took part in the maritime strike in 1890.

The Wellington-Manawatu Railway Company, in terms of section 96 of "The Government Railways Act, 1908," paid into the fund the sum of £5,000 to place its employees on the same footing as Government railway men in respect to