

Factors bearing on the decrease in passenger traffic were—(a) a strike in the early part of the year for a period of nine days, during which time only skeleton services were run; (b) the restrictions imposed by the Health Department against the gathering of children owing to the prevalence of infantile paralysis during the summer season, as previously referred to; (c) the largely increased use of other forms of transport.

The goods and live-stock tonnage was 7,033,459 tons, an increase of 107,942 tons. The increases were—

Cattle	..	..	..	..	..	..	31,439 head.
Sheep and pigs	..	..	..	..	..	..	381,626 „
Timber	..	..	..	..	..	..	30,518 tons.
Other goods (including minerals)	..	..	..	..	..	..	52,632 „

There was a decrease in general goods traffic of 132,831 tons, but an increase in minerals of 185,463 tons.

The North Auckland collieries forwarded 111,251 tons of coal during the year.

The output from the collieries in the Waikato district was 456,201 tons, as compared with 466,599 tons the previous year.

The coal railed from the Westport mines was 567,259 tons—an increase of 112,408 tons on the previous year's traffic. The gross output from co-operative parties decreased by 23,248 tons.

The output from the mines in the Greymouth district was 333,059 tons, an increase of 3,494 tons—due to increased orders from Canterbury consumers.

There was a decrease of approximately 6,400 tons from the mines in the Wairio district, Southland, served by the Ohai Railway. This is largely attributable to the strike previously mentioned herein. Nightcaps and other mines in the same neighbourhood fell off by 1,500 tons. The Nightcaps Mine is now practically worked out.

The average number of men employed for the year was 17,246, as against 16,353 the previous year. This included 2,277 men engaged on works charged to capital.

Forty-two members of the Second Division were promoted to the First Division, 483 members resigned, 123 retired on superannuation, 36 died, 128 were dismissed, and 967 engaged.

The sum of £23,091 12s. 8d. was paid under the Workers' Compensation Act during the year to members who sustained injuries in the execution of their duties.

Fifteen new engines, including five electric locomotives and one battery locomotive, increasing the total tractive power by 2·38 per cent., were added to the locomotive stock. One engine was sold, and seven old engines were condemned and written off.

Forty-four bogie cars, one bogie brake-van, and 367 bogie and four-wheeled wagons were built in the Department's workshops.

The rolling-stock on order at the close of the year comprised forty-nine Class AB and ten Class Ws engines, fifty-five cars, eight brake-vans, and 108 bogie and 511 four-wheeled wagons.

During the year 6,304 car, van, and wagon axles were replaced with modern steel axles.

The work of equipping rolling-stock on the Westland Section with the Westinghouse brake was completed during the year.

The permanent-way, buildings, structures, and appliances have been efficiently maintained, and a considerable number of improvements have been made in the accommodation at the various stations.

Sixty-eight and a quarter miles of track were relaid with heavier material, and 189,720 new sleepers and 155,300 cubic yards of ballast were placed in the track during the year.

The Dunedin–Ravensbourne deviation and duplication was practically completed, and traffic has since been diverted to the new line.

The construction work on the Auckland–Westfield deviation and Auckland new yard was well in hand by the end of the year.

Preliminary work in connection with the new station-yards at Palmerston North and Wellington, and the Penrose–Papakura duplication, was proceeded with.

In order to permit the running of the heavy WAB class locomotives between Oamaru and Dunedin, the work of strengthening the bridges between those points was put in hand.

Automatic signalling with colour light signals, for single-line working between Otira and Stillwater, and double-line working between Addington and Rolleston, has been completed, and is now in operation.

The tablet system of block working was brought into use between Huntly and Glen Afton.

Complete electric-power signalling and interlocking has been installed at Darfield and Sheffield.

There are now 312 stations equipped with fixed signals, and 112 are interlocked.

Traffic is now controlled by—

	Miles.
Tablet system (single line)	1,662
Lock-and-block (double line)	22
Three-position upper-quadrant and colour-light signals—	
Single line	134
Double line	20 ³ / ₄

The Department's telegraph and telephone system now comprises 289 Morse sets, 1,824 telephones, 352 electric bells, 8,991 miles of wire, and 2,833 miles of poles

REVENUE.

The gross revenue for the year amounted to £7,112,524. The revenue earned on the North Island system was £4,302,962, an increase of £105,569, and on the South Island system £2,809,562, an increase of £22,744 on the previous year's figures. The increase from the whole system, including Lake Wakatipu, was therefore £128,313.