

A decrease of 1·24 per cent. in the tonnage of sheep handled was set off by an increase in the average haul. The small increase in the rates resulted in an additional revenue of 0·05d. per ton per mile.

Owing to concessions given with a view to assisting the beef-export industry the average revenue from frozen meat declined by 0·29d. per ton per mile. The total tonnage carried decreased by 5·87 per cent., but a slight increase in the average distance the traffic was carried reduced the loss in revenue to £1,166.

The higher rates imposed on native brown coals resulted in an increase of 0·15d. per ton per mile in the revenue. The total quantity carried increased by 1·92 per cent., the average haul by 2·88 per cent., and the total revenue by 20·08 per cent.

The revenue derived from road-metal, which, prior to the adjustment of the tariff rates, was only 0·74d. per ton per mile, increased to 1·55d. per mile. The total tonnage carried increased by 3·50 per cent., but the average haul decreased by 35·42 per cent. The net gain in revenue was £11,885.

The rates on timber, which were only one-seventh above the pre-war level, were raised to place them on the same footing in this respect as the rates on other products. This has resulted in an increased revenue of 0·97d. per ton per mile from imported and 0·34d. per ton per mile from native timbers.

Owing to the falling-off in importations of power-line poles the total quantity of imported timbers decreased by 27·54 per cent., and the revenue by 19·41 per cent.

Native timbers show an increase of 1·08 per cent. in quantity, 2·91 per cent. in the average haul, and 24·46 per cent. in revenue.

An important matter in connection with the tariff which is now engaging my attention is that of adopting cheap rates to induce traffic in the "off" season. It must be borne in mind that the Railway Department requires to maintain a plant throughout the year which will be practically sufficient to meet the maximum demand at any time of the year. For instance, in connection with passenger traffic, the Department must be in a position to cope with the very heavy demand at such restricted periods as the Christmas and Easter holidays. The result is that a very large amount of plant is lying idle for a great part of the year. Any traffic, therefore, that can be induced during the periods when the plant is lying idle, and from which the revenue will be anything in excess of the additional net cost of working such traffic, will leave something to assist in meeting the overhead expenses, which practically remain constant whether the traffic be light or heavy. I feel, therefore, that if anything can be done to develop such traffic as I have mentioned it will go some distance towards improving the financial position of the Department. Included within this category, for instance, is such traffic as farmers' winter excursions. The facts I have outlined make possible the granting of exceptionally low fares during the winter season, and as it happens that this is also the period of least activity in the farming sphere, I feel confident that there is a field that might be explored here to the mutual advantage both of the farming community and of the Department.

In the past there has been from time to time a demand from various representative bodies of farmers for facilities of this nature, and I have therefore had no hesitation in concluding that an experiment along these lines would be amply warranted. After the close of the year such an excursion was run, and the results were distinctly encouraging. I propose during the coming year to pursue this matter further not only in connection with farmers' excursions, but in all other ways, both as regards passenger and goods traffic, that will enable our facilities to be made revenue-earning during as great a portion of the year as possible.

WORKSHOPS REORGANIZATION.

Since last year's report considerable progress has been made in the direction of bringing the workshops of the New Zealand Railways up to date.