Wellington - Wairarapa - Palmerston North.

The revenue for the year ended 31st March, 1939, was £20,344, as compared with £19,914 for last year, an increase of £430. Expenditure totalled £22,407, an increase of £2,636, due mainly to increased provision for depreciation. The saving in direct cost of steam-train miles replaced during the year (43,680 at 4s. 5·4d. per mile) amounted to £9,719, and the net gain from the operation of rail cars on this route was £7,656.

The rail-car mileage run in this area (247,755 miles) indicates the substantial improvement in the passenger-transport facilities arising from the operation of these units.

Wellington - New Plymouth.

Standard rail-car services between Wellington and New Plymouth were inaugurated on 16th April, 1939, the time-table providing for a service leaving Wellington at 5.13 p.m. on Mondays, Wednesdays, and Fridays, and from New Plymouth at 3.40 p.m. on Sundays, Tuesdays, and Thursdays. Since the new service commenced it has been well supported by the travelling public.

SICK BENEFIT FUND.

The result of the year's operations of the New Zealand Government Railways Employees' Sick Benefit Fund was a deficit of £1,725, compared with a surplus of £6,433 last year.

The receipts and sick-benefit payments were as under:—

		1939.	1938.	Variation.	
		£	£	£	Per Cent.
Receipts	 	 36,778	33,523	+3,255	$9 \cdot 71$
Payments	 • •	 38,503	27,090	+11,413	$42 \cdot 13$
		£1,725*	$\pm 6,433\dagger$	-£8,158	${126 \cdot 81}$
		Deficit. †	Surplus.		

Receipts include £8,000 annual subsidy from the Working Railways Account.

The total membership on 31st March, 1939, was 16,954, compared with 15,294 in 1938, an increase of 1,660, due to an increase in the number of staff employed. The accumulated funds now stand at £45,696. The payments for the year increased by 42·13 per cent., due mainly to the excessive amount of sickness caused by epidemics of measles and influenza.

SUGGESTIONS AND INVENTIONS COMMITTEE.

During the year a total of 471 suggestions and inventions were dealt with by the Suggestions and Inventions Committee, compared with 483 during the previous year. Sixty-six suggestions and inventions were recommended for adoption in whole or part; eighty-four were referred to heads of branches, were already in operation, or related to matters of policy; 287 were not recommended for adoption; while 34 were under trial or investigation at the end of the financial year.

The suggestions recommended for adoption included sixteen in connection with rolling-stock, eleven connected with workshop practice, one connected with way and works, two connected with signal and telegraph work, eighteen in connection with traffic working, eight connected with commercial and advertising activities, and ten others connected with railway working generally.

STORES BRANCH.

An analysis of the amount expended in connection with the purchase of stores during the year is as under:—

	£	s.	d.
	1,264,027	4	8
	179,843	4	1
Through High Commissioner in London	1,820,637	14	1
Material manufactured in railway workshops	400,210	5	10
	737,459	17	4
Manufactured and used material received from other branches, &c	. 68,777	4	4
Timber from railway sawmill and stores used	49,129	18	2
	64 590 095		
	£4,520,085	0	0

The net increase in the year's expenditure compared with the previous year was £1,248,938 2s. 11d., the principal increases, omitting shillings and pence, being: To merchants, manufacturers, and others in New Zealand, £358,333; through Trade Commissioner in Australia, £86,989; through High Commissioner in London, £859,424. There were decreases under the following heads: Payments for coal and coke, £24,205: material manufactured in railway workshops, £4,873; manufactured and used material received from other branches, £16,414; timber from railway sawmill and stores used, £10,315.

The increases enumerated above are chiefly due to the purchase of materials for building

The increases enumerated above are chiefly due to the purchase of materials for building programmes and extra stocks of native and imported timber.