

*Hawke's Bay Earthquake.*—A very severe earthquake occurred about 10.50 a.m. on the morning of Tuesday, 3rd February, involving a heavy death-roll and destruction of property in the Hawke's Bay area. Extensive damage was caused to our telegraph-lines, permanent-way, bridges, and structures, but, fortunately, without involving any casualties so far as our staff or passengers were concerned.

Prompt arrangements were put in hand to restore our communications and the line was made safe for traffic through to Napier by 9.0 p.m. on 5th February and from Napier to Port Ahuriri on 12th February. The work that was done in this connection reflects the very greatest credit on the engineers and other employees who were concerned therein.

The line from Napier to Putorino was very extensively damaged, and rail traffic has not yet been restored in this area.

Excellent transport work was also performed by our transport officers in this area, the evacuation of the refugees, including numerous cot cases, and the transport of large quantities of camp and hospital equipment, bedding and mattresses, foodstuffs and medical supplies being carried out expeditiously.

The whole of the frozen meat from Pakipaki Freezing-works, which were practically destroyed, also considerable quantities from the works at Tomoana and Whakatu (a total of approximately 105,000 carcasses) required to be transported to Waingawa and Wellington at short notice, and the freezing and shipping interests expressed satisfaction at the expeditious manner in which this work was carried out.

As the works at Pakipaki, Tomoana, and Whakatu were unable to carry on freezing operations, it became necessary to transport fat stock from Hawke's Bay to works located in other districts.

The transport of the refugees, frozen meat, and fat stock from Hawke's Bay, the conveyance of large quantities of camp and hospital equipment, foodstuffs, medical supplies, &c., to Hawke's Bay, and the assembling of engine-power, passenger-cars, frozen-meat vans, and stock-wagons entailed the running of numerous special trains at short notice.

The density of traffic and the restricted speed in the earthquake area resulted in the time-keeping of trains in the Hawke's Bay District being adversely affected, and this in turn reflected on the punctuality of connecting trains over a wide area.

*Improved Car Services.*—During the year new *de luxe* day-cars were completed and placed in service on the Rotorua "Limited" express trains and also on the Christchurch-Invercargill expresses. These cars represent a very substantial improvement in the standard of our passenger accommodation, and they have been the subject of many eulogistic references from experienced travellers. The cars released from these services were in turn utilized to improve the accommodation on less important trains.

*Improved Car-seating and Electric Lighting of Cars.*—In pursuance of our policy the replacement of longitudinal seats in second-class cars with chair seats, also the fitting of cars with electric light, was proceeded with as far as the funds allocated for this work would allow.

The following are the leading features of the traffic in the various districts in comparison with the previous year. The revenue figures shown are from transport-operating services only and are exclusive of bus services. The non-operating services such as advertising, refreshment-rooms, rent, &c., are not included.

*Kaihu.*—Revenue, £5,426; decrease, £842. Passengers decreased 3,457. Parcels, &c., increased £20. Sheep increased 90. Timber increased 21 tons. All other goods decreased 809 tons.

*Gisborne.*—Revenue, £25,078; decrease, £6,966. Passengers decreased 11,084. Parcels, luggage, &c., decreased £181. Cattle increased 367 and sheep 42,843. Timber decreased 1,573 tons, and all other goods 16,044 tons.

*North Island Main Line and Branches.*—Revenue, £3,967,536; decrease, £344,662. The principal items of traffic were: Passengers 3,759,220; decrease, 713,188. Season tickets, 435,598; decrease, 52,767. Parcels, luggage and mails revenue, £231,546; decrease, £18,409. Live-stock 5,745,866; increase, 58,444. Goods tonnage, 2,829,412; decrease, 241,166 tons. Timber decreased 66,809 tons. All other goods decreased 174,357 tons. The revenue per mile of railway decreased from £3,052 to £2,776 and per train-mile from 144.53d. to 140.69d.

*Northern District.*—Revenue, £1,899,117; decrease, £151,949. Passengers, 1,615,734; decrease, 332,968. Season tickets, 193,181; decrease, 35,508. Parcels, luggage, &c., decreased £13,621. Cattle increased 5,475, and sheep 14,911. Timber decreased 21,118 tons, and all other goods 93,855 tons.

*Middle District.*—Revenue, £418,578; decrease, £80,381. Passengers decreased 53,162, and season tickets 141. Parcels, luggage, &c., decreased £1,347. Cattle increased 2,454, and sheep 31,760. Timber decreased 43,541 tons, and all other goods 20,018 tons.

*Western District.*—Revenue, £448,245; decrease, £13,162. Passengers decreased 51,156, and season tickets 24. Parcels and luggage decreased £998. Cattle increased 30,273, and sheep 12,106. Timber increased 802 tons, and all other goods increased 1,135 tons.

*Southern District.*—Revenue, £1,201,596; decrease, £99,170. Passengers decreased 275,902, and season tickets 17,054. Parcels and luggage decrease, £2,443. Cattle increased 17,802, and sheep decreased 56,337. Timber decreased 2,952 tons, but all other goods decreased 61,619 tons.

*Picton.*—Revenue, £34,292; decrease, £4,448. Passengers decreased 14,235, and season tickets 47. Cattle decreased 355, and sheep 682. Timber increased 612 tons, and all other goods decreased 9,644 tons.

*Nelson.*—Revenue, £20,423; decrease, £5,960. Passengers decreased 16,982, and season tickets 74. Cattle decreased 537, and sheep 865. Timber decreased 531 tons, and all other goods 988 tons.

*Westport.*—Revenue, £115,726; decrease, £22,326. Passengers increased 3,140, and season tickets decreased 49. Parcels, luggage, &c., increased £211. Cattle increased 28, and sheep decreased 474. Timber decreased 821 tons, and all other goods decreased 116,295 tons.